

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT
CORPORATION**

**\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

**\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011B**

RECORD OF PROCEEDINGS

CLOSING: June 16, 2011

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DEVELOPMENT CORPORATION**

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(BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION PROJECT), SERIES 2011A**

**\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION PROJECT), SERIES 2011B**

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GROUND LEASE

THIS GROUND LEASE (*the "Lease"*), made and entered as of the 1st day of July, 2009, by and between **STATE UNIVERSITY OF NEW YORK**, a corporation established by the New York Education Law, with an office and place of business at State University Plaza, Albany, New York 12246 (*hereinafter referred to as "Landlord"*) for and on behalf of Buffalo State College (*hereinafter referred to as the "College"*) and **BUFFALO STATE ALUMNI ASSOCIATION, INC.**, a corporation organized under the New York Not-for-Profit Corporation Law, with an office and place of business at 1300 Elmwood Avenue, Cleveland Hall, Room 305, Buffalo, New York 14222 (*hereinafter referred to as "Tenant"*);

WITNESSETH:

WHEREAS, Section 355 of the New York State Education Law (*the "Enabling Act"*) authorizes and empowers the trustees of the Landlord to, among other things, lease to alumni associations of institutions of the State University of New York portions of the grounds occupied by such institutions for the erection thereon of dormitories to be used by students in attendance at such universities; and

WHEREAS, pursuant to a restated Certificate of Incorporation filed in the New York Secretary of State's Office on April 15, 2009, Tenant was formed under the New York Not-For-Profit Corporation Law to, among other things, enter into arrangements with the Landlord, the College, the Buffalo State College Foundation, Inc. and/or affiliates thereof for the construction of student housing pursuant to and in accordance with Section 355 of the New York Education Law; and

WHEREAS, in furtherance of the powers afforded to the trustees of the Landlord pursuant to the Enabling Act, the trustees have agreed to lease to Tenant, a parcel of land in the City of Buffalo, New York, on the grounds of the College (*the "Campus"*), the particular parcel to be leased being described more fully in **Schedule "A"** attached hereto and made a part hereof and the print of survey marked **Schedule "B"** attached hereto and made a part hereof and commonly referred to as the Buffalo State Student Housing Project (*the "Demised Premises"*), to be used for the development and operation of a suite style student housing complex comprised of one building with four, five and seven story wings containing approximately 507 beds in aggregate, which would serve the needs of the students of the College (*"the Project"*); and

WHEREAS, as a function of its mission related to providing support to various activities and initiatives of the College, Tenant wishes to provide assistance by causing the Project to be constructed and operated.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, the parties hereby covenant, promise and agree as follows:

1. DESCRIPTION OF PREMISES. Landlord does hereby lease to Tenant, and Tenant does hereby take and hire from Landlord, the Demised Premises.

TOGETHER WITH and including the right to use in common with the students, faculty, and administration and visitors at, of or to the Campus all of the estate, right, title and interest of the Landlord in and to any and all surrounding or adjoining streets, roads, highways, alleys, driveways, sidewalks, easements, rights-of-way and appurtenances, which shall give vehicular or pedestrian access to other areas of the Campus, and to and from Elmwood Avenue, Grant Street, Letchworth Street and Reese Street. Access across or through the Campus shall be subject to the reasonable regulations of the Landlord in respect of deliveries and other truck or heavy traffic, including construction vehicles.

RESERVING to Landlord the right to place, maintain, repair and replace any utility lines and related appurtenances under and above the unimproved portions of the Demised Premises as provided in **Section 5** of this Lease.

FURTHER RESERVING to Landlord the mineral, gas and petroleum rights situated beneath the surface of the Demised Premises; provided that, such mineral, gas and petroleum rights shall only be taken from beneath the surface of the Demised Premises by access from lands other than the Demised Premises and that any such use shall not create any failure of support, subsidence, noise, vibrations, dangerous conditions, noxious odor, smoke or any other subsidence or condition which would interfere with the full use and enjoyment of the Demised Premises by Tenant. Such taking shall not in any event be commenced without at least twenty (20) days' prior notice to Tenant. No equipment necessary for the extraction of minerals, gas and petroleum and no meters or other tabulating equipment related thereto may be placed upon the Demised Premises without prior written consent of Tenant, which consent shall not be unreasonably withheld, provided such equipment does not interfere with the construction or operation of the Project.

2. CONSTRUCTION AND MAINTENANCE.

2.1 Subject to the terms and conditions hereinafter set forth, Tenant shall cause its subtenant to construct, operate and maintain the Project thereon for purposes consistent with the Enabling Act and with the mission and programs of Landlord. Consistent with the provisions of the Enabling Act and with the mission and programs of Landlord, the Demised Premises shall be used by Tenant and its subtenants exclusively for the purposes of the development, construction and operation of the Project.

2.2 Tenant will cause its subtenant to submit the plans and specifications for the Project to the Landlord acting for and on behalf of the College for review and approval, such approval not to be unreasonably withheld, conditioned or delayed. To the extent the Landlord acting for and on behalf of the College does not approve or reject in writing any such proposed plans or specifications within fifteen (15) business days after the submission thereof by Tenant or its subtenant, as the case may be, such approval shall be deemed given, and Tenant may direct its subtenant to proceed accordingly.

2.3 Landlord agrees to cooperate with Tenant and its subtenant, at the expense of Tenant or Tenant's subtenant, as the case may be, in obtaining all permits, licenses and other

governmental approvals (*collectively "Permits"*) required for construction and operation of the Project.

2.4 The parties intend that the Tenant will cause its subtenant to (a) commence construction of the Project on or before September 1, 2009, and (b) complete construction of the Project sufficient for the occupancy thereof on or about January 1, 2011 and in any event no later than August 1, 2011.

2.5 Subject to the review and approval of the Landlord acting for and on behalf of the College, such approval not to be unreasonably withheld, conditioned or delayed, Tenant and its subtenant shall have the right from time to time, and at any time, to alter, add to and change any buildings, other structures, fixtures or improvements hereafter constructed upon the Demised Premises (*collectively "Improvements"*), including, without limitation, the construction, removal and demolition of Improvements; provided that, any material new alteration, addition or change be for the exclusive purpose of student housing.

2.6 Throughout the Term (*as hereinafter defined*), and during any period of construction, alteration or rehabilitation, Tenant shall cause its subtenant, at such subtenant's sole cost and expense, to comply with the New York State Building Code and with the Life Safety Code of the National Fire Protection Association, to the extent applicable. Except to the extent set forth in **Section 32**, nothing contained in this Lease shall be deemed to subject Tenant or its subtenant to the jurisdiction of any municipal government, or any other body exercising similar functions.

2.7 During any period of construction with respect to the Project, Tenant shall cause its subtenant to furnish and maintain in full force and effect a performance bond in form and substance and issued by a surety reasonably satisfactory to the Landlord. Such bond shall be in favor of the Landlord, the Tenant and such subtenant and shall conform in all respects to all requirements imposed by applicable law.

3. TERM.

3.1 The term of the Lease shall commence on September 1, 2009 (*the "Commencement Date"*) and shall run for forty-one (41) years and ten (10) months terminating at 11:59 p.m. on June 30, 2051 (*the "Term"*). The Term shall be renewed and extended for an additional period of eight (8) years running until June 30, 2059 unless not later than three hundred sixty-five (365) days prior to the end of the original Term, Landlord notifies Tenant of its election not to renew and extend the Term for such additional period. Upon the expiration or termination of the Lease, the Demised Premises and the Improvements then in existence shall revert to Landlord.

4. RENT.

4.1 Tenant shall cause its subtenant to pay to Landlord as "base rent" for the Demised Premises, annually within ninety (90) days following each anniversary of the

Commencement Date during the Term, the sum of one dollar (\$1.00) per annum (*hereinafter* "Base Rent").

4.2 The parties disclaim any intention to create a joint venture or partnership relationship between Landlord and Tenant, it being agreed that the provision for the payment of Base Rent by Tenant is a reservation of rent to Landlord for Tenant's use and occupation of the Demised Premises.

5. EASEMENTS, UTILITIES, TAXES, ASSESSMENTS AND PAYMENT IN LIEU OF TAXES.

5.1 Landlord hereby reserves the right to place, maintain, repair and replace such utility lines, pipes, ducts, conduits and wires (*collectively the "Facilities"*) under and above the unimproved portions of the Demised Premises as may be reasonably necessary for the operations of the College.

5.2 Tenant will pay, or cause to be paid, all charges for electricity, gas, heat, water, telephone and other utility services used by Tenant upon the Demised Premises and apportionable to the Term.

5.3 Under applicable law as of the date of this Lease, the Demised Premises, by virtue of the Landlord's ownership thereof, are exempt from all general levy ad valorem real estate taxes and assessments. To the extent any such taxes or assessments are imposed on or with respect to the Demised Premises by virtue of the Project, or if Tenant or Tenant's subtenant shall enter into any agreement for payments in lieu of any such taxes or assessments, Tenant shall pay, or cause its subtenant to pay, all such taxes, assessments or payments in lieu thereof. In addition, all special district charges and special assessments attributable to the Project shall be paid by Tenant or its subtenant. Under no circumstances shall Landlord be required to pay any such taxes, assessments, payments in lieu thereof or charges, it being agreed that as between Landlord and Tenant all such taxes, assessments, payments in lieu thereof or charges shall be the obligation of Tenant hereunder.

5.4 Tenant and, if applicable, Tenant's subtenant shall have the right to review or protest or cause to be reviewed or protested, by legal proceedings, any taxes, assessments, payments in lieu of such taxes or assessments or other similar charges imposed upon or against the Demised Premises or Improvements. In case any such payments shall, as a result of such proceedings or otherwise, be reduced, canceled, set aside, or to any extent discharged, Tenant shall pay, or cause to be paid, the amount that shall be finally imposed against the Demised Premises or Improvements, as finally determined to be due and payable on any such disputed or contested items. All expenses of such litigation, including court costs, shall be paid by Tenant or its subtenant and shall be free of all expense to Landlord. If, as a result of any legal proceedings pursuant to the provisions of this **Section 5.4**, there is any reduction, cancellation, setting aside or discharge of any such payment, the refund therefor shall be payable to Tenant or Tenant's subtenant, and if such refund is made to Landlord, then Landlord shall hold such refund as a trust fund and shall immediately pay over the same to Tenant or, if directed by Tenant, to Tenant's subtenant. The term "legal proceeding", as used herein, shall be construed as including appropriate appeals from any judgments, decrees or orders

and certiorari proceedings and appeals from others therein. Landlord agrees at Tenant's expense to cooperate in any such proceedings, in any way reasonably requested.

5.5 Tenant's obligation to pay or cause to be paid all taxes, assessments, charges or payments in lieu thereof, shall apply only to real property taxes, assessments and charges, or installments thereof, or payments in lieu thereof, which are apportionable to the Term. Tenant shall have the right to exercise the benefit of any provision of any statute or ordinance permitting any such taxes, assessments, charges or payments in lieu thereof to be paid in installments over a period of time. Tenant shall indemnify and save and hold harmless Landlord from and against all taxes and assessments, and all payments in lieu thereof, which are apportionable to the Term if the same are assessed against the Demised Premises or the Improvements by reason of the activities of the Tenant or Tenant's subtenant.

6. OPERATION AND MANAGEMENT OF FACILITIES.

6.1 Tenant will cause its subtenant to enter into a facility management agreement with the Landlord (*the "Facility Management Agreement"*), satisfactory to the Landlord, appointing the Landlord as the manager of the Project (*the "Manager"*). The Facility Management Agreement shall provide for the operation of the Project, without cost or expense to Landlord, in conformity with all applicable laws and with the rules, regulations and policies of Landlord applicable to all student housing facilities on the Campus.

7. FIRE INSURANCE AND FIRE DAMAGE.

7.1 Tenant shall, during the Term, cause its subtenant to keep the Improvements insured against loss by fire and extended coverage perils, with insurance companies authorized to do business in the State of New York, naming the State of New York and Landlord as joint loss payees, in an amount not less than the full replacement cost (excluding excavation, foundation and footing costs and costs of underground tanks, conduits, pipes, pilings and other similar underground items) of the Improvements. Tenant shall cause its subtenant to pay, when due, all premiums thereon, but shall not at any time be required to pay premiums more than one (1) year in advance. Certificates evidencing such policies of insurance (non-cancelable, except upon thirty (30) days' notice to Landlord, the State of New York and Tenant) and renewals thereof from time to time will be deposited with Landlord, the State of New York and Tenant with reasonable promptness. From time to time during the Term, but not more frequently than once in every period of twenty-four (24) months, upon the request of Landlord, Tenant shall cause its subtenant to undertake a redetermination of the insurable value of the Improvements at such subtenant's expense by its insurer or another qualified party reasonably acceptable to Landlord.

7.2 Tenant agrees that neither Landlord nor the State of New York shall be liable to Tenant or to any insurance company insuring Tenant for damage which was or could have been insured pursuant to **Section 7.1** hereof.

7.3 Subject to the provisions of **Section 17.2.15**, if the Improvements shall be damaged or totally destroyed by fire or by extended coverage perils, they shall be repaired or restored

according to the provisions contained in **Section 7.4** hereof at the cost and expense of Tenant or its subtenant. Neither Landlord nor the State of New York shall be required to contribute in any way toward such repair, and the Improvements involved shall be repaired to a condition which is comparable as nearly as possible to their condition just prior to the damage, subject to applicable law at the time.

7.4 Subject to the provisions of **Section 17.2.15**, in the event of a partial or total destruction of the Improvements by fire or extended coverage perils, Tenant shall cause its subtenant to repair, restore or reconstruct the affected Improvements, within three hundred and sixty (360) days after the receipt by such subtenant of fire insurance proceeds, subject to Force Majeure (*as hereinafter defined*), or within a reasonable additional extension which may be required, to a condition comparable to their condition at the time of such destruction, subject to applicable law at the time. Landlord and the State of New York shall promptly endorse any checks payable to either or both of them in connection with such proceeds and shall deliver the same to each Subleasehold Mortgagee (*as hereinafter defined*) to the extent of their outstanding mortgage balance, and any remainder thereof shall be payable to Tenant (or if directed by Tenant to its subtenant) or the Insurance Trustee (*as hereinafter defined*) as follows:

(a) to Tenant (or, if applicable, its subtenant) to the extent of proceeds not exceeding \$100,000, which proceeds shall be received by Tenant (or, if applicable, its subtenant) in trust to pay the costs of restoration.

(b) the entire proceeds, in the event the proceeds exceed \$100,000, to the Insurance Trustee and distributed upon the terms and conditions set forth in **Section 7.5**. The term "*Insurance Trustee*" shall mean the most senior Subleasehold Mortgagee which shall require under the terms of its mortgage that it act as Insurance Trustee or, in the event no mortgagee so selected, a bank or trust company selected by Tenant with its principal office in the State of New York and having capital of not less than \$200,000,000.

7.5 Subject to the provisions of **Section 17.2.15**, upon receipt by the Insurance Trustee of:

7.5.1 A certificate of Tenant or its subtenant (a "*Repair Certificate*") dated not more than 20 days prior to the date of such receipt (i) requesting the payment of a specified amount of such insurance monies; (ii) describing in reasonable detail the work and materials applied to the restoration or replacement of the damages or destroyed Improvements since the date of the last Repair Certificate; (iii) stating that such specified amount does not exceed the cost of such work and materials; and (iv) stating that such work and materials have not previously been made the basis of any request for or any withdrawal of money; and

7.5.2 A certificate of an independent engineer or an independent architect designated by Tenant or its subtenant, who in either case shall be duly licensed and shall be approved by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed) stating (i) that the work and materials described in the accompanying Repair Certificate

were satisfactorily performed and furnished and were necessary, appropriate or desirable to the restoration or replacement of the damaged or destroyed Improvements, in accordance with the plans and specifications therefor, (ii) that the amount specified in such Repair Certificate is not in excess of the cost of such work and materials; and (iii) the estimated additional amount, if any, required to complete the restoration or replacement of the damage or destroyed Improvements; and

7.5.3 A written opinion of counsel, who may be counsel for Tenant or its subtenant reasonably satisfactory to Landlord, dated not earlier than the date of the accompanying Repair Certificate or, at the option of Tenant, a certification of or updated title insurance policy from a title insurance company reasonably acceptable to Landlord, to the effect that, as of the date thereof, neither the Project nor any portion thereof is subject to any filed or recorded mechanic's, laborer's, materialmen's or other similar lien, encumbrance or charge which has not been bonded (except for those which will immediately be discharged by application of the amount requested in the Repair Certificate then pending and for permitted encumbrances); then

The Insurance Trustee shall pay to Tenant (or, if directed by Tenant, to its subtenant) the amount of such insurance monies specified in the Repair Certificate; provided, however, that the balance of insurance monies deposited with the Insurance Trustee shall not be reduced below the amount specified in such certificate of the independent engineer or the independent architect as the amount required to complete the restoration or replacement of the damaged or destroyed Improvements. Each such payment shall be held by the recipient in trust and shall be used solely for the payment of the costs described in the Repair Certificate (or to reimburse Tenant or, if applicable, its subtenant for any portion of such costs which Tenant or its subtenant, as the case may be, has advanced from its own funds). If there shall remain on deposit with the Insurance Trustee any balance of insurance monies after any damaged or destroyed portions of the Improvements shall have been completely restored or replaced, as evidenced by a certificate of such independent engineer or independent architect delivered to the Insurance Trustee, such balance of insurance monies shall be paid to Tenant (or, if directed by Tenant, to its subtenant), provided no Event of Default (*as hereinafter defined*) shall then exist hereunder. Concurrently with the delivery to the Insurance Trustee of each of the foregoing certificates and/or legal opinions, Tenant shall cause its subtenant to deliver duplicate copies thereof to Landlord and the State of New York. Notwithstanding anything to the contrary set forth in this **Section 7.5**, the Insurance Trustee shall make no further payment of insurance proceeds to Tenant or, if applicable, its subtenant following receipt of a notice from Landlord that an Event of Default exists under this Lease until and unless instructed by Landlord that such Event of Default has been cured. Landlord and the State of New York shall promptly endorse any checks payable to the order of Landlord or the State of New York, as the case may be, in connection with such insurance proceeds and shall deliver the same to Tenant, its subtenant or the Insurance Trustee, as the case may be.

8. USE OF PREMISES. The Demised Premises shall be used for the exclusive purpose of the development, construction, and operation of the Project.

9. LIABILITY INSURANCE.

9.1 Tenant shall, during the Term, cause its subtenant to maintain a general liability policy or policies (non-cancelable except upon thirty (30) days' notice to Landlord and Tenant) with a company or companies authorized to do business in the State of New York, insuring such subtenant and naming Tenant, Landlord and the State of New York as additional insureds, affording protection to the limit of \$15,000,000 in the event of death or injury in any one occurrence and to the limit of \$1,000,000 in the event of damage to any property, provided however, that if such subtenant shall at any time maintain higher insurance limits for the benefit of Tenant, Tenant shall cause its subtenant to include Landlord and the State of New York as additional insureds. Policies subject to \$100,000 deductible shall be deemed satisfactory. Such limits shall be reviewed at reasonable intervals (but not more frequently than once every twenty-four (24) months) and adjusted to conform to limits maintained for similar types of properties. Tenant shall cause its subtenant to pay all premiums for said policies. Upon failure at any time on the part of such subtenant to pay the premiums for the insurance required by this Lease, Landlord shall upon written notice to Tenant, be at liberty from time to time, as often as such failure shall occur, to pay the premiums therefor, and any and all sums so paid by Landlord shall be and become and are hereby declared to be additional rent under this Lease in addition to all other rentals due and payable on the next rent day. Any failure to pay the same shall within ten (10) days after written demand, at the option of Landlord, constitute a default hereunder. In the event liability insurance is no longer generally available or is no longer available in the required amounts, Tenant and Landlord shall confer to obtain the best coverage for Landlord and Tenant reasonably available and Tenant shall not be deemed in default under this Section if it provides only such coverage.

9.2 Notwithstanding the foregoing, Landlord and Tenant acknowledge and agree that the foregoing liability insurance may be effected under blanket or umbrella liability insurance policies insuring other properties of Tenant's subtenant in addition to the Demised Premises.

9.3 Without limiting any other provisions of this Section 9, if any insurance additional to that required of Tenant hereunder is carried by a subtenant for the benefit of such subtenant, then Tenant, Landlord and the State of New York shall be named as additional insureds, as their interests may appear, and duplicates or certificates of such policies shall also be delivered to Landlord and the State of New York.

10. EMINENT DOMAIN.

10.1 If at any time during the Term, title to the whole or materially all of the Demised Premises shall be taken by the exercise by any governmental or quasi-governmental authority (other than Landlord) of any right of condemnation or eminent domain or, in lieu or anticipation thereof, by agreement between Landlord and those authorized to exercise such right, Tenant, at its option may cancel this Lease by notice to Landlord and Tenant's liability to pay Base Rent and additional rent or otherwise to perform the terms and conditions of this Lease shall cease, and the aggregate of awards collected, after the payment of fees and expenses incurred in the establishment and collection of such awards, shall be paid and applied in the following order of priority:

10.1.1 To payment to Landlord of the value of the land so taken (as unimproved land without any value for the Improvements constructed by Tenant), subject to this Lease and subject to the limitation on use of the land for the Project's purposes;

10.1.2 To payment to any Subleasehold Mortgagees to the extent of their outstanding mortgages, otherwise to the Tenant or its subtenant of the remaining award.

10.2 For purposes of this **Section 10**, "materially all of the Demised Premises" shall be deemed to have been taken if more than twenty-five percent (25%) of net leasable space of the Improvements shall be so taken or if Tenant or Tenant's subtenant shall notify Landlord that Tenant has determined in good faith that the remaining leasable area of the Improvements is not sufficient to make the continued operation of the Improvements economically viable.

10.3 Subject to the provisions of any Leasehold Mortgage, if at any time during the Term, title to less than materially all of the Demised Premises shall be taken as aforesaid, this Lease shall continue in full force and effect and all of the award or awards or other proceeds shall be paid over to Tenant, or, at Tenant's request, to its subtenant, provided the amount of the award does not exceed \$100,000, or, if it does exceed \$100,000, then to the Insurance Trustee, for release during restoration in the same manner as the proceeds of casualty insurance are to be released for repair and rebuilding under the provisions of **Section 7.5**. Landlord shall promptly endorse any checks payable to the order of Landlord in connection with such awards and shall deliver the same to each Subleasehold Mortgagee to the extent of their outstanding mortgage balances, and any remaining award or awards attributable to the loss of Improvements shall be paid to Tenant, its subtenant or the Insurance Trustee, as the case may be, in the manner provided for in **Section 7.5** and the balance of the award attributable to the value of the land shall be paid to Landlord. Any balance remaining shall be divided fifty percent (50%) to Landlord and fifty percent (50%) to Tenant or, at Tenant's request, to its subtenant.

11. DEFAULT.

11.1 An "*Event of Default*" shall be deemed to have occurred if (a) Tenant shall be adjudicated bankrupt or makes a general assignment for the benefit of creditors or takes the benefit of any insolvency act, or if a permanent receiver or trustee or custodian be appointed for Tenant's property, and such proceeding shall not be dismissed or stayed or such receivership or trusteeship or custodianship vacated or stayed within one hundred twenty (120) days after such institution or appointment, or (b) Tenant shall default in fulfilling any of the material covenants or agreements of this Lease including, but not limited to, failing to cause the Project to be constructed, developed and operated in accordance with the terms, conditions and limitations of this Lease, which material default shall remain outstanding for thirty (30) days after notice from Landlord specifying the default (provided that, if such default cannot with reasonable diligence be cured within such thirty (30) day period, then Tenant's time to cure shall be extended as long as Tenant commences to cure within such thirty (30) day period and continues to cure with due diligence). Upon the occurrence of an Event of Default, Landlord may give to Tenant a sixty-day (60) day notice of Landlord's intention to terminate this Lease ("*Termination Notice*") and thereupon at the expiration of said sixty (60) days, except as provided in **Section 17**, if such Event of Default shall still exist or, in the case of Event of

Default under subdivision (b) of the preceding sentence, if Tenant shall not have commenced to cure within the period specified and continued with due diligence, this Lease shall expire as fully and completely as if that day were the date herein definitely fixed for the expiration of the Term and Tenant will then quit and surrender the Demised Premises to Landlord, but Tenant shall remain liable as hereinafter provided, subject to the provisions of **Section 22**. Upon the occurrence of an Event of Default and the successful recovery of the Demised Premises by summary proceedings or otherwise, the Demised Premises shall revert to Landlord.

11.2 Notwithstanding the foregoing, Landlord and Tenant agree that no Event of Default shall be deemed to occur under Section 11.1(b) if the reason for such default by Tenant is the failure by Landlord to perform any obligation as the manager under the Facility Management Agreement after written notice from Tenant's subtenant as owner under the Facility Management Agreement.

12. CERTAIN REMEDIES OF LANDLORD. If Tenant shall default in the payment of the rent reserved hereunder or in making any other payment herein provided for under this Lease, and the first notice and Termination Notice provided for in **Article 11** shall have been given to Tenant and any Subleasehold Mortgagees and the grace periods shall have elapsed (said periods to be increased by the number of days between the time Landlord notifies Tenant and the time Landlord notifies the Subleasehold Mortgagees), Landlord may immediately, or at any time thereafter, subject to the limitations in **Section 17** of this Lease, terminate this Lease, reenter the Demised Premises and remove all persons and all or any property therefrom, either by summary dispossession proceedings or by any other suitable action or proceeding at law, without being liable to indictment, prosecution or damages therefor, and repossess and enjoy the Demised Premises, and the Improvements. Upon such termination, the Demised Premises shall revert to the Landlord.

13. OTHER REMEDIES OF LANDLORD. In addition to the legal remedies of Landlord herein referred to, Landlord shall have all other legal and equitable remedies for the enforcement of the provisions of this Lease which the law affords, including, without limitation, the right upon reasonable advance notice to Tenant and the Subleasehold Mortgagees to enter the Demised Premises and cure any default by Tenant, at Tenant's expense, subject, however, to the rights of the Subleasehold Mortgagees and others provided for in **Section 17**, which shall have priority.

14. MECHANIC'S LIEN. If any mechanic's lien or other lien or orders for the payment of money shall be filed against the Demised Premises or any part thereof by reason of or arising out of any labor or material furnished or alleged to have been furnished or to be furnished to or for the account of Tenant or any subtenant or operator at the Demised Premises or for or by reason of any change, alteration or addition or the cost or expense thereof, or any contract relating thereto, or against Landlord as owner thereof, Tenant shall, within forty-five (45) days after written notice from Landlord, cause its subtenant to either pay or bond the same or procure the discharge thereof in such manner as may be provided by law. Tenant shall also cause its subtenant to defend on behalf of Landlord and the State of New York, at such subtenant's sole cost and expense, any action, suit or proceeding which may be brought thereon or for the enforcement of such lien or orders. Tenant shall cause its subtenant to pay any damage or discharge any judgment entered therein and save harmless

Landlord and the State of New York from any claim or damage resulting therefrom. Landlord shall also have the right to bond the lien itself at Tenant's expense after reasonable notice to Tenant.

15. TITLE TO BUILDINGS, OTHER STRUCTURES AND IMPROVEMENTS. It is agreed by and between Landlord and Tenant that while this Lease is in effect, all Improvements erected upon the Demised Premises shall remain the property of Tenant or its subtenant, as the case may be, but upon termination of this Lease, by passage of time or for any reason (other than condemnation as provided in **Section 10** hereof) all such Improvements shall become the absolute property of Landlord without payment by Landlord except that, if Landlord grants a new lease to a Subleasehold Mortgagee, or its designee pursuant to the provisions of **Section 17** of this Lease then, at the option of such lessee, title shall remain in the lessee while the new lease is in effect.

16. EXTENSIONS OF TIME; FORCE MAJEURE. The period of time given to Tenant or any Subleasehold Mortgagee to perform any act or obligation of Tenant required hereunder shall be extended by delays occasioned by fires, strikes, embargoes, material shortages, governmental restrictions or other causes beyond the reasonable control of Tenant (*such events being herein collectively called "Force Majeure"*).

17. RIGHTS OF TENANT'S SUBTENANT TO MORTGAGE SUCH SUBTENANT'S INTEREST IN THE DEMISED PREMISES AND RIGHTS OF SUBLEASEHOLD MORTGAGEE THEREUNDER.

17.1 Tenant's subtenant shall have the right, with the prior written consent of Landlord (which consent shall not be unreasonably withheld, conditioned or delayed), to mortgage such subtenant's interest under its sublease or in the Demised Premises (*such mortgage being hereinafter referred to as a "Subleasehold Mortgage"*) to any institutional lender, any municipal bond insurer, any corporate trustee representing the holders of any bonds issued with respect to the Project (*collectively "Bondholders"*) or any Bondholders authorized to hold subleasehold mortgages in the State of New York (*each such party being hereinafter referred to as a "Subleasehold Mortgagee"*), subject, however, to the terms and conditions of this **Article 17**. The terms of any Subleasehold Mortgage shall be subject to the approval of Landlord, such approval not to be unreasonably withheld, conditioned or delayed.

17.2 If at any time any such subtenant shall grant a Subleasehold Mortgage and the Subleasehold Mortgagee shall forward to Landlord a duplicate original of said mortgage in proper form for recording, or a copy of said mortgage certified as a true copy by the Office of the Clerk of Erie County, together with a written notice setting forth the name and address of said Subleasehold Mortgagee, then, until the time that such Subleasehold Mortgage shall be satisfied of record, the following provisions of this **Section 17.2** apply:

17.2.1 When giving notice to Tenant or its subtenant with respect to any notice required or desired under the provisions of this Lease or of termination of this Lease, Landlord will also serve a copy of such notice upon each Subleasehold Mortgagee. No such notice shall be deemed to have been effectively given unless a copy of such notice has been so given to each

Subleasehold Mortgagee and, if a notice of default, unless such notice shall specify the nature of each such default.

17.2.2 Each Subleasehold Mortgagee, upon receipt of the notice referred to in Section 17.2.1 shall have, in addition to any period of grace extended to Tenant or its subtenant under the terms and conditions of this Lease, an additional period of thirty (30) days for remedying the default or causing the same to be remedied or commencing the remedying of any such default with diligence and continuity provided it shall continue thereafter to remedy the same with due diligence.

17.2.3 Upon the happening of any default and receipt of notice thereof from Landlord, Tenant will notify each Subleasehold Mortgagee promptly of such happening and shall state in said notice what action has been or will be taken by Tenant to remedy such default.

17.2.4 In case Tenant shall default under any of the provisions of this Lease, each Subleasehold Mortgagee shall have the right, at its election, to remedy such default whether the same consists of the failure to pay rent or the failure to perform any other matter or thing which Tenant is hereby required to do or perform. Landlord shall accept such performance on the part of each such Subleasehold Mortgagee as though the same had been done or performed by Tenant.

17.2.5 Each Subleasehold Mortgage shall be specifically subject and subordinate to Landlord's and Tenant's rights under the Lease, except as the exercise of such rights may be limited by this Section. The sentence immediately preceding shall not be deemed or construed (by implication or otherwise) to impose or establish upon Tenant's interest in this Lease, upon such subtenant's subleasehold interest or upon the lien of any Subleasehold Mortgage the superiority of any lien or encumbrance (including, without limitation, the lien of any fee mortgage, leasehold mortgage, judgment or tax) created directly or indirectly by, through or against Landlord, Tenant or Landlord's or Tenant's interest in this Lease or the Demised Premises.

17.2.6 In the case of any Event of Default, Landlord will take no action to effect a termination of the Term by the service of a Termination Notice provided for in Section 11 hereof by reason of any such Event of Default without first giving to each Subleasehold Mortgagee reasonable time within which either (i) to obtain possession of the Demised Premises (including possession by a receiver) and cure such default (in the case of a default which is susceptible of being cured only when such Subleasehold Mortgagee has obtained possession); or (ii) to institute foreclosure proceedings and complete such foreclosure or otherwise acquire the interest of Tenant's subtenant under its sublease with diligence and continuity and thereafter to commence and diligently proceed to cure such default; provided, however, that the Subleasehold Mortgagee pays to Landlord, within sixty (60) days of receiving notice of such Event of Default, all Base Rent and additional rent known to such Subleasehold Mortgagee to be then due; but further provided that such Subleasehold Mortgagee shall not be required to continue such possession or continue such foreclosure proceedings if the default which would have been the reason for serving such a second notice shall be cured, and further provided, that nothing herein shall preclude Landlord from exercising any rights or remedies under this Lease with respect to any other default by Tenant during any period of such forbearance, subject again to the rights of each Subleasehold Mortgagee under this Section. If

any Subleasehold Mortgagee elects to remedy any Event of Default under this Section, it shall only be obligated to attempt to cure those Events of Default which are curable by a third party and all other Events of Default, such as bankruptcy of the Tenant, which cannot be cured shall be deemed suspended and shall, if such Subleasehold Mortgagee pays all unpaid rent and cures all other curable Events of Default as permitted in this Section, or acquires a new lease as hereinafter provided, be deemed of no effect, as if they had never occurred. Notwithstanding any other provision of this Lease, or any provision of any assignment of this Lease, of the sublease to Tenant's subtenant or of any sub-subletting of all or any portion of the Demised Premises (*any such sublease or sub-sublease being hereinafter referred to as a "Sublease"*), Landlord reserves the right to approve (such approval not to be unreasonably withheld, conditioned or delayed) any sublessee, or any party which succeeds to the interest of Tenant's subtenant in the Demised Premises by reason of a foreclosure, by reason of a cure of any Event of Default or by reason of any other means, to ensure that the Demised Premises are used for the exclusive purpose of developing, constructing and operating student housing.

17.2.7 In the event of termination of this Lease or of any succeeding lease made pursuant to the following provisions of this **Section 17.2.7** prior to its stated expiration date, and provided that a Subleasehold Mortgagee shall have paid or caused to be paid all Base Rent and additional rent known to such Subleasehold Mortgagee to be then due and owing and the new lessee agrees, subject to all terms and provisions of the Lease, to commence and diligently proceed to cure all other defaults which are capable of being cured by it, Landlord will enter into a new lease of the Demised Premises with such Subleasehold Mortgagee or, at the request of such Subleasehold Mortgagee, with its designee, or by or on behalf of the holder of the note secured by the Subleasehold Mortgage held by such Subleasehold Mortgagee, for the remainder of the Term, with the same priority as the terminated lease, effective as of the date of such termination, at the Base Rent and additional rent and upon the other covenants, agreements, terms, provisions and limitations herein contained, provided that such party makes written request and executes, acknowledges and delivers to Landlord such new lease within sixty (60) days from receiving notice of the date of such termination. In addition, immediately upon execution by Landlord of such new lease as provided in this **Section 17.2.7**, Landlord shall be deemed to have executed, acknowledged and delivered to the Subleasehold Mortgagee an assignment of all subleases covering the Demised Premises which theretofore may have been assigned and transferred to Landlord and all subleases under which subtenants shall be required to attorn to Landlord pursuant to the terms and conditions of such subleases or this Lease. Such assignment by Landlord shall be deemed to be without recourse as against Landlord. Within ten (10) days after a written request therefor by the Subleasehold Mortgagee, such assignment or assignments shall be reduced to a writing in recordable form and executed, acknowledged and delivered by Landlord to the Subleasehold Mortgagee.

17.2.8 If any Subleasehold Mortgagee or its designee or any purchaser at a foreclosure sale shall become the legal owner or holder of this Lease by foreclosure, by assignment of this Lease in lieu of foreclosure or otherwise, such Subleasehold Mortgagee, designee or purchaser, as the case may be, shall immediately become and remain liable under this Lease as provided in **Section 17.2.9** hereof.

17.2.9 In the event that any Subleasehold Mortgagee or its designee or any purchaser at a foreclosure sale shall become the owner or holder of this Lease by foreclosure, by assignment of this Lease in lieu of foreclosure or otherwise, the term "Tenant", as used in this Lease, means only the owner or holder of Tenant's interest for the time being so that, in the event of a sale, assignment or other disposition of Tenant's interest in this Lease by such party, such party shall be and hereby is entirely free and relieved of all covenants and obligations of Tenant hereunder except for obligations accrued to the date of assignment. It shall be deemed and construed, without further agreement between Landlord and any such party that said purchaser or assignee of Tenant's interest has assumed and agreed to carry out any and all covenants and obligations of Tenant hereunder accruing during the period of its ownership.

17.2.10 Within twenty (20) days after request therefor by Tenant or by any Subleasehold Mortgagee, an offset statement shall be required from Landlord, Landlord agrees to deliver in recordable form a certificate to any proposed Subleasehold Mortgagee, designee, purchaser, assignee, sublessee or to Tenant, certifying (if such be the case) (i) the amount of Base Rent due or accrued hereunder, if any, and the date to which said Base Rent has been paid; (ii) that this Lease is in full force and effect; (iii) that Landlord has no knowledge of any default under this Lease, or if any default exists, specifying the nature of the default; and (iv) that there are not defenses or offsets which may be asserted by Landlord against Tenant in respect of Landlord's obligations pursuant to this Lease.

17.2.11 So long as the interest of Tenant's subtenant in its sublease or the Demised Premises shall be mortgaged to a Subleasehold Mortgagee, the parties hereto jointly and severally agree for the benefit of such Subleasehold Mortgagee, that they shall not surrender or accept a surrender or voluntary termination of this Lease or any part thereof, nor shall they hereafter cancel, abridge, amend or otherwise modify this Lease or accept prepayments of Base Rent or additional rent to become due hereunder without the prior written consent of each such Subleasehold Mortgagee in each instance and that any attempt to do so shall be void and of no effect.

17.2.12 Reference in this Lease to acquisition of the interest of Tenant's subtenant in its sublease or the Demised Premises by any Subleasehold Mortgagee or its designee shall be deemed to refer, where circumstances require, to acquisition of such interest by any purchaser at a sale on foreclosure of the Subleasehold Mortgage or by assignment in lieu of foreclosure and provisions applicable to the Subleasehold Mortgagee or its designee in such instance or instances shall also be applicable to any such purchaser and successor owners.

17.2.13 So long as the interest of Tenant's subtenant in its sublease or the Demised Premises shall be mortgaged to a Subleasehold Mortgagee, the parties hereto jointly and severally agree for the benefit of such Subleasehold Mortgagee that (a) the Landlord shall not sell, encumber, pledge, grant or convey to Tenant all or any portion of Landlord's fee simple title to the Demised Premises without the prior written consent of such Subleasehold Mortgagee, which consent shall not be unreasonably withheld, conditioned or delayed or (b) the Tenant shall not sell, encumber, pledge, grant or convey to Landlord all or any portion of Tenant's leasehold interest in to the Demised Premises without the prior written consent of such Subleasehold Mortgagee, which consent shall not be unreasonably withheld, conditioned or delayed. In the event of any such sale,

encumbrance, pledge, grant or conveyance, Landlord and Tenant agree that no such sale, encumbrance, pledge, grant or conveyance shall create a merger of this Lease into the fee simple title to the Demised Premises. This **Section 17.2.13** shall not be construed to prevent a sale, encumbrance or pledge, grant or conveyance of Landlord's fee simple title by Landlord to any person, firm or corporation other than Tenant, its successors, legal representatives and assigns.

17.2.14 Reference in this Lease to a Subleasehold Mortgagee shall be deemed to refer, where circumstances require, to any assignee of a Subleasehold Mortgagee, provided that such assignee shall forward to Landlord a duplicate original of the assignment of said Subleasehold Mortgage, in form proper for recording or a copy of such assignment, certified as a true copy by the Office of the Clerk of Erie County, New York, together with a written notice setting forth the name and address of said assignee.

17.2.15 At any time when (i) there shall exist any uncured payment default under any notes or bonds secured by the Leasehold Mortgage; or (ii) the projected cost of restoration pursuant to **Section 7.4** exceeds the projected casualty insurance recovery (a "Shortfall") and Tenant or Tenant's subtenant is unable or unwilling to advance or escrow funds equal to the Shortfall with the Subleasehold Mortgagee, Landlord agrees that, in either such event, the provisions of the Subleasehold Mortgage and not the provisions of this Lease shall be controlling with respect to the disposition or application of casualty insurance proceeds unless and until Landlord, at its sole election, which may be exercised at its sole discretion shall, as the case may be, either (i) cure or cause to be cured the payment default or (ii) advance or escrow funds or cause funds to be advanced or escrowed with the Subleasehold Mortgagee equal to the Shortfall.

18. LANDLORD'S FEE SIMPLE TITLE NOT TO BE SUBORDINATED; TENANT'S LEASEHOLD TITLE NOT TO BE SUBORDINATED; NO FEE OR LEASEHOLD MORTGAGES. In the event that Tenant's subtenant shall mortgage its subleasehold interest in the Demised Premises or in its sublease, it is specifically understood and agreed that (a) Landlord shall not be required to subordinate or subject Landlord's interest in the fee simple title to the Demised Premises to any Subleasehold Mortgage contemplated by **Section 17** hereof and (b) Tenant shall not be required to subordinate or subject Tenant's leasehold interest in the Demised Premises to any Subleasehold Mortgage contemplated by **Section 17** hereof. It is further understood and agreed that during the Term (including the term of any new lease granted pursuant to **Section 17**) (a) Landlord will not place or permit to remain on the Demised Premises any mortgage on the fee simple of the Demised Premises or the rents or profits thereof and (b) Tenant will not place or permit to remain on its leasehold interest in the Demised Premises any mortgage on this Lease or the rents or profits thereof. Any such fee or leasehold mortgage shall be void and of no force and effect.

19. SUBLEASE.

19.1 Without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, Tenant shall not enter into any Sublease, or assign this Lease, or enter into any agreement for the management or operation all or any portion of the Project. Each such agreement shall in all cases contain provisions expressly making the sublease,

assignment, or management agreement subject to this Lease, and further providing that any sublease, and any assignment or management agreement shall not be amended and no modification or waiver of any of its provisions shall be valid unless in writing signed by the parties thereto and subject to the prior approval of Landlord, and further providing that the exclusive purpose of such agreement shall be for the development, construction or operation of the Project. Notwithstanding the foregoing, Tenant and any sublessee or sub-sublessee of Tenant shall have the right in conjunction with the Project without Landlord's consent to: (a) sublease all or any portion of the Project to Buffalo State College Foundation Housing Corporation ("*BSC FHC*"), (b) sub-sublease the Project to a public housing authority, industrial development agency or other qualified issuer of federally tax exempt bonds, (c) sub-sub-sublease all or any portion of the Project back to BSC FHC, and (d) sub-sub-sublet or otherwise make available for use individual units in the Project.

19.2 Neither Tenant, its subtenant nor any sublessee or assignee of Tenant or its subtenant shall sell, assign, sublease, or otherwise transfer or convey its entire leasehold or subleasehold interest or all or substantially all of the Demised Premises to any other party (other than on the foreclosure of a Subleasehold Mortgage or an assignment in lieu thereof), without the express written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed.

20. RECORDATION. Landlord and Tenant agree to execute a Memorandum of Lease in compliance with Section 291-c of the Real Property Law of the State of New York for the purpose of recording this Lease in the Erie County Clerk's Office.

21. EASEMENTS. Landlord covenants and agrees that it will execute any and all instruments that may be reasonably required of Landlord in connection with the granting of easements for installation of water, gas, electricity, cable television, data or telephone service to the Demised Premises or for any other purpose reasonable requested by Tenant or any Subleasehold Mortgagee in connection with the Project, without expense to Landlord, so long as this Lease or any new lease executed pursuant to **Section 17** is in effect.

22. RECOGNITION AND ATTORNMENT. Landlord agrees, upon request of Tenant, to execute and deliver to Tenant for delivery to any subtenant of all or part of the Demised Premises a recognition agreement stating, in effect, in recordable form and otherwise in form reasonably satisfactory to Tenant, that it will not terminate the sublease or evict the subtenant, and will recognize the subtenant's rights under the sublease as if Landlord were the original sublandlord thereunder, notwithstanding any default under and termination of this Lease, provided that there is no uncured event of default then existing under the sublease which entitles the sublandlord thereunder immediately to terminate the sublease and provided further that the sublessee has agreed in the sublease and, if requested, reconfirms in writing, at the time, its agreement to attorn to Landlord. Any such recognition agreement shall provide at Landlord's request that neither Landlord nor anyone claiming under Landlord shall be:

22.1 liable for any act or omission of any prior sublandlord (including, without limitation, the then-defaulting sublandlord), or

22.2 subject to any offsets or defenses which such subtenant may have against any prior sublandlord (including, without limitation, the then-defaulting sublandlord), or

22.3 bound by any payment of rent which such subtenant might have paid for more than the current month to any prior sublandlord (including, without limitation, the then-defaulting sublandlord) other than security deposits and any other amounts deposited with any prior sublandlord (including, without limitation, the then-defaulting sublandlord) or any mortgagee in connection with the payment of insurance premiums, real property taxes and assessments and other similar charges or expenses, or

22.4 bound by any covenant to undertake or complete any construction of the Project or any portion thereof demised by such sublease; or

22.5 bound by any obligation to make any payment to such subtenant, or

22.6 bound by any sublease or amendment thereto or modification thereof of which Landlord shall not have been provided copies of and approved as set forth in **Section 19** hereof (other than those subleases expressly permitted by **Section 19.1** to be made without Landlord's consent.)

23. RIGHT OF ENTRY. Landlord shall have the right to enter upon the Demised Premises during business hours upon reasonable notice to Tenant for purposes of inspecting the Demised Premises and for purposes of determining whether Tenant is performing the terms, covenants and conditions of this Lease to be performed by Tenant. Such right of entry, with respect to portions of the Demised Premises leased to any subtenant of Tenant or operated by a managing agent, shall be limited by the reasonable rules and regulations of Tenant's subtenant or manager.

24. BROKERAGE. Landlord and Tenant each represents to the other that it has not employed or negotiated with any broker, finder or similar agent with respect to this Lease which might be entitled to a commission.

25. NOTICE OR DEMANDS. All notices to, elections by or demands upon Landlord, Tenant or any Subleasehold Mortgagee (*collectively "Notices"*) required or desired to be given under any of the provisions hereof shall be in writing. Any Notices from Landlord to Tenant shall be deemed to have been duly and sufficient given, if a copy thereof has been mailed by United States Registered Mail or Certified Mail (Return Receipt Requested) in an envelope properly stamped, addressed to and actually received by Tenant at the Alumni Affairs Office, Cleveland Hall Room 305, 1300 Elmwood Avenue, Buffalo, New York 14222, Attn: Director, with copies at the same time and in the same manner to Hodgson Russ LLP, The Guaranty Building, 140 Pearl Street, Suite 100, Buffalo, New York 14202-4040, Attn: Kathleen A. Wall, Esq. and Terrence M. Gilbride, Esq. and to Jaeckle Fleischmann & Mugal, LLP, 400 Essjay Road, Suite 320, Williamsville, New York 14221, Attn: Jean C. Powers, Esq., or at such other address as Tenant may theretofore have furnished by Notice to Landlord. Any Notices from Tenant to Landlord shall be deemed to have duly and sufficiently been given, if mailed by United States Registered Mail or Certified Mail (Return Receipt Requested) in an envelope properly stamped and addressed to and actually received by Landlord at:

Vice Chancellor for Capital Facilities, State University of New York, State University Plaza, Albany, New York 12246; or at such other address as Landlord may theretofore have furnished by Notice to Tenant. The return receipt of the United States Post Office signed by an employee of the addressee shall be conclusive proof of receipt by the addressee.

26. NOTICE TO SUBLEASEHOLD MORTGAGEES AND BOND INSURANCE COMPANIES.

26.1 Any Notices from Landlord or Tenant, as the case may be, to any Subleasehold Mortgagee shall be deemed to have been duly and sufficiently given, if a copy thereof shall have been mailed by United States Registered Mail or Certified Mail (Return Receipt Requested) in an envelope properly stamped and addressed to and actually received by such Subleasehold Mortgagee at such address as shall be given by such Subleasehold Mortgagee in the manner provided in **Section 17.2** hereof or at such other address as such Subleasehold Mortgagee may from time to time have furnished by written Notice to Landlord or Tenant, as the case may be. No Notice shall be effective unless given in the manner prescribed in this **Section 26.1**. The return receipt of the United States Post Office signed by an employee of the addressee shall be conclusive proof of receipt by the addressee. If requested in writing by Tenant, Notices from Landlord shall also be sent to counsel for Tenant and to any sublessee or manager of all or substantially all of the Demised Premises, in the same manner specified for Notices to a Subleasehold Mortgagee. In the event of a strike or other interruption of mail service, duplicate Notices shall be given by telex, telecopy, reputable overnight courier or other practical mechanical communication system.

26.2 In addition to the foregoing, at any time during the Term that there is a Subleasehold Mortgage insured by bond insurer or there are Bondholders whose bonds are insured by a bond insurer, then in addition to the notices required by **Section 26.1**, any notice from Landlord or Tenant, as the case may be to any Subleasehold Mortgagee shall be sent to the bond insurer at the address specified in a notice to Landlord sent pursuant to **Section 26.1** by United States Registered Mail (Return Receipt Requested) in an envelope properly stamped and addressed to and actually received by the bond insurer at the address of the bond insurer or such other address as the bond insurer may from time to time have furnished by written Notice to Landlord or Tenant, as the case may be. No Notice shall be effective against any Subleasehold Mortgagee unless given in the manner prescribed in this **Section 26.2**. The return receipt of the United States Post Office signed by an employee of the bond insurer shall be conclusive proof of receipt by the bond insurer. In the event of a strike or other interruption of mail service, duplicate Notices shall be given by telex, telecopy, reputable overnight courier or other practical mechanical communication system.

27. QUIET ENJOYMENT. Landlord covenants that Tenant upon performing the covenants on its part to be performed, shall and may peaceably and quietly have, hold and enjoy the Demised Premises for the Term hereof or the terms and conditions set forth in this Lease.

28. OBLIGATIONS AND BENEFITS. Except as herein specifically provided to the contrary, the terms, covenants and conditions contained in this Lease shall bind and inure to the benefit of Landlord and Tenant, and their respective successors and assigns.

29. TITLES. The titles to Sections are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope or intent of this Lease nor in any way affect this Lease.

30. REPRESENTATIONS. Neither party has made any representation or promises except as herein contained, and no modification of any provision hereof shall be valid unless in writing and signed by the parties hereto, and approved by The Attorney General of New York and State Comptroller.

31. APPORTIONMENT ON TERMINATION. Upon the termination of this Lease, all Base Rent and other rent and charges paid in advance shall be apportioned as of the date of termination; provided that, Landlord shall not be obligated to refund Tenant's share if Tenant has any remaining financial obligations to Landlord under this Lease until the same are satisfied.

32. COMPLIANCE WITH LAW. Tenant shall cause its subtenant to comply with all applicable laws and regulations of governmental authorities having jurisdiction over the Demised Premises, but nothing contained in this Lease shall be deemed to confer such authority over the Demised Premises which by reason of the ownership of the Demised Premises by Landlord or for any other reason does not otherwise exist. Tenant may defer compliance as long as it or its subtenant is diligently contesting or causing to be contested the applicability or validity of any such law or regulation provided the Demised Premises are not in any imminent danger of forfeiture or becoming subject to a material lien and provided Landlord is not thereby subjected to any criminal liability.

33. ESTOPPEL CERTIFICATES.

33.1 Tenant agrees at any time and from time to time and at least annually, to execute, acknowledge and deliver, without charge, to Landlord and any Subleasehold Mortgagee, or to any person designated by Landlord, a statement in writing certifying that this Lease is unmodified (or if there have been modifications, identifying the same by the date thereof and specifying the nature thereof), that Tenant has not received any notice of default or termination of this Lease (or if Tenant has received such a notice, that it has been revoked, if such be the case), that no Event of Default exists hereunder (or if any such Event of Default does exist, specifying the same and stating that the same has been cured, if such be the case), that Tenant to its knowledge has no claim against Landlord hereunder (or if Tenant has any such claims, specifying the same), and the dates to which the Base Rent and the other sums and charges payable by Tenant hereunder have been paid.

33.2 Landlord agrees at any time and from time to time and at least annually, to execute, acknowledge and deliver, without charge, to Tenant, or to any person designated by Tenant and any Subleasehold Mortgagee, a statement in writing stating that this Lease is unmodified (or if there be modifications, identifying the same by the date thereof and specifying the nature thereof), that no notice of default or termination of this Lease has been served on Tenant (or if Landlord has served such notice, that the same has been revoked, if such be the case), that to Landlord's knowledge no Event of Default exists under this Lease (or if any such Event of Default does exist specify the same), and the dates to which the Base Rent and the other sums and charges payable by Tenant hereunder have been paid.

34. USE OF DEMISED PREMISES. Notwithstanding any other provision herein, the use of the Demised Premises by Tenant, any assignee, sublessee, Subleasehold Mortgagee, or any other successor to Tenant's interest in the Demised Premises shall be limited to the purposes of constructing, developing, or operating student housing and such attendant uses as are commonly carried out at SUNY campuses in similar student housing facilities. Notwithstanding any other provision of this Lease, Tenant agrees that any lease, assignment, sublease, foreclosure sale, Leasehold Mortgage, or any other agreement relating to an interest in the Demised Premises be subject to this condition as well. Any such use shall also be subject to all of the specific terms and conditions of the Facility Management Agreement. Tenant agrees that any lease, assignment, sublease, foreclosure sale, Leasehold Mortgage, or any other agreement relating to an interest in the Demised Premises or this leasehold interest shall be subject to the condition that any operation of student housing be upon the same terms and conditions as those contained in the Facility Management Agreement.

35. APPROVAL OF TERMS. This Lease shall not take effect unless and until the Attorney General of New York and the State Comptroller have approved its terms and conditions and so indicated by their execution of this document.

36. PREVAILING WAGES. Tenant agrees that it shall cause its subtenant in any contract for construction, rehabilitation, or improvement of the Project which such subtenant enters into with any other party to provide that payment to any contractor, subcontractor, and their laborers, workers, or mechanics who perform work classified under sections 220, 240 and 241 of the Labor Law, for a legal day's work is not less than the prevailing rate of wage as such term is defined in section 220(5) of the Labor Law, and such obligation shall include all supplements.

37. PARTICIPATION BY MINORITY GROUP MEMBERS AND WOMEN IN CONTRACTS. Tenant agrees that it will cause its subtenants to comply with the requirements of Article 15-A of the Executive Law relating to the participation by minority group members and women with respect to any contract or other agreement any such subtenant enters into regarding the Demised Premises.

38. LIMITATION ON RECOURSE TO THE ASSETS OF TENANT. Notwithstanding anything contained herein or elsewhere to the contrary, Landlord's recourse for the performance of Tenant's leasehold obligations hereunder shall be limited to any sums paid to Tenant by its subtenant pursuant to the terms of the sublease with such subtenant or to any interest Tenant shall have in the facility to be developed hereunder, or to the proceeds of any insurance required to be maintained pursuant to **Sections 7 and 9** of this Agreement; it being acknowledged and agreed that Landlord shall not have any recourse to any other assets of Tenant.

39. MISCELLANEOUS. **Schedule "C"** is hereby incorporated into and made a part of this agreement to the extent applicable. In addition, each sublease, management agreement or other contract shall contain the provisions of **Schedule "C"** to this Lease, expressly or by incorporation by reference. To the extent of any construction, alteration or rehabilitation performed by personnel of Tenant or a subtenant, **Schedule "C"** shall be applicable to such work.

IN WITNESS WHEREOF, Landlord and Tenant have respectively signed and sealed this Lease as of the day and year first above written.

BUFFALO STATE ALUMNI ASSOCIATION, INC.

By: Maurs C. O'Donnell
Name: Maurs C. O'Donnell
Title: President

STATE UNIVERSITY OF NEW YORK

By: [Signature]
Name: Philip W. Wood
Title: Vice Chancellor

APPROVED AS TO FORM:

Date: _____

APPROVED AND FILED:

Date: _____

Attorney General

By: _____

Comptroller

12/24/09

By: Charlotte E. Brewer

APPROVED AS TO FORM
NYS ATTORNEY GENERAL
AUG 13 2009
Lorraine I. Remo
LORRAINE I. REMO
ASSOCIATE ATTORNEY

STATE OF NEW YORK)
 : SS
COUNTY OF Erie)

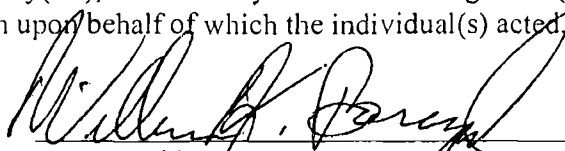
On the 15th day of July, in the year 2009, before me, the undersigned, a notary public in and for said state, personally appeared MANUS C. O'DONNELL, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


Notary Public

KATHLEEN A. HUBBARD
Reg. #01HU4687082
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Dec. 30, 2009

STATE OF NEW YORK)
 : SS
COUNTY OF ALBANY)

On the 31st day of July, in the year 2009, before me, the undersigned, a notary public in and for said state, personally appeared Philip W. Wood, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


Notary Public

WILLIAM K. BARCZAK
Notary Public, State of New York
No. 4999971
Qualified in Schenectady County
Commission Expires Aug. 3, 2010

SCHEDULE A

LEGAL DESCRIPTION OF DEMISED PREMISES

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, and State of New York, being part of Lot No. 184 of the Stevens Survey, bounded and described as follows:

BEGINNING at a point that intersects with the north line of Letchworth Street, 40 foot wide R.O.W. and the east line of Grant Street, 60 foot R.O.W.; thence northerly along the east line of Grant Street a distance of 611.13 feet to a point; thence easterly at an interior angle of $95^{\circ}-04'-44''$ a distance of 259.90 feet to a point; thence southerly at an interior angle of $85^{\circ}-03'-50''$ a distance of 605.06' feet to a point on the north line of Letchworth Street; thence westerly along the north line of Letchworth Street a distance of 262.01' to the point or place of beginning more or less.

SCHEDULE B

PRINT OF SURVEY OF DEMISED PREMISES

(SEE ATTACHED COPY OF PRINT OF SURVEY)

SCHEDULE C
SUNY COVENANTS

Standard Contract Clauses
State University of New York

EXHIBIT A

October 15, 2008

The parties to the attached contract, license, lease, amendment or other agreement of any kind (hereinafter, "contract") agree to be bound by the following clauses which are hereby made a part of the contract (the word "Contractor" herein refers to any party other than the State, whether a Contractor, licensor, licensee, lessor or any other party).

1. EXECUTORY CLAUSE. In accordance with Section 41 of the State Finance Law, the State shall have no liability under this contract to the Contractor or to anyone else beyond funds appropriated and available for this contract.

2. Prohibition against Assignment. Except with the assignment of its right to receive payment subject to Article 5-A of the State Finance Law, the vendor(s) selected to perform the services herein will be prohibited from assigning, transferring, conveying or disposing its rights, title or interest in the contract to be awarded without the prior written consent of SUNY. Provided however that SUNY may with the concurrence of the New York Office of State Comptroller, waive prior written consent of the assignment, transfer, conveyance, sublease or other disposition of the contract if the vendor verifies to SUNY that the assignment, transfer, conveyance, sublease or other disposition is due to but not necessarily limited to, a reorganization, merger or consolidation of its business or enterprise. SUNY retain the right, as provided in Section 138 of the State Finance Law to accept or reject an assignment, transfer, conveyance, sublease or other disposition of the contract by the vendor. The Contractor may, however, assign its right to receive payment without the State's prior written consent unless this contract concerns Certificates of Participation pursuant to Article 5-A of the State Finance Law.

3. COMPTROLLER'S APPROVAL. In accordance with Section 112 of the State Finance Law, Section 355 of the State Education Law, and 8 NYCRR 316, (a) for a State University campus or health care facility certified by the Vice Chancellor and Chief Financial Officer, if this contract exceeds \$250,000 for commodities, services, printing or construction, or (b) for a State University campus not certified by the Vice Chancellor and Chief Financial Officer, if this is a contract for commodities, services, printing or construction which exceeds \$50,000 or which exceeds \$75,000 by a State University health care facility not certified by the Vice Chancellor and Chief Financial Officer, or (c) if this is an amendment for any amount to a contract which, as so amended, exceeds said statutory amounts, or (d) if, by this contract, the State agrees to give something other than money, when the value or reasonably estimated value of such consideration exceeds \$10,000. It shall not be valid, effective or binding upon the State until it has been approved by the State Comptroller and filed in the Comptroller's office.

4. WORKERS' COMPENSATION BENEFITS. In accordance with Section 142 of the State Finance Law, this contract shall be void and of no force and effect unless the Contractor shall provide and maintain coverage during the life of this contract for the benefit of such employees as are required to be covered by the provisions of the Workers' Compensation Law.

5. NON-DISCRIMINATION REQUIREMENTS. To the extent required by Article 15 of the Executive Law (also known as the Human Rights Law), and all other State and Federal statutory and constitutional non-discrimination provisions, Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, sexual orientation, age, disability, genetic predisposition or carrier status, or marital status. Furthermore, in accordance with Section 220-a of the Labor Law, if this is a contract for the construction, alteration or repair of any public building or public work or for the manufacture, sale or distribution of materials, equipment or supplies, and to the extent that this contract shall be performed within the State of New York, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, disability, sex or national origin: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. If this is a building service contract as defined Section 230 of the

Labor Law, then, in accordance with Section 239 thereof, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, national origin, age, sex or disability: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. Contractor is subject to fines of \$50.00 per person per day for any violation of Section 220-a or Section 239 as well as possible termination of this contract and forfeiture of all moneys due hereunder for a second or subsequent violation.

6. WAGE AND HOURS PROVISIONS. If this is a public work contract covered by Article 8 of the Labor Law or a building service contract covered by Article 9 thereof, neither Contractor's employees nor the employees of its subcontractors may be required or permitted to work more than the number of hours or days stated in said statutes, except as otherwise provided in the Labor Law and as set forth in prevailing wage and supplement schedules issued by the State Labor Department. Furthermore, Contractor and its subcontractors must pay at least the prevailing wage rate and pay or provide the prevailing supplements, including the premium rates for overtime pay, as determined by the State Labor Department in accordance with the Labor Law.

7. NON-COLLUSIVE BIDDING REQUIREMENT. In accordance with Section 139-d of the State Finance Law, if this contract was awarded based on the submission of competitive bids: (a) by submission of its bid, Contractor (Bidder) certifies, and each person signing on behalf of the Bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief: (1) the prices in this bid have been arrived at independently without collusion, consultation, communication or agreement for the purpose of restricting competition, as to any matter relating to such prices, with any other bidder or with any competitor; (2) unless otherwise required by law, the prices which have been quoted in this bid have not been knowingly disclosed by the Bidder and will not be knowingly disclosed by the Bidder prior to opening, directly or indirectly, to any other bidder or to any competitor; and (3) no attempt has been made or will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition.

(b) A bid shall not be considered for award nor shall any award be made where (a) (1), (2) and (3) above have not been complied with, provided however that if in any case the Bidder cannot make the foregoing certification, the Bidder shall so state and shall furnish with the bid a signed statement which sets forth in detail the reasons therefor.

8. INTERNATIONAL BOYCOTT PROHIBITION. In accordance with Section 220-f of the Labor Law and Section 139-h of the State Finance Law, if this contract exceeds \$5,000, the Contractor agrees, as a material condition of the contract, that neither the Contractor nor any substantially owned or affiliated person, firm, partnership or corporation has participated, is participating, or shall participate in an international boycott in violation of the federal Export Administration Act of 1979 (50 USC App Sections 2401 et seq.) or regulations thereunder. If such Contractor, or any of the aforesaid affiliates of Contractor, is convicted or is otherwise found to have violated said laws or regulations upon the final determination of the United States Commerce Department or any other appropriate agency of the United States, subsequent to the contract's execution, such contract, amendment or modification thereto shall be rendered null and void. The Contractor shall so notify the State Comptroller within five (5) business days of such conviction, determination or disposition of appeal (2 NYCRR 105.4).

9. SET-OFF RIGHTS. The State shall have all of its common law, equitable and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any moneys due to the Contractor under this contract up to any amounts due and owing to the State with regard to this contract, any other contract with any State department or agency, including any contract for a term commencing prior to the term of this contract, plus any amounts due and owing to the State for any other reason including, without limitation, tax delinquencies or monetary penalties relative thereto. The State shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit, the finalization of such audit by the State agency, its representatives, or the State Comptroller.

10. RECORDS. The Contractor shall establish and maintain complete and accurate books, records, documents, accounts and other evidence directly pertinent to performance under this contract (hereinafter, collectively, "the Records"). The Records must be kept for the balance of the calendar year in which they were made and for six (6) additional years thereafter. The State Comptroller, the Attorney General and any other person or entity authorized to conduct an examination, as well as the agency or agencies involved in this contract, shall have access to the Records during normal business hours at an office of the Contractor within the State of New York or, if no such office is available, at a mutually agreeable and reasonable venue within the State, for the term specified above for the purposes of inspection, auditing and copying. The State shall take reasonable steps to protect from public disclosure any of the Records which are exempt from disclosure under Section 87 of the Public Officers Law (the "Statute") provided that: (i) the Contractor shall timely inform an appropriate State official, in writing, that said Records should not be disclosed; and (ii) said Records shall be sufficiently identified and (iii) designation of said Records as exempt under the Statute is reasonable. Nothing contained herein shall diminish, or in any way adversely affect, the State's right to discover in any pending or future litigation.

11. IDENTIFYING INFORMATION AND PRIVACY NOTIFICATION. (a) Federal Employer Identification Number and/or Federal Social Security Number. All invoices or New York State standard vouchers submitted for payment for the sale of goods or services or the lease of real or personal property to a New York State agency must include the payee's identification number, i.e., the seller's or lessor's identification number. The number is either the payee's Federal employer identification number or Federal social security number, or both such numbers when the payee has both such numbers. Failure to include this number or numbers may delay payment. Where the payee does not have such number or numbers, the payee, on its invoice or New York State standard voucher must give the reason or reasons why the payee does not have such number or numbers.

(b) Privacy Notification. (1) The authority to request the above personal information from a seller of goods or services or a lessor of real or personal property and the authority to maintain such information is found in Section 5 of the State Tax Law. Disclosure of this information by the seller or lessor to the State is mandatory. The principal purpose for which the information is collected is to enable the State to identify individuals, businesses and others who have been delinquent in filing tax returns or may have unreported their tax liabilities and to generally identify persons affected by the taxes administered by the Commissioner of Taxation and Finance. The information will be used for tax administration purposes and for any other purpose authorized by law.

(2) The personal information is requested by the purchasing unit of the agency contracting to purchase the goods or services or lease the real or personal property covered by this contract or lease. The information is maintained in New York State's Central

Accounting System by the Director of Accounting Operations, Office of the State Comptroller, AEO SB, Albany, New York 12238.

12. EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITIES AND WOMEN. (a) In accordance with Section 312 of the Executive Law, if this contract is: (i) a written agreement or purchase order instrument, providing for a total expenditure in excess of \$25,000.00, whereby a contracting agency is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the contracting agency, or (ii) a written agreement in excess of \$100,000.00 whereby a contracting agency is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon, or (iii) a written agreement in excess of \$100,000.00 whereby the owner of a State assisted housing project is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon for such project, then:

(1) The Contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination. Affirmative action shall mean recruitment, employment, job assignment, promotion, upgradings, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation;

(2) at the request of the contracting agency, Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of the contractor's obligations therein, and

(3) Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of the State contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

(b) Contractor will include the provisions of "1", "2" and "3", above, in every subcontract over \$25,000.00 for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work") except where the Work is for the beneficial use of the Contractor. Section 312 does not apply to: (i) work, goods or services unrelated to this contract, or (ii) employment outside New York State, or (iii) banking services, insurance policies or the sale of securities. The State shall consider compliance by a contractor or subcontractor with the requirements of any federal law concerning equal employment opportunity which effectuates the purpose of this section. The contracting agency shall determine whether the imposition of the requirements of the provisions hereof duplicate or conflict with any such federal law and if such duplication or conflict exists, the contracting agency shall waive the applicability of Section 312 to the extent of such duplication or conflict. Contractor will comply with all duly promulgated and lawful rules and regulations of the Governor's Office of Minority and Women's Business Development pertaining hereto.

13. CONFLICTING TERMS. In the event of a conflict between the terms of the contract (including any and all attachments thereto and amendments thereof) and the terms of this Exhibit A, the terms of this Exhibit A shall control.

14. GOVERNING LAW. This contract shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise.

15. LATE PAYMENT. Timeliness of payment and any interest to be paid to Contractor for late payment shall be governed by Article 11-A of the State Finance Law to the extent required by law.

16. NO ARBITRATION. Disputes involving this contract, including the breach or alleged breach thereof, may not be submitted to binding arbitration (except where statutorily authorized) but must, instead, be heard in a court of competent jurisdiction of the State of New York.

17. SERVICE OF PROCESS. In addition to the methods of service allowed by the State Civil Practice Law & Rules ("CPLR") Contractor hereby consents to service of process upon it by registered or certified mail, return receipt requested. Service hereunder shall be complete upon Contractor's actual receipt of process or upon the State's receipt of the return thereof by the United States Postal Service as refused or undeliverable. Contractor must promptly notify the State, in writing, of each and every change of address to which service of process can be made. Service by the State to the last known address shall be sufficient. Contractor will have thirty (30) calendar days after service hereunder is complete in which to respond.

18. PROHIBITION ON PURCHASE OF TROPICAL HARDWOODS. The Contractor certifies and warrants that all wood products to be used under this contract award will be in accordance with, but not limited to, the specifications and provisions of State Finance Law §165 (Use of Tropical Hardwoods), which prohibits purchase and use of tropical hardwoods, unless specifically exempted, by the State or any governmental agency or political subdivision or public benefit corporation. Qualification for an exemption under this law will be the responsibility of the contractor to establish to meet with the approval of the State. In addition, when any portion of this contract involving the use of woods, whether supply or installation, is to be performed by any subcontractor, the prime Contractor will indicate and certify in the submitted bid proposal that the subcontractor has been informed and is in compliance with specifications and provisions regarding use of tropical hardwoods as detailed in §165 of the State Finance Law. Any such use must meet with the approval of the State, otherwise, the bid may not be considered responsive. Under bidder certification, proof of qualification for exemption will be the responsibility of the Contractor to meet with the approval of the State.

19. MacBRIDE FAIR EMPLOYMENT PRINCIPLES. In accordance with Section 165(5) of the State Finance Law, the Contractor hereby stipulates that the Contractor and any individual or legal entity in which the Contractor holds a ten percent or greater ownership interest and any individual or legal entity that holds a ten percent or greater ownership interest in the Contractor either (A) have no business operations in Northern Ireland, or (B) shall take lawful steps in good faith to conduct any business operations in Northern Ireland in accordance with the MacBride Fair Employment Principles (as described in Section 165(5) of the State Finance Law), and shall permit independent monitoring of compliance with such principles.

THE FOLLOWING PROVISIONS SHALL APPLY ONLY TO THOSE CONTRACTS TO WHICH A HOSPITAL OR OTHER HEALTH SERVICE FACILITY IS A PARTY TO

23. Notwithstanding any other provision in this contract, the hospital or other health service facility remains responsible for insuring that any service provided pursuant to this contract complies with all pertinent provisions of Federal, state and local statutes, rules and regulations. In the foregoing sentence, the word "service" shall be construed to refer to the health care service rendered by the hospital or other health service facility.

24. (a) In accordance with the 1988 Omnibus Reconciliation Act (Public Law 96-499), Contractor hereby agrees that until the expiration of four years after the furnishing of services under this agreement, Contractor shall make available upon written request to the Secretary of Health and Human Services, or upon request, to the Comptroller General of the United States or any of their duly authorized representatives, copies of this contract, books, documents and records of the Contractor that are necessary to certify the nature and extent of the costs hereunder.

(b) If Contractor carries out any of the duties of the contract hereunder, through a subcontract having a value or cost of \$10,000 or more over a twelve-month period, such subcontract shall contain a clause to the effect that, until the expiration of four years after the furnishing of such services pursuant to such subcontract, the subcontractor shall make available upon written request to the Secretary of Health and Human Services or upon request to the Comptroller General of the United States, or any of their duly authorized representatives, copies of the subcontract and books, documents and records of the subcontractor that are necessary to verify the nature and extent of the costs of such subcontract.

(c) The provisions of this section shall apply only to such contracts as are within the definition established by the Health Care Financing Administration, as may be amended or modified from time to time.

20. OMNIBUS PROCUREMENT ACT OF 1992.

(a) In accordance with the Omnibus Procurement Act of 1992, it is the policy of NYS to encourage the use of NYS contractors and suppliers, and to promote the participation of minority- and women-owned businesses where possible, in the procurement of goods and services. Information concerning the availability of NYS subcontractors and suppliers is available from the NYS Dept. of Economic Development, which shall also include the Directory of Certified Minority- and Women-owned Businesses.

(b) Subsequent to award of procurement contracts in an amount estimated to be \$1,000,000 or more, contractors will be required to document their efforts to encourage the participation of NYS business enterprises as suppliers and subcontractors by showing that they have (i) solicited bids in a timely and adequate manner from NYS business enterprises including certified minority- or women-owned businesses, or (ii) contacted the NYS Dept. of Economic Development to obtain listings of NYS business enterprises, or (iii) placed notices for subcontractors or suppliers in newspapers, journals or other trade publications distributed in NYS, or (iv) participated in bidder outreach conferences. If a contractor determines that NY business enterprises are not available to participate in such contract, the contractor shall provide a statement indicating the method by which such determination was made. If a contractor does not intend to use subcontractors, the contractor shall provide a statement verifying such intent. Contractors shall also attest to compliance with the Federal Equal Employment Opportunity Act of 1972 (P.L. 92-261), as amended, and document efforts to provide notification to NYS residents of employment opportunities through listing any positions with the Community Services Division of the NYS Dept. of Labor, or provide for such notification in such manner as is consistent with existing collective bargaining agreements.

(c) Bidders located in foreign countries are notified that SUNY may assign or otherwise transfer offset credits created by any procurement contract of \$1,000,000 or more to third parties located in New York State.

21. RECIPROCITY AND SANCTIONS PROVISIONS. Bidders are hereby notified that if their principal place of business is located in a country, nation, province, state or political subdivision that penalizes New York State vendors, and if the goods or services they offer will be substantially produced or performed outside New York State, the Omnibus Procurement Act of 1992 and 2000 amendments (Chapter 684 and Chapter 383, respectively) require that they be denied contracts which they would otherwise obtain. Contact the Department of Economic Development, Division for Small Business, 39 South Pearl Street, Albany, New York 12245, for a current list of jurisdictions subject to this provision.

22. PURCHASES OF APPAREL. In accordance with State Finance Law Section 162(4-a), the State shall not purchase any apparel from any vendor unable or unwilling to provide documentation as part of its bid (i) attesting that such apparel was manufactured in compliance with all applicable labor and occupational safety laws, including, but not limited to, child labor laws, wage and hours laws and workplace safety laws, and (ii) stating, if known, the names and addresses of each subcontractor and all manufacturing plants to be utilized by the bidder.

1. **DEFINITIONS.** The following terms shall be defined in accordance with Section 312 of the Executive Law:

STATE CONTRACT herein referred to as "State Contract", shall mean (i) a written agreement or purchase order instrument, providing for a total expenditure in excess of \$25,000.00, whereby a contracting agency is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the contracting agency, or (ii) a written agreement in excess of \$100,000.00 whereby a contracting agency is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon; or (iii) a written agreement in excess of \$100,000.00 whereby the owner of a State assisted housing project is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon for such project. For purposes of this agreement, the term "services" shall not include banking relationships, the issuance of insurance policies and contracts, or contracts with a contracting agency for the sale of bonds, notes or other securities.

SUBCONTRACT herein referred to as "Subcontract", shall mean any agreement providing for a total expenditure in excess of \$25,000 for construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon between a contractor and any individual, partnership, corporation, or not-for-profit corporation, in which a portion of a contractor's obligation under a State Contract is undertaken or assumed, but shall not include any construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon for the beneficial use of contractor.

WOMEN-OWNED BUSINESS ENTERPRISE herein referred to as "WBE", shall mean a business enterprise, including a sole proprietorship, partnership, or corporation that is: (a) at least fifty-one percent owned by one or more United States citizens or permanent resident aliens who are women; (b) an enterprise in which the ownership interest of such women is real, substantial and continuing; (c) an enterprise in which such women ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise; and (d) an enterprise authorized to do business in this State and independently owned and operated.

MINORITY-OWNED BUSINESS ENTERPRISE herein referred to as "MBE", shall mean a business enterprise, including a sole proprietorship, partnership, or corporation that is: (a) at least fifty-one percent owned by one or more minority group members; (b) an enterprise in which such minority ownership interest is real, substantial and continuing; (c) an enterprise in which such minority ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise; and (d) an enterprise authorized to do business in this State and independently owned and operated.

MINORITY GROUP MEMBER shall mean a United States citizen or permanent resident alien who is and can demonstrate membership in one of the following groups: (a) Black persons having origins in any of the Black African racial groups; (b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American of either Indian or Hispanic origin, regardless of race; (c) Native American or Alaskan native persons having origins in any of the original peoples of North America; (d) Asian and Pacific Islander persons having origins in any of the Far East countries, South East Asia, the Indian subcontinent or Pacific Islands.

CERTIFIED BUSINESS shall mean a business verified as a minority or women-owned business enterprise pursuant to section 314 of the Executive Law.

II. **TERMS.** The parties to the attached State Contract agree to be bound by the following provisions which are made a part hereof (the word "contractor" herein refers to any party other than the State University):

1. As a pre-condition for the award of any State Contract, contractor agrees to submit an Equal Employment Opportunity (EEO) Policy Statement which conforms with the following provisions:

(a) Contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination. Affirmative Action shall mean recruitment, employment, job assignment, promotion, upgradings, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation.

(b) At the request of State University, contractor shall request each employment agency, labor union, or authorized repre-

sentative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of contractor's obligations therein.

(c) Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of State Contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

(d) Contractor will include the provisions of "a", "b" and "c", above, in every Subcontract over \$25,000.00.

2. Contractor shall indicate whether it is able to separate out from its entire work force that portion of its work force which will be utilized in the performance of this State Contract.

3. For State Contracts which provide labor, services, supplies, equipment or materials, as defined above, contractor must provide a Staffing Plan of the anticipated work force to be utilized on the State Contract broken down by specified ethnic background, gender, and Federal Occupational Categories, or other appropriate categories which the agency may specify.

4. For contractors who are unable to separate the portion of their work force which will be utilized for the performance of this State Contract, contractor shall provide reports describing its entire work force by the specified ethnic background, gender, and Federal Occupational Categories, or other appropriate categories which the agency may specify.

5. If contractor fails to provide a staffing plan, or in the alternative, a description of its entire work force, State University may reject contractor's bid, unless contractor either commits to provide such information at a later date or provides a reasonable justification in writing for its failure to provide the same.

6. After the State Contract has been awarded, contractor shall provide a Utilization Report which breaks down and describes contractor's and every subcontractor's work force by specified ethnic background, gender, and Federal Occupational Categories. The prime contractor shall be responsible for collecting reports from its subcontractors and

providing such reports to State University. For State Contracts for construction, the Utilization Report shall be completed using the number of hours worked for each relevant job title within the Federal Occupational Categories. During the term of State Contract, construction contractors must provide a Utilization Report on a monthly basis; contractors providing labor, services, supplies, equipment or materials, who are unable to separate out their work force must provide Utilization reports on a semi-annual basis; all other contractors must provide Utilization Reports every three months.

7. Contractor shall provide State University reports of its compliance with the terms of Article 15-A of the Executive Law as may be required by State University.

8. PARTICIPATION BY MINORITY GROUP MEMBERS AND WOMEN. State University shall determine whether contractor has made conscientious and active efforts to employ and utilize minority group members and women to perform this State Contract based upon an analysis of the following factors:

(a) Whether contractor established and maintained a current list of recruitment sources for minority group members and women, and whether contractor provided written notification to such recruitment sources that contractor had employment opportunities at the time such opportunities became available.

(b) Whether contractor sent letters to recruiting sources, labor unions, or authorized representatives of workers with which contractor has a collective bargaining or other agreement or understanding requesting assistance in locating minority group members and women for employment.

(c) Whether contractor disseminated its EEO policy by including it in any advertising in the news media, and in particular, in minority and women news media.

(d) Whether contractor has attempted to provide information concerning its EEO policy to subcontractors with which it does business or had anticipated doing business.

(e) Whether internal procedures exist for, at a minimum, annual dissemination of the EEO policy to employees, specifically to employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions. Such dissemination may occur through distribution of employee policy manuals and handbooks, annual reports, staff meetings and public postings.

(f) Whether contractor encourages and utilizes minority group members and

women employees to assist in recruiting other employees.

(g) Whether contractor has apprentice training programs approved by the N.Y.S. Department of Labor which provides for training and hiring of minority group members and women.

(h) Whether the terms of this section have been incorporated into each Subcontract which is entered into by the prime contractor.

9. PARTICIPATION BY MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES. Based upon an analysis of the following factors, the State University shall determine whether contractor has made conscientious and active efforts to provide for meaningful participation by minority-owned and women-owned business enterprises which have been certified by DMWBD:

(a) Whether contractor has actively solicited bids for Subcontracts from qualified M/WBES, including those firms listed on the Directory of Certified Minority and Women-Owned Business Enterprises, and has documented its efforts, including names and addresses of firms contacted, and the reasons why any such firm was not selected to participate on the project.

(b) Whether contractor has attempted to make project plans and specifications available to firms who are not members of associations with plan rooms and reduce fees for firms who are disadvantaged.

(c) Whether contractor has utilized the services of organizations which provide technical assistance in connection with M/WBE participation.

(d) Whether prime contractor has structured its subcontracts so that opportunities exist to complete smaller portions of work.

(e) Whether contractor has encouraged the formation of joint ventures, partnerships, or other similar arrangements among subcontractors.

(f) Whether contractor has requested the services of the Department of Economic Development (DED) and Job Development Authority (JDA) to assist subcontractors' efforts to satisfy bonding requirement.

(g) Whether contractor has made progress payments promptly to its subcontractors.

(h) Whether the terms of this section have been incorporated into each Subcontract which is entered into by the prime

contractor.

It shall be the responsibility of prime contractor to ensure compliance by every subcontractor with these provisions.

10. GOALS. (a) **GOALS FOR MINORITY AND WOMEN WORK FORCE PARTICIPATION.** (i) State University shall include relevant work force availability data, which is provided by the N.Y.S. Department of Economic Development the Division of Minority and Women's Business Development. In all documents which solicit bids for State Contracts and shall make efforts to assist contractors in utilizing such data to determine expected levels of participation for minority group members and women on State Contracts.

(ii) Contractor shall exert good faith efforts to achieve such goals for minority and women's participation. To successfully achieve such goals, the employment of minority group members and women by contractor must be substantially uniform during the entire term of this State Contract. In addition, contractor should not participate in the transfer of employees from one employer or project to another for the sole purpose of achieving goals for minority and women's participation.

(b) **GOALS FOR MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES PARTICIPATION.** For all State Contracts in excess of \$100,000.00 whereby State University is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon, Contractor shall exert good faith efforts to achieve a participation goal of three-percent (3%) for Certified Minority-Owned Business Enterprises and three-percent (3%) for Certified Women-Owned Business Enterprises.

11. ENFORCEMENT. State University will be responsible for enforcement of each contractor's compliance with these provisions. Contractor, and each subcontractor, shall permit State University access to its books, records and accounts for the purpose of investigating and determining whether contractor or subcontractor is in compliance with the requirements of Article 15-A of the Executive Law. If State University determines that a contractor or subcontractor may not be in compliance with these provisions, State University may make every reasonable effort to resolve the issue and assist the contractor or subcontractor in its efforts to comply with these provisions. If State University is unable to resolve the issue of noncompliance, State University may file a complaint with the Division of Minority and Women's Business Development (DMWBD).



ERIE COUNTY CLERKS OFFICE
County Clerk's Recording Page

Book: 11175 Page: 8865

Return To:

HISCOCK & BARCLAY
 ONE PARK PLACE, 300 SOUTH STATE ST.
 ATTN: SUSAN R KATZOFF, ESQ.
 SYRACUSE NY 13202

Page Count: 7

Doc Type: LEASE/MEMO <500

Rec Date: 12/31/2009

Rec Time: 01:59:44 PM

Control #: 2009261829

User ID: dm

Trans Num: 828382

DEED SEQ: TT2009010480

MTG SEQ:

UCC:

SCAR:

INDEX:

Party 1:

STATE UNIVERSITY OF NEW YORK

Party 2:

BUFFALO STATE ALUMNI ASSOCIATION INC

Recording Fees:Consideration Amount:\$1.00

RECORDING	\$55.00
COE CO \$1 RET	1.00
COE STATE \$14.25 GEN	\$14.25
COE STATE \$4.75 RM	\$4.75
TP584	\$10.00

BASIC	\$0.00
SONYMA	\$0.00
ADDL	\$0.00
NFTA MT	\$0.00
TRANSFER	\$0.00
NFTA TT	\$0.00

Total: \$85.00

STATE OF NEW YORK
 ERIE COUNTY CLERK'S OFFICE

**WARNING - THIS SHEET CONSTITUTES THE CLERK'S ENDORSEMENT,
 REQUIRED BY SECTIONS 319&316-a (5) OF THE REAL PROPERTY LAW
 OF THE STATE OF NEW YORK. DO NOT DETACH. THIS IS NOT A BILL.**

Kathleen C. Hochul
 County Clerk

STATE UNIVERSITY OF NEW YORK,
AS LANDLORD

AND

BUFFALO STATE ALUMNI ASSOCIATION, INC.,
AS TENANT

MEMORANDUM OF GROUND LEASE

DATED AS OF JULY 1, 2009

RELATING TO PREMISES KNOWN AS THE BUFFALO STATE STUDENT HOUSING
PROJECT LOCATED ON THE CAMPUS OF BUFFALO STATE COLLEGE
IN THE CITY OF BUFFALO,
ERIE COUNTY, NEW YORK.

THIS DOCUMENT IS INTENDED TO BE RECORDED IN LIEU OF THE WITHIN-
DESCRIBED GROUND LEASE IN ACCORDANCE WITH THE PROVISIONS OF
SECTION 291-c OF THE NEW YORK REAL PROPERTY LAW.

R 828382
DWM 261829
CTY-0
7920-6

MEMORANDUM OF GROUND LEASE

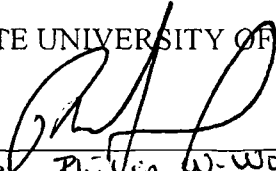
The undersigned STATE UNIVERSITY OF NEW YORK, a corporation established by the New York Education Law, with an office and place of business at State University Plaza, Albany, New York 12246 (referred to in the hereinafter described Ground Lease as the "Landlord"), for and on behalf of Buffalo State College (referred to in the hereinafter described Ground Lease as the "College") and BUFFALO STATE ALUMNI ASSOCIATION, INC., a corporation organized under the New York Not-for-Profit Corporation Law, with an office an place of business at 1300 Elmwood Avenue, Cleveland Hall, Room 305, Buffalo, New York 14222, have entered into a certain ground lease dated as of July 1, 2009 (the "Ground Lease").

The Ground Lease covers the premises (the "Demised Premises"), described on Exhibits A and B attached hereto.

The Ground Lease provides for the rental of the Demised Premises for a term commencing upon September 1, 2009 (the "Commencement Date") which shall run for forty-one (41) years and ten (10) months terminating at 11:59 p.m. on June 30, 2051 (the "Term"). The Term shall be renewed and extended for an additional period of eight (8) years running until June 30, 2059 unless Landlord elects not to renew and extend the Term pursuant to the terms thereof.

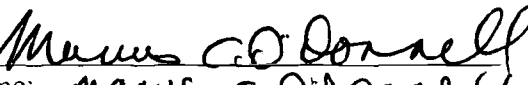
IN WITNESS WHEREOF, the Landlord and the Tenant have caused this Memorandum of Ground Lease to be executed in their respective names by their respective duly authorized officers and to be dated as of the day and year first written above.

STATE UNIVERSITY OF NEW YORK

By: 
Name: Philip W. Wood
Its: Vice Chancellor

APPROVED
DEPT. OF AUDIT & CONTROL
DEC 24 2009
Charlotte E. Breysen
FOR THE STATE COMPTROLLER

BUFFALO STATE ALUMNI ASSOCIATION,
INC.

By: 
Name: Manus C. O'Donnell
Its: President

APPROVED AS TO FORM
NYS ATTORNEY GENERAL
AUG 13 2009
Lorraine I. Remo
LORRAINE I. REMO
ASSOCIATE ATTORNEY

STATE OF NEW YORK)
)
COUNTY OF ALBANY)
)
SS.:

On the 31st day of July, in the year 2009, before me, the undersigned, a notary public in and for said state, personally appeared Philip Wood, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

WILLIAM K. BARCZAK
Notary Public, State of New York
No. 4999971
Qualified in Schenectady County
Commission Expires Aug. 3, 2010

William K. Barczak
Notary Public

STATE OF NEW YORK)
)
COUNTY OF Erie)
)
SS.:

On the 7th day of August, in the year 2009, before me, the undersigned, a notary public in and for said state, personally appeared Norris C. Donnell, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Deborah J. Hatten
Notary Public

DEBORAH J. HATTEN
NOTARY PUBLIC, STATE OF NEW YORK
QUALIFIED IN ERIE COUNTY
MY COMMISSION EXPIRES JULY 2, 2010

EXHIBIT A

LEGAL DESCRIPTION OF DEMISED PREMISES

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, and State of New York, being part of Lot No. 184 of the Stevens Survey, bounded and described as follows:

BEGINNING at a point that intersects with the north line of Letchworth Street, 40 foot wide R.O.W. and the east line of Grant Street, 60 foot R.O.W.; thence northerly along the east line of Grant Street a distance of 611.13 feet to a point; thence easterly at an interior angle of $95^{\circ}-04'-44''$ a distance of 259.90 feet to a point; thence southerly at an interior angle of $85^{\circ}-03'-50''$ a distance of 605.06' feet to a point on the north line of Letchworth Street; thence westerly along the north line of Letchworth Street a distance of 262.01' to the point or place of beginning more or less.

EXHIBIT B

PRINT OF SURVEY OF DEMISED PREMISES

(SEE ATTACHED COPY OF PRINT OF SURVEY)

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT, made and entered into as of the 1st day of July, 2009, by and between **BUFFALO STATE ALUMNI ASSOCIATION, INC.**, a corporation organized under the New York Not-for-Profit Corporation Law, with an office and place of business at 1300 Elmwood Avenue, Cleveland Hall, Room 305, Buffalo, New York 14222 (hereinafter referred to as "*Sublandlord*") and **BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION**, a corporation organized under the New York Not-for-Profit Corporation Law, with an office and place of business at c/o Buffalo State College Foundation, 1300 Elmwood Avenue, Cleveland Hall, Room 511, Buffalo, New York 14222 (hereinafter referred to as "*Subtenant*").

WITNESSETH:

WHEREAS, pursuant to a certain Ground Lease dated as of July 1, 2009 (the "*Ground Lease*") a copy of which is attached hereto as **Exhibit A**, Sublandlord leased from State University of New York ("*Prime Landlord*") a certain parcel of land (the "*Demised Premises*") located in the City of Buffalo, New York, on the grounds of Buffalo State College (the "*Campus*"), as such parcel is more particularly described on **Exhibit B** attached hereto and is commonly referred to as the Buffalo State Student Housing Project; and

WHEREAS, pursuant to the Ground Lease, Sublandlord agreed to undertake the development and operation of a student housing complex on the Demised Premises, all as more fully described in the Ground Lease;

WHEREAS, Sublandlord desires to sublet the Demised Premises to Subtenant and Subtenant desires to sublet the Demised Premises from Sublandlord for the purpose of developing and operating such student housing complex.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, the parties hereby covenant, promise and agree as follows:

1. Defined Terms. All terms used but not defined herein shall have the meanings ascribed thereto in the Ground Lease.
2. Term/Purpose.
 - a. Sublandlord hereby sublets to Subtenant the Sublease Premises for a term (the "*Sublease Term*") commencing on the Commencement Date and terminating at 11:59 p.m., on the date which is one day prior to the end of the Term of the Ground Lease. Upon expiration of the Sublease Term, the Sublease Premises shall revert to Sublandlord.
 - b. During the Sublease Term, the Demised Premises shall be used exclusively for the development, construction and/or operation of the Project, and for no other purpose.
3. Subordination to Ground Lease.
 - a. Subtenant acknowledges that Sublandlord leases the Demised Premises pursuant to the Ground Lease. Subtenant further acknowledges that this Sublease is subject and subordinate to

the Ground Lease. Subtenant represents and warrants that it has read the Ground Lease and agrees that except as otherwise provided in this Sublease, Subtenant shall comply with and be bound by all of the terms, covenants, promises and conditions of the Ground Lease. Subtenant acknowledges and agrees that it will not cause or allow to be caused any default under the Ground Lease. Subtenant hereby indemnifies Sublandlord from and against any loss, liability or expense (including reasonable attorneys' fees and costs) (i) owing by Sublandlord to Prime Landlord pursuant to any indemnification provision of the Ground Lease (other than as may occur as a result of the negligent or intentional acts of Sublandlord) or (ii) arising out of any default under the Ground Lease caused by or otherwise attributable to Subtenant.

b. Notwithstanding anything contained in this Sublease to the contrary, Subtenant agrees to duly observe and perform the obligations imposed upon Sublandlord, as "Tenant" pursuant to the Ground Lease, including without limitation, all obligations of Sublandlord pertaining to the construction, development and operation of the Project; provided, however, that Subtenant shall not be responsible for the performance of any such obligation which is caused by or is otherwise attributable to any act or omission of Sublandlord.

c. Subtenant agrees that this Sublease is subject to all rights reserved in favor of Prime Landlord pursuant to the Ground Lease.

4. Subtenant's Default.

a. The occurrence of any one or more of the following events shall constitute a default and breach of this Sublease on the part of Subtenant:

i. Subtenant causes or is otherwise responsible for the occurrence of a default under the Ground Lease;

ii. Subtenant fails to observe or perform any of the covenants, conditions or provisions of this Sublease to be performed by Subtenant, and such default continues after written notice thereof for twenty (20) days (provided, however, that if Subtenant is unable by reason of the nature of the default involved, to cure such default within such twenty (20) day period, Subtenant's time to cure such default shall be extended for so long as Subtenant diligently proceeds in good faith with its efforts to cure such default);

iii. Subtenant is dissolved or ceases to exist, participates or agrees to participate in any merger, consolidation or other absorption, sells, assigns or otherwise transfers or disposes of all or substantially all of its assets, makes any bulk sale, becomes incompetent or insolvent (however such insolvency is evidenced); or

iv. Subtenant has any receiver, trustee, liquidator, sequestrator or custodian appointed (whether with or without its consent) for it or any of its assets, makes any assignment for the benefit of creditors or commences or has commenced against it any case or other proceeding pursuant to any bankruptcy, insolvency or other similar law or any formal or informal proceeding for the dissolution, liquidation or winding up of the affairs of, or for the settlement of claims against, Subtenant.

b. Upon the occurrence of any of the events described in Section 5-a of this Sublease, Sublandlord may:

- i. take any action permitted at law or in equity;
- ii. cause such event of default to be corrected. Any sums expended by Sublandlord in so correcting Subtenant's default shall become immediately due as additional rent under this Sublease; or
- iii. serve a written ten (10) days' notice of cancellation of this Sublease upon Subtenant, and upon the expiration of said ten (10) days, the term of this Sublease shall expire and Subtenant shall then quit and surrender the Demised Premises to Sublandlord, but Subtenant shall remain liable to Sublandlord for any additional rent accrued through the date of such termination.

5. Insurance and Indemnification.

a. Subtenant hereby agrees to indemnify and save harmless Sublandlord, and its agents, employees, officers and directors, from and against any and all fines, claims, suits, actions, damages and/or causes of action arising upon entry on the Demised Premises by Subtenant both prior to and during the Term, for any personal injury, loss of life, and/or damages to property sustained in or about the Demised Premises so far as the same arises out of the use and operation of the Demised Premises, and does not arise from the negligent or intentional acts of Sublandlord, and from and against all reasonable costs, counsel fees, expenses and liabilities incurred in and about any such claim, the investigation thereof, or the defense of any action or proceeding brought thereon, and from and against any orders, judgments and/or decrees which may be entered therein. Sublandlord agrees to notify Subtenant promptly in writing of any such claim presented to Sublandlord or action commenced against Sublandlord and permit Subtenant to defend or settle the same. Any claim by Sublandlord under this Section shall be reduced by any insurance payable to Sublandlord as the result of the activity in question. Sublandlord agrees to cooperate with Subtenant in any way reasonably required by Subtenant, but at Subtenant's expense, to defend against any such claims.

b. During the Term, Subtenant shall maintain a commercial general liability insurance policy or policies (non-cancelable except upon thirty (30) days' notice to Sublandlord) with a company or companies authorized to do business in the State of New York, insuring Subtenant and naming Sublandlord as an additional insured, affording protection to the limit of \$15,000,000 in the event of death or injury in any one occurrence and to the limit of \$1,000,000 in the event of damage to any property. Policies subject to deductibles of \$100,000 or less shall be deemed satisfactory. In addition to the aforesaid policy or policies, Subtenant shall furnish Sublandlord with an indemnity in form and content reasonably satisfactory to Sublandlord from Subtenant's affiliate, Buffalo State College Foundation, Inc., with respect to any such deductible and any loss or damage suffered by Sublandlord as a result of Subtenant's failure to maintain the insurance required hereunder. The coverage limits of the aforesaid policy or policies shall be reviewed every thirty-six (36) months and adjusted if necessary, taking into account any increases in the Consumer Price Index promulgated by the U.S. Department of Labor as well as any increases in Sublandlord's net worth from and after the date of the most recent insurance adjustment; provided, however, that if Sublandlord notifies Subtenant in writing that it has experienced a material increase in its net worth in between insurance adjustment dates, Subtenant and Sublandlord shall review the coverage limits of the aforesaid policy

or policies at that time to take into account such increase. In the event that at any time during the Sublease Term, any risks presently covered by a standard commercial general liability insurance policy cease to be so covered, Subtenant shall use commercially reasonable efforts to procure at its expense substitute or similar insurance coverage with respect to such risks. Subtenant shall pay all premiums for the insurance policy or policies maintained pursuant to this paragraph. Upon failure at any time on the part of Subtenant to pay the premiums for the insurance required by this Sublease, Sublandlord shall upon written notice to Subtenant, be at liberty from time to time, as often as such failure shall occur, to pay the premiums therefor, and any and all sums so paid by Sublandlord shall be and become and are hereby declared to be additional rent under this Sublease. Any failure to pay the same shall within ten (10) days after written demand, at the option of Sublandlord, constitute a default hereunder. In the event liability insurance is no longer generally available or is no longer available in the required amounts, Subtenant and Sublandlord shall confer to obtain the best coverage for Sublandlord and Subtenant reasonably available and Subtenant shall not be deemed in default under this Section if it furnishes only such coverage; provided, however, that in such event the aforementioned indemnity of Buffalo State College Foundation, Inc. shall cover any losses or damages suffered by Sublandlord by virtue of such diminished or reduced coverage. Notwithstanding the foregoing, Sublandlord and Subtenant acknowledge and agree that the foregoing liability insurance may be effected under blanket or umbrella liability insurance policies insuring other properties of Subtenant in addition to the Demised Premises.

c. Subtenant's obligations under this Section 5 shall survive the expiration or earlier termination of this Sublease.

6. Miscellaneous.

a. Sublandlord and Subtenant agree to execute a Memorandum of Sublease in compliance with Section 291-c of the Real Property Law of the State of New York for the purpose of recording this Sublease in the Erie County Clerk's Office.

b. Subtenant may not assign, sublet or transfer any of its rights hereunder without the prior written consent, in each instance, of Prime Landlord and Sublandlord. No modification, amendment, termination, cancellation or waiver of any of the provisions of this Sublease shall be valid unless in writing, signed by the parties hereto, and subject to the prior approval of Prime Landlord.

c. This Sublease shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York without regard to principles of conflicts of law.

d. All notices to, elections by or demands upon Sublandlord, Subtenant, Prime Landlord, or any Leasehold Mortgagee (*collectively* "Notices") required or desired to be given under any of the provisions hereof shall be in writing. Any Notices from Sublandlord to Subtenant shall be deemed to have been duly and sufficient given, if a copy thereof has been mailed by United States Registered Mail or Certified Mail (Return Receipt Requested) in an envelope properly stamped, addressed to and actually received by Subtenant at its offices at c/o Buffalo State College Foundation, 1300 Elmwood Avenue, Cleveland Hall, Room 511, Buffalo, New York 14222, with a copy at the same time and in the same manner to Hodgson Russ LLP, The Guaranty Building, 140 Pearl Street, Suite 100, Buffalo, New York 14202-4040, Attn: Kathleen A. Wall, Esq. and Terrence M. Gilbride, Esq. or at such other address as Subtenant may theretofore have furnished by Notice to Sublandlord. Any

Notices from Subtenant to Sublandlord shall be deemed to have duly and sufficiently been given, if mailed by United States Registered Mail or Certified Mail (Return Receipt Requested) in an envelope properly stamped and addressed to and actually received by Sublandlord at its offices at 1300 Elmwood Avenue, Cleveland Hall, Room 305, Buffalo, New York 14222, with a copy at the same time and in the same manner to Jaeckle Fleischmann & Mugel, LLP, , 400 Essjay Road, Suite 320, Williamsville, New York 14221, Attn: Jean C. Powers, Esq. or at such other address as Sublandlord may theretofore have furnished by Notice to Subtenant. The return receipt of the United States Post Office signed by an employee of the addressee shall be conclusive proof of receipt by the addressee.

e. If Sublandlord and Subtenant litigate any provision of this Sublease or the subject matter of this Sublease, the unsuccessful litigant will pay to the successful litigant all costs and expenses, including reasonable attorneys' fees and court costs, incurred by the successful litigant at trial and on any appeal. If, without fault, either Sublandlord or Subtenant is made a party to any litigation instituted by or against the other, the other will indemnify the faultless party against all loss, liability and expense, including reasonable attorneys' fees and court costs, incurred by it in connection with such litigation.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, Sublandlord and Subtenant have caused this Sublease to be executed as of the day and year first above written.

BUFFALO STATE ALUMNI
ASSOCIATION, INC.

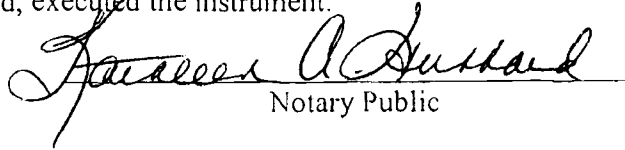
By: Mamus C. O'Donnell
Name: Mamus C. O'Donnell
Title: president

BUFFALO STATE COLLEGE
FOUNDATION HOUSING
CORPORATION

By: Ken B. Kenzie
Name: Ken B. Kenzie
Title: CHAIRMAN

STATE OF NEW YORK)
 : ss.
COUNTY OF ERIE)

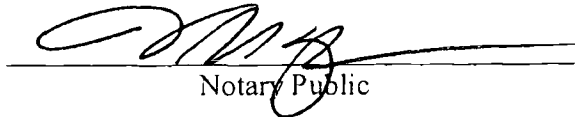
On the 15th day of July, in the year 2009, before me, the undersigned, a notary public in and for said state, personally appeared MAKUS C. O'DONNELL personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


Notary Public

KATHLEEN A. HUBBARD
Reg. #01HU4687082
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Dec. 30, 2009

STATE OF NEW YORK)
 : ss.
COUNTY OF ERIE)

On the 20th day of July, in the year 2009, before me, the undersigned, a notary public in and for said state, personally appeared ROSS B. KENZIE personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


Notary Public

TERRENCE M. GILBRIDE
No. 02G14952386
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Sept. 14, 2011

EXHIBIT A
COPY OF GROUND LEASE

GROUND LEASE

SEE TAB # 1

EXHIBIT B

LEGAL DESCRIPTION OF DEMISED PREMISES

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, and State of New York, being part of Lot No. 184 of the Stevens Survey, bounded and described as follows:

BEGINNING at a point that intersects with the north line of Letchworth Street, 40 foot wide R.O.W. and the east line of Grant Street, 60 foot R.O.W.; thence northerly along the east line of Grant Street a distance of 611.13 feet to a point; thence easterly at an interior angle of $95^{\circ}-04'-44''$ a distance of 259.90 feet to a point; thence southerly at an interior angle of $85^{\circ}-03'-50''$ a distance of 605.06' feet to a point on the north line of Letchworth Street; thence westerly along the north line of Letchworth Street a distance of 262.01' to the point or place of beginning more or less.

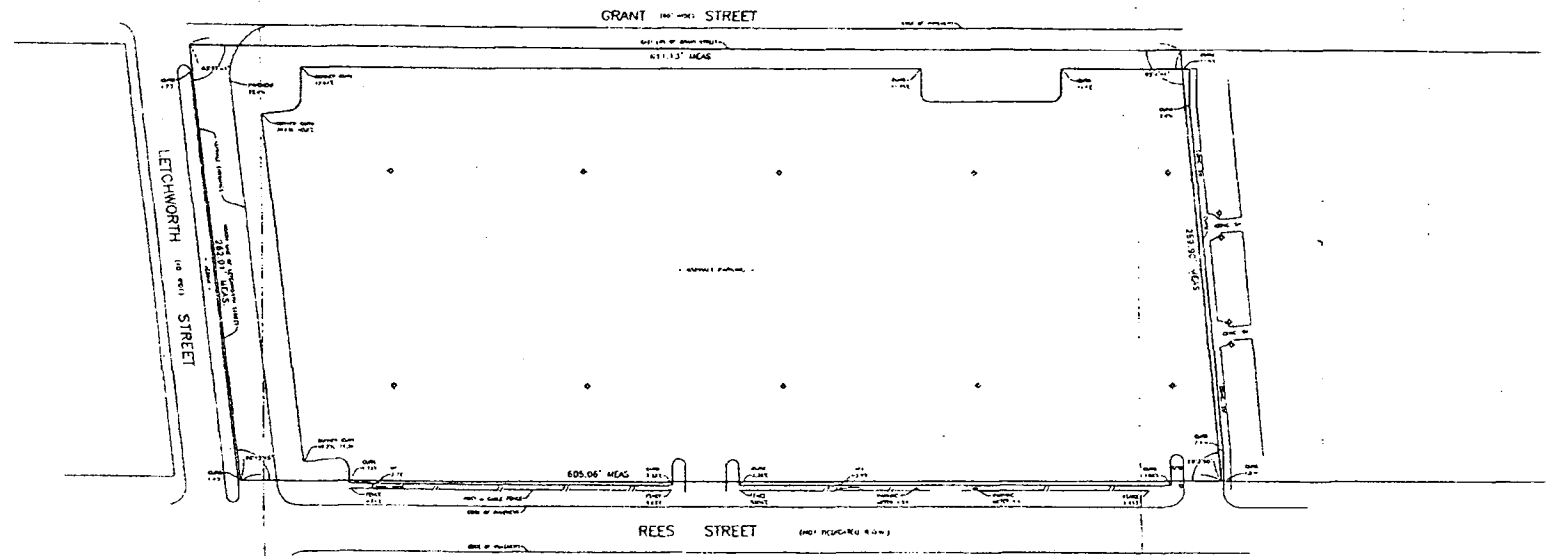
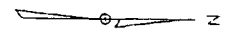
EXHIBIT B (CONTINUED)

PRINT OF SURVEY OF DEMISED PREMISES

(SEE ATTACHED COPY OF PRINT OF SURVEY)

LEGEND

1	FIELD MEASUREMENT
2	PROPERTY LINE
3	WALL
4	DOOR
5	WINDOW
6	CEILING
7	FLOOR
8	FOUNDATION
9	CONCRETE
10	ASPHALT



THIS SURVEY AND MEASUREMENTS WERE MADE IN ACCORDANCE WITH THE REQUIREMENTS OF THE STATE OF NEW YORK AND THE CITY OF NEW YORK. THE SURVEYOR'S OFFICE IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS IN THIS SURVEY.

DATE OF SURVEY	NAME OF PROPERTY	ADDRESS	OWNER

SURVEY
 PART OF LOT 194
 CITY OF NEW YORK
 COUNTY OF NEW YORK
 Deborah A. Naylor PLS, P.C.
 Land Surveying - Land Planning
 1100 Broadway
 New York, NY 10018
 Tel: (212) 512-1111 Fax: (212) 512-1111
 E-mail: dnanaylor@earthlink.net

Deborah A. Naylor

**ERIE COUNTY CLERKS OFFICE****County Clerk's Recording Page**

Book: 11175 Page: 8872

Return To:

HISCOCK & BARCLAY
 ONE PARK PLACE, 300 SOUTH STATE ST.
 ATTN: SUSAN R KATZOFF, ESQ.
 SYRACUSE NY 13202

Page Count: 8

Doc Type: LEASE/MEMO <500

Rec Date: 12/31/2009

Rec Time: 01:59:44 PM

Control #: 2009261830

User ID: dm

Trans Num: 828382

DEED SEQ: TT2009010481

MTG SEQ:

UCC:

SCAR:

INDEX:

Party 1:

BUFFALO STATE ALUMNI ASSOCIATION INC

Party 2:

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORP

Recording Fees:

RECORDING	\$60.00
COE CO \$1 RET	1.00
COE STATE \$14.25 GEN	\$14.25
COE STATE \$4.75 RM	\$4.75
TP584	\$10.00

Consideration Amount:

	\$1.00
BASIC	\$0.00
SONYMA	\$0.00
ADDL	\$0.00
NFTA MT	\$0.00
TRANSFER	\$0.00
NFTA TT	\$0.00

Total: \$90.00

STATE OF NEW YORK
 ERIE COUNTY CLERK'S OFFICE

WARNING - THIS SHEET CONSTITUTES THE CLERK'S ENDORSEMENT,
 REQUIRED BY SECTIONS 319&316-a (5) OF THE REAL PROPERTY LAW
 OF THE STATE OF NEW YORK. DO NOT DETACH. THIS IS NOT A BILL.

Kathleen C. Hochul
 County Clerk

BUFFALO STATE ALUMNI ASSOCIATION, INC.
AS LANDLORD

AND

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION,
AS TENANT

MEMORANDUM OF SUBLEASE

DATED AS OF JULY 1, 2009

RELATING TO PREMISES KNOWN AS THE BUFFALO STATE STUDENT HOUSING
PROJECT LOCATED ON THE CAMPUS OF BUFFALO STATE COLLEGE
IN THE CITY OF BUFFALO,
ERIE COUNTY, NEW YORK.

THIS DOCUMENT IS INTENDED TO BE RECORDED IN LIEU
OF THE WITHIN-DESCRIBED SUBLEASE IN
ACCORDANCE WITH THE PROVISIONS OF SECTION 291-c
OF THE NEW YORK REAL PROPERTY LAW.

R 828382
DWM 261830
CTM-Ø
7920-7

MEMORANDUM OF SUBLEASE

The undersigned **BUFFALO STATE ALUMNI ASSOCIATION, INC.**, a corporation organized under the New York Not-for-Profit Corporation Law, with an office and place of business at 1300 Elmwood Avenue, Cleveland Hall, Room 305, Buffalo, New York 14222 ("Sublandlord") and **BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION**, a corporation organized under the New York Not-for-Profit Corporation Law, with an office and place of business at c/o Buffalo State College Foundation, 1300 Elmwood Avenue, Cleveland Hall, Room 511, Buffalo, New York 14222 ("Subtenant") have entered into a certain sublease dated as of July 1, 2009 (the "Sublease").

The Sublease covers the premises (the "Demised Premises"), described on Exhibits A and B attached hereto.

Sublandlord leased the Demised Premises from the State University of New York pursuant to a certain Ground Lease, dated as of July 1, 2009 (the "Ground Lease"). In the Ground Lease, Sublandlord agreed to undertake the construction, development and operation of a suite-style student housing complex (the "Project") on the Demised Premises. Sublandlord has agreed to sublease the Demised Premises to the Subtenant for the Project.

The Sublease provides for the rental of the Demised Premises for a term (the "Sublease Term") commencing as of September 1, 2009 (the "Commencement Date") and terminating on June 29, 2051. Upon expiration of the Sublease Term, the Demised Premises shall revert to Sublandlord.

The Sublease is subordinate to the Ground Lease and Subtenant agrees to duly observe and perform the obligations imposed upon the Sublandlord pursuant to the Ground Lease.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the Sublandlord and the Subtenant have caused this Memorandum of Sublease to be executed in their respective names by their respective duly authorized officers and to be dated as of the day and year first written above.

**BUFFALO STATE ALUMNI ASSOCIATION,
INC.**

By: Manus C. O'Donnell
Name: Manus C. O'Donnell, President
Title:

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

By: Ross B. Kenzie
Name: ROSS B. KENZIE
Title: CHAIRMAN

STATE OF NEW YORK)
)
:SS.
COUNTY OF Erie)

On the 28th day of December, in the year 2009, before me, the undersigned, a notary public in and for said state, personally appeared Henri C. O'Donnell, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Jean C. Powers
Notary Public

JEAN C. POWERS
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 3/30/2010

STATE OF NEW YORK)
)
:SS.
COUNTY OF ERIE)

On the 20th day of July, in the year 2009, before me, the undersigned, a notary public in and for said state, personally appeared Ross B. Kenzie, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Terrence M. Gilbride
Notary Public

TERRENCE M. GILBRIDE
No. 02GH4652366
Notary Public, State of New York
Qualified in Erie County
My Commission Expires Sept. 14, 2011

EXHIBIT A

LEGAL DESCRIPTION OF DEMISED PREMISES

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, and State of New York, being part of Lot No. 184 of the Stevens Survey, bounded and described as follows:

BEGINNING at a point that intersects with the north line of Letchworth Street, 40 foot wide R.O.W. and the east line of Grant Street, 60 foot R.O.W.; thence northerly along the east line of Grant Street a distance of 611.13 feet to a point; thence easterly at an interior angle of $95^{\circ}-04'-44''$ a distance of 259.90 feet to a point; thence southerly at an interior angle of $85^{\circ}-03'-50''$ a distance of 605.06' feet to a point on the north line of Letchworth Street; thence westerly along the north line of Letchworth Street a distance of 262.01' to the point or place of beginning more or less.

EXHIBIT B

PRINT OF SURVEY OF DEMISED PREMISES

(SEE ATTACHED COPY OF PRINT OF SURVEY)

LOAN AGREEMENT

by and between

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION**

and

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION

Dated as of June 1, 2011

relating to

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION**

**\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING
CORPORATION PROJECT), SERIES 2011A**

**\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING
CORPORATION PROJECT), SERIES 2011B**

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LOAN AGREEMENT

This **LOAN AGREEMENT** dated as of June 1, 2011 (as amended or supplemented from time to time, the "*Loan Agreement*"), by and between the **BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION**, a not-for-profit corporation constituting a local development corporation duly incorporated and existing under the laws of the State of New York (the "*Issuer*"), and **BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION**, a not-for-profit corporation duly incorporated and existing under the laws of the State of New York (the "*Company*").

PRELIMINARY STATEMENT

The Issuer has simultaneously herewith executed and delivered the Trust Indenture dated as of June 1, 2011 (as supplemented or amended from time to time, the "Indenture"), between the Issuer and Manufacturers and Traders Trust Company, as trustee (together with its successors in trust, the "Trustee") and issued the Bonds (as defined in the Indenture). The Company, in order to enable it to obtain loans from the Issuer on the terms and conditions contained herein, has requested the Issuer to issue the Bonds to provide moneys for loans to the Company for, among other purposes, the payment of the costs of issuance of the Bonds and refunding of the Outstanding Prior Bonds (as defined in the Indenture). The principal amount of Bonds issued pursuant to the Indenture shall constitute the aggregate amount of the loan to the Company made pursuant hereto.

THE ISSUER AND THE COMPANY hereby mutually covenant and agree as follows:

SECTION 1. Definitions. All terms which are defined in the Indenture and not defined herein shall have the same meanings, respectively, herein as such terms are given in the Indenture.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

The terms "hereby," "hereof," "hereto," "herein," "hereunder" and any similar terms, as used in this Loan Agreement, refer to this Loan Agreement.

SECTION 2. Parties to Benefit; Compliance with Indenture. This Loan Agreement is executed in connection with the issuance of the Bonds and execution and delivery of the Indenture by the Issuer. Except as otherwise expressly provided herein, nothing herein, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the Issuer and the Company, any right, remedy or claim, legal or equitable, hereunder or by reason hereof or of any provision hereof, this Loan Agreement and all the provisions hereof being intended to be and being for the sole and exclusive benefit of the Issuer and the Company. The Issuer and the Company agree that this Loan Agreement is

executed in part to induce the purchase by others of the Bonds. Accordingly, all covenants and agreements on the part of the Issuer and the Company set forth in this Loan Agreement are hereby declared to be for the benefit of the Trustee and the Owners from time to time of the Bonds. The Company covenants and agrees that it will comply with the provisions of the Indenture with respect to the Company and that the Trustee shall have the power, authority, rights and protections provided in the Indenture. The Company further covenants to use its best efforts to cause there to be obtained for the Issuer any documents or opinions required of the Issuer under the Indenture.

SECTION 3. Project Financing; Project Completion; Restricted Gifts.

(a) In order to provide moneys for the Costs of the Project, the Issuer issued the Outstanding Prior Bonds in the aggregate principal amount of up to \$44,285,000. The Outstanding Prior Bonds were draw down bonds. Proceeds in the amount of \$39,698,520.50 under the Outstanding Prior Tax-Exempt Bonds have been drawn down as of the Closing Date. The Company has incurred approximately \$5,074,323.35 of additional Project Costs which as of the Closing Date have not been paid or reimbursed from proceeds of the Outstanding Prior Bonds. The Issuer has agreed to issue (i) the Series 2011A Bonds to make a loan to the Company to be applied to redeem and defease the Outstanding Prior Tax-Exempt Bonds and provide funds for Costs of the Project and issuance costs of the Series 2011A Bonds and (ii) the Series 2011B Bonds to make a loan to the Company to be applied to redeem and defease the Outstanding Prior Taxable Bonds and provide funds for issuance costs of the Initial Bonds.

(b) The Company represents and warrants to the Issuer that the construction and equipping of the Project have been completed and that all permits and approvals of Governmental Authorities necessary for the use and occupancy of the Project have been obtained and are in full force and effect.

(c) If, prior to completion of construction of the Project, the Company received any Restricted Gift therefor, the Company, to the extent not inconsistent with the terms of such Restricted Gift, either (i) to the extent necessary to complete the Project, applied such amount in a manner acceptable to the Issuer, or (ii) to the extent such moneys exceed the amount necessary to complete the Project, paid such amount to the Prior Trustee to be used for payment of principal of the Outstanding Prior Bonds or will pay such amount to the Trustee for deposit to the Bond Fund. If, after completion of the construction of the Project, the Company receives any Restricted Gift, the Company shall deliver a like amount to the Trustee for deposit to the Bond Fund.

(d) The Company represents, warrants and covenants that it has expended or will expend on the Project, from sources other than the proceeds of the issuance of Bonds, an amount equal to the amount of Restricted Gifts received and reasonably expected to be received by it in the future from pledges or otherwise, and no such moneys will be pledged as collateral for the Bonds or is otherwise expected to be used to pay the principal of or interest on Bonds, except as otherwise provided in paragraph (b) above. For purposes of this paragraph, it is understood that all or any part of the Project may be named in honor of a donor or donors in recognition of pledges, contributions or services of the donor or donors that are unrelated to the Costs of the Project, and amounts pledged or contributed by the donor or donors for purposes unrelated to the

Costs of the Project will not be considered to have been raised for purposes of constructing or equipping the Project.

SECTION 4. Use of Proceeds in Construction Fund.

(a) Subject to the conditions hereof and of the Tax Compliance Agreement, the Issuer will, to the extent of moneys available in the Construction Fund, cause the Company to be reimbursed for, or pay, any costs and expenses incurred by the Company which constitute Costs of the Project. To the extent that moneys are available therefor, moneys in the Construction Fund shall be disbursed in accordance with the terms of the Indenture. Except as otherwise disclosed to, and agreed to by, the Issuer and the Trustee in writing, delivery of a Construction Fund requisition by the Company shall constitute a representation by the Company that it has complied with all provisions of the Loan Agreement and the Tax Compliance Agreement, including, but not limited to those related to the use of the Project and certain non tax-exempt purposes.

(b) The Company will receive the disbursements of moneys in the Construction Fund to be made hereunder, and will hold the right to receive the same, as a trust fund for the purpose of paying the Costs of the Project for which each disbursement was made, and will apply the same first to such payment before using any part thereof for any other purposes.

(c) The Company agrees to retain all documents pertaining to expenditures for items which constitute Costs of the Project for at least seven (7) years after the date of completion of the Project to which such documents relate. All such documents shall be made available to the Issuer and its authorized representatives for inspection upon reasonable prior notice.

(d) The Company acknowledges and agrees that disbursements from the Construction Fund are to be made by the Trustee and shall be made in accordance with the Indenture only upon receipt by the Trustee of the documents required by the Indenture to be executed and delivered in connection with such disbursements.

(e) The Project shall be deemed to be complete upon delivery to the Issuer and the Trustee of a Completion Certificate signed by an Authorized Officer of the Company which certificate shall be delivered as soon as practicable after the completion of such Project. Any such Certificate shall comply with the requirements of Section 4.5 of the Indenture. The moneys, if any, remaining in the Construction Fund after such Project has been deemed to be complete shall be paid as provided in Section 4.5 of the Indenture.

SECTION 5. Reserved.

SECTION 6. Compliance with Governmental Requirements. The Company shall comply with (i) all Governmental Requirements which, if not complied with, could adversely affect the Company, its operation or financial condition or title to its Properties in any material respect, and (ii) any requirement of an insurance company writing insurance thereon irrespective of the nature of the work required to be done. Anything contained in this Section to the contrary notwithstanding, the Company shall have the right to contest the validity of any Governmental

Requirement or the application thereof at the Company's sole cost and expense. During such contest, compliance with any such contested Governmental Requirement may be deferred by the Company, *provided that* prior to commencing any action or proceeding, administrative or judicial, contesting such Governmental Requirement the Company shall notify the Issuer and the Trustee of the Company's intention to contest such Governmental Requirement and, if the Issuer or the Trustee reasonably requests, shall furnish to the Issuer and the Trustee a surety bond, moneys or other security, satisfactory to the Issuer and the Trustee (each in its sole discretion), securing compliance with the contested Governmental Requirement and payment of all interest, penalties, fines, fees and expenses resulting from or in connection with such contest or the failure of the Company to comply with the contested Governmental Requirement. Any such action or proceeding instituted by the Company shall be commenced as soon as is reasonably possible after the assertion of the applicability to the Project or any part thereof of the contested Governmental Requirement by a Governmental Authority, and shall be prosecuted to final adjudication or other final disposition with reasonable dispatch. Notwithstanding the furnishing of any bond, deposit or other security, the Company promptly shall comply with any such Governmental Requirement and compliance shall not be deferred if at any time the Project or any part thereof to which such contested Governmental Requirement relates would, in the reasonable judgment of the Issuer or the Trustee, be in substantial danger by reason of the Company's noncompliance with such Governmental Requirement of being sold, attached, forfeited, foreclosed, transferred, conveyed, assigned or otherwise subjected to any proceeding, equitable remedy, Lien, charge, fee or penalty that would impair (i) the interests or security of the Issuer or the Trustee hereunder or under the Indenture or the Mortgage, (ii) the ability of the Issuer to enforce its rights thereunder, (iii) the ability of the Issuer or the Trustee to fulfill the terms of any covenants or perform any of its obligations hereunder or under the Indenture, or (iv) the ability of the Company to fulfill the terms of any covenants or perform any of its obligations hereunder or under the Mortgage.

SECTION 7. Financial Obligations.

(a) Except to the extent that moneys are available therefor under the Indenture or hereunder, including moneys in the funds established under the Indenture, and interest accrued but unpaid on investments held in such funds, the Company hereby unconditionally agrees to pay or cause to be paid, so long as Bonds are Outstanding, to or upon the order of the Issuer, from its general funds or any other moneys legally available to it:

(i) On or before the date of delivery of the Bonds, the Issuer Fee agreed to by the Issuer and the Company in connection with issuance of the Bonds;

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

(iii) On the tenth day preceding a Bond Payment Date, an amount sufficient to provide funds to pay the principal of, and interest on, the Bonds on such Bond Payment Date;

(iv) At least ten (10) days prior to any date on which the Redemption Price of Bonds previously called for redemption, is to be paid, the amount required to pay the Redemption Price of such Bonds;

(v) Promptly after notice from the Issuer, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Issuer (A) for the Issuer Fee then unpaid, (B) to reimburse the Issuer for any expenses or liabilities incurred by the Issuer pursuant to Section 24, 26 or 29 hereof, (C) to reimburse the Issuer for any external costs or expenses incurred by it attributable to the issuance of the Bonds or the financing or construction of the Project, and (D) for the costs and expenses incurred by the Issuer to compel full and punctual performance by the Company of all the provisions hereof or of the Mortgage or of the Indenture in accordance with the terms thereof;

(vi) Promptly upon notice from the Trustee or any Paying Agent, to pay or reimburse for the fees and expenses of the Trustee and any Paying Agent for fees, charges and expenses thereof pursuant to Section 9.2 of the Indenture;

(vii) Promptly upon demand by the Issuer (a copy of which shall be furnished to the Trustee), all amounts required to be paid by the Company as a result of an acceleration pursuant to Section 30 hereof;

(viii) Promptly upon demand by the Issuer, the difference between the amount on deposit in the Rebate Fund available to be rebated in connection with the Series 2011A Bonds or otherwise available therefore under the Indenture and the amount required to be rebated to the Department of the Treasury of the United States of America in accordance with the Code in connection with the Series 2011A Bonds; and

(ix) To the extent not otherwise set forth in this Section 7(a), including, without limitation, in the event of any insufficiency, any amounts necessary to pay the principal or Redemption Price, if any, of, and interest on, the Bonds, on the dates, in the amounts, at the times and in the manner provided in or pursuant to the Indenture, whether at maturity, upon acceleration, redemption, purchase or otherwise.

The Issuer hereby directs the Company, and the Company hereby agrees, to make the payments required by this Section 7(a) as follows: (i) the payments required by paragraphs (a)(iii), (a)(iv), (a)(vii) and (a)(ix) of this Section directly to the Trustee for deposit in the Pledged Revenue Fund and application in accordance with Section 4.5 of the Indenture and by paragraph (a)(viii) of this Section directly to the Trustee for deposit and application in accordance with Section 4.12 of the Indenture; (ii) the payments required by paragraph (a)(ii) of this Section directly to the Trustee for deposit in the Costs of Issuance Fund established under the Indenture, as directed by the Issuer; (iii) the payments required by paragraph (a)(vi) directly to the Trustee or Paying Agent, as the case may be; and (iv) the payments required by paragraphs (a)(i) and (a)(v) of this Section directly to the Issuer.

(b) All moneys paid by the Company to the Trustee pursuant hereto or otherwise held by the Trustee shall be deposited and applied in accordance with the Sections 4.3 and 4.5 of

the Indenture, *provided that* if an Event of Default shall have occurred and be continuing, all such moneys shall be applied in accordance with Section 8.5 of the Indenture. Except as otherwise provided in the Indenture, the Trustee shall hold such moneys in trust in accordance with the applicable provisions of the Indenture for the sole and exclusive benefit of the Holders of Bonds, regardless of the actual due date or applicable payment date of any payment to the Holders of Bonds.

(c) The Company shall comply with the requirements of the Indenture regarding funding the Costs of Issuance Fund, the Repair and Replacement Fund and the Insurance and Condemnation Fund.

(d) The obligations of the Company to make payments or cause the same to be made hereunder shall be absolute and unconditional and the amount, manner and time of making such payments shall not be decreased, abated, postponed or delayed for any cause or by reason of the happening or non-happening of any event, irrespective of any defense or any right of set-off, recoupment or counterclaim which the Company may otherwise have against the Issuer, the Trustee, the Trustee or any Holder of Bonds for any cause whatsoever including, without limiting the generality of the foregoing, failure of the Company to complete the Project or the completion thereof with defects, failure of the Company to occupy or use the Project, any declaration or finding that the Bonds are or the Indenture is invalid or unenforceable or any other failure or default by the Issuer or the Trustee; *provided, however*, that nothing herein shall be construed to release the Issuer from the performance of any agreements on its part herein contained or any of its other duties or obligations, and in the event the Issuer shall fail to perform any such agreement, duty or obligation, the Company may institute, subject to Section 9 hereof, such action as it may deem necessary to compel performance or recover damages for non-performance.

This Loan Agreement and the obligations of the Company to make payments hereunder are general obligations of the Company.

(e) The Company, if it is not then in default hereunder and if no Event of Default would be caused thereby, shall have the right to make voluntary prepayments of all or a portion of Loan Payments in any amount to the Trustee, to be applied to the Redemption Price set forth in Section 3.1(c) of the Indenture. In the event of a voluntary payment, the amount so paid shall be deposited in the Pledged Revenue Fund and applied in accordance with Section 3.1(c) of the Indenture. Upon any voluntary payment by the Company, the Issuer agrees to direct the Trustee to redeem Bonds in accordance with the Indenture; *provided, however*, that in the event such voluntary payment is in the sole judgment of the Issuer sufficient to pay all amounts then due hereunder and under the Indenture, including the redemption of all Bonds Outstanding, the Issuer agrees, in accordance with the instructions of the Company, to direct the Trustee to redeem all Bonds Outstanding.

SECTION 8. Financial Covenants; No Indebtedness Secured by Project or Gross Revenues.

(a) The Company shall cause the Project to maintain at all times while the Bonds remain Outstanding a Debt Service Coverage Ratio of 1.10 to 1.00. At all times while the Bonds

remain Outstanding, the Company shall submit to the Trustee the Company's calculation of the Debt Service Coverage Ratio when it submits such calculation to SUNY in accordance with the terms of the SUNY Agreement, but in no event later than one hundred twenty (120) days after the end of the Company's Fiscal Year.

(b) So long as any of the Bonds shall remain Outstanding, the Company shall not, nor shall it permit any subsidiary to, directly or indirectly, (i) create, assume, incur or in any manner become or remain liable in respect to, any Indebtedness secured by the Project or the Gross Revenues except Additional Bonds; or (ii) create, assume, incur or suffer to exist or allow to be created, assumed or incurred or suffered to exist any Lien upon any of the Project or the Gross Revenues now owned or hereafter acquired, excepting, however, Permitted Encumbrances; *provided, however*, that notwithstanding the provisions of this Section 8 to the contrary, the Company may, in the ordinary course of its operations, make, modify, terminate and otherwise deal with student licenses for use of dormitory rooms included in the Project, without the consent of the Issuer or the Trustee, in a manner consistent with normal College practice, *provided that* no such actions on the part of the Company shall waive, release, limit, modify or impair any obligations or liabilities of SUNY under the SUNY Agreement.

SECTION 9. No Liability.

(a) All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this Loan Agreement, the Bonds, the other Bond Documents and the other documents and instruments connected therewith shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, agent or employee of the Issuer in his or her individual capacity, and no recourse under or upon any obligation, covenant or agreement contained in this Loan Agreement, the Bond Documents and the Bonds or otherwise based upon or in respect to the Bond Documents and the Bonds or any documents supplemental hereto or thereto, or for any of the Bonds or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, director, officer, agent or employee, as such, of the Issuer, or any successor local development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, or any Person executing this Loan Agreement, the other Bond Documents and the Bonds either directly or through the Issuer or any successor local development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, it being expressly understood that the Bond Documents and the Bonds shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer, payable solely from the Loan Payments received by the Issuer (except with respect to the Unassigned Rights) and other revenues and Property pledged under the Indenture, and that no such personal liability whatsoever shall attach to, or is or shall be incurred by, Issuer or any such member, director, officer, agent or employee of the Issuer or of any such successor local development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, or any Person executing the Bonds because of the creation of the indebtedness authorized thereby, or under or by reason of the obligations, covenants or agreements contained in the Bond Documents or in any of the Bonds or implied therefrom, and that any and all such personal liability of, and any and all such rights and claims against, the Issuer and every such

member, director, officer, agent or employee because of the indebtedness authorized hereby, or under or by reason of the obligations, covenants or agreements contained in the Bond Documents or in any of the Bonds or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of and as a consideration for the execution of the Bond Documents and the issuance of the Bonds. The limitations on the obligations of the Issuer contained in this Section by virtue of any lack of assurance required by Section 9(b) shall not be deemed to prevent the occurrence and full force and effect of any Event of Default pursuant to Section 30 hereof.

(b) No order or decree of specific performance with respect to any of the obligations of the Issuer hereunder shall be sought or enforced against the Issuer unless (i) the party seeking such order or decree shall first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Issuer shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, and (ii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Issuer an amount or undertaking which, in the sole discretion of the Issuer, is sufficient to cover such reasonable fees and expenses, and (iii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its expectation that it or any of its directors, members, officers, agents or employees shall be subject to potential liability, the party seeking such order or decree shall (A) agree to indemnify and hold harmless the Issuer and its members, directors, officers, agents and employees against any liability incurred as a result of its compliance with such demand, and (B) if requested by the Issuer, furnish to the Issuer security which, in the sole discretion of the Issuer, is sufficient to protect the Issuer and its members, directors, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request.

(c) The obligations and agreements of the Issuer contained in this Loan Agreement shall not constitute or give rise to an obligation of the State or any municipality or subdivision thereof (including Erie County, New York) and neither the State nor any municipality or political subdivision thereof (including Erie County, New York) shall be liable thereon.

SECTION 10. Pledge of Gross Revenues; Application of Gross Revenues; Operating Account.

(a) As security for the payment of all liabilities and the performance of all obligations of the Company pursuant hereto, the Company does hereby continuously pledge, grant a security interest in and assign to the Issuer the Gross Revenues, together with the Company's right to receive and collect the Gross Revenues and the proceeds of the Gross Revenues.

The Company represents and warrants that no part of the Gross Revenues or any right to receive or collect the same or the proceeds thereof is subject to any Lien or assignment and that the Gross Revenues assigned pursuant hereto are legally available to provide security for the

Company's performance hereunder. The Company covenants that, except in connection with the issuance of Additional Bonds pursuant to the Indenture, it shall not hereafter create or permit the creation of any Lien on or other commitment of or with respect to the Gross Revenues or the Project.

(b) The Company agrees to collect and transfer the Gross Revenues, as the same are due, to the Trustee for deposit to the Pledged Revenue Fund and to no other account. The Company shall provide a Certificate of an Authorized Representative of the Company and the Budget to the Trustee in accordance with Section 4.5 of the Indenture with respect to each transfer of Gross Revenues. The Company agrees that the Gross Revenues shall be used only for the purpose and in the manner herein provided, or as provided in the Indenture.

(c) The Company shall establish the Operating Account to be held separate and apart from all other accounts of the Company. The Company shall pay Operating Expenses from the Operating Account. The Company shall cause the depository of the Operating Account to enter into a written deposit account control agreement, which shall be satisfactory in form and substance to the Trustee, and pursuant to which the depository shall agree (i) that amounts on deposit therein constitute Pledged Revenues that the depository holds on deposit in the Operating Account for the Trustee for the benefit of the Owners of the Bonds, and (ii) to transfer the Pledged Revenues on deposit therein to the Trustee upon receipt from the Trustee of notice stating that delivery of such Pledged Revenues is required. Except for the Operating Account, the Company shall not create any other accounts or deposit any moneys with a financial institution. If invested, moneys in the Operating Account shall be invested in Permitted Investments.

SECTION 11. Collection of Gross Revenues.

In the event that, pursuant to Section 30(b)(v) hereof, the Issuer notifies the Company that account debtors are to make payments directly to the Issuer or to the Trustee, such payments shall be made directly to the Issuer or the Trustee notwithstanding anything contained in this Section, but the Company shall continue to deliver to the Trustee for deposit in accordance with Section 4.5 of the Indenture any payments received by the Company with respect to the Gross Revenues.

SECTION 12. Covenants With Respect to SUNY Agreement and Facility Management Agreement. The Company agrees and covenants with respect to the SUNY Agreement to (i) perform all of the obligations of the Owner (as defined in the SUNY Agreement) under the SUNY Agreement and enforce the timely payment, performance and observance of the covenants, conditions and terms thereof by SUNY; (ii) not later than August 15 of each Fiscal Year, commencing August 15, 2011, the Company shall determine in good faith, based upon licenses actually entered into by the Company as of such date, whether or not the projected Project occupancy for such Fiscal Year will be sufficient to achieve the level of the Project Revenues required under the terms of the Facility Management Agreement, and shall give written notice of such determination (including supporting computations in reasonable detail) to the Trustee, the Issuer and the Underwriter; if such determination is that the projected Project occupancy for such Fiscal Year will not be sufficient to achieve the level of Project Revenues required under the terms of the Facility Management Agreement, the Company shall

immediately give written notice thereof to SUNY and shall secure licenses from SUNY in accordance with the terms and conditions of the SUNY Agreement; (iii) obtain payment from SUNY of the then established license rates for the Project with respect to the units licensed by SUNY as shall be necessary to achieve the level of Project Revenues required under Section 4.1 of the SUNY Agreement; (iv) take any and all action required to implement and enforce the SUNY Agreement; and (v) not consent to any amendment thereto or termination thereof without first obtaining the prior written consent of the Trustee.

The Company agrees and covenants with respect to the Facility Management Agreement to (i) perform all of the obligations of Owner under the Facility Management Agreement and enforce the timely payment, performance and observance of the covenants, conditions and terms thereof by SUNY as manager and the College; (ii) cause SUNY to transfer all Project Revenues to the Trustee in accordance with the Facility Management Agreement; (iii) take any and all action required to implement the Facility Management Agreement; and (iv) not consent to any amendment thereto or termination thereof without first obtaining the prior written consent of the Trustee.

SECTION 13. Mortgage; Warranty of Title; Utilities and Access. At or before the delivery by the Issuer of the Bonds, the Company shall execute and deliver to the Issuer the Mortgage, in recordable form, mortgaging the Mortgaged Property acceptable to the Issuer.

The Company warrants and represents to the Issuer that (i) it has good and marketable leasehold title to the Land and Improvements and good and marketable title to the Equipment, free and clear of Liens and encumbrances, except Permitted Encumbrances, so as to permit it to have quiet enjoyment and use thereof for purposes hereof and the Company's programs, and (ii) the Company has such rights of way, easements or other rights in land as may be reasonably necessary for ingress and egress to and from the Project and the Mortgaged Property for proper operation and utilization of the Project and the Mortgaged Property and for utilities required to serve the Project and such Mortgaged Property, together with such rights of way, easements or other rights in, to and over land as may be necessary for construction, use and operation by the Company of the Project and the Mortgaged Property.

As a condition precedent to the Issuer's obligation to deliver such Bonds, the Company agrees to provide the Title Policy and a current survey or surveys, including a metes and bounds description, of such Mortgaged Property, certified to, among others, the Issuer, the Trustee and the issuer of the Title Policy and showing any easements to which the Mortgaged Property is subject.

The Company warrants, represents and covenants that (i) title to the Project and the Mortgaged Property shall be kept free from any encumbrances, Liens or commitments of any kind, other than Permitted Encumbrances, (ii) the Project and the Mortgaged Property is and will be serviced by all necessary utilities (including, to the extent applicable, without limitation, electricity, gas, water, sewer, steam, heating, air-conditioning and ventilation), and (iii) to the extent applicable, has and will have its own separate and independent means of access, apart from any other Property owned by the Company or others; *provided, however*, that such access may be through common roads or walks owned by the Company used also for other parcels owned by the Company.

SECTION 14. Consent to Pledge and Assignment. The Company consents to and authorizes the assignment, transfer or pledge by the Issuer to the Trustee of the Issuer's rights to receive any or all of the payments required to be made pursuant to Section 7(a) hereof, any or all security interests granted by the Company hereunder, including, without limitation, the security interest in the Gross Revenues given by the Company pursuant to Section 10 hereof, the Mortgage, any security interest in the fixtures, furnishings and equipment located on the Mortgaged Property and all funds and accounts established by the Indenture (other than the Rebate Fund) and pledged under the Indenture, in each case to secure any payment or the performance of any obligation of the Company hereunder or arising out of the transactions contemplated hereby whether or not the right to enforce such payment or performance shall be specifically assigned by the Issuer to the Trustee. The Company further agrees that the Issuer may pledge and assign to the Trustee any and all of the Issuer's rights and remedies hereunder. Upon any pledge and assignment by the Issuer to the Trustee authorized by this Section, the Trustee shall be fully vested with all of the rights of the Issuer so assigned and pledged and may thereafter exercise or enforce, by any remedy provided therefor hereby or by law, any of such rights directly in its own name. Any such pledge and assignment shall be limited to securing the Company's obligation to make all payments required hereby and to performing all other obligations required to be performed by the Company hereunder. Any realization upon any Lien granted hereby shall not, by operation of law or otherwise, result in cancellation or termination hereof or the obligations of the Company hereunder.

SECTION 15. Additional Representation and Covenants. The Company warrants and represents that (i) it has the requisite power and authority (A) to authorize, execute and deliver, and to perform its obligations under this Loan Agreement, the Mortgage, the SUNY Agreement, the Sublease, the Facility Management Agreement and the other Company Documents, (B) to incur the indebtedness contemplated hereby and thereby and (C) to make the Lien on the Gross Revenues given by Section 10 hereof and to mortgage the Mortgaged Property; (ii) each of this Loan Agreement, the Mortgage, the SUNY Agreement, the Sublease, the Facility Management Agreement and the other Company Documents constitutes the valid and binding obligation of the Company enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium or similar laws affecting or relating to the rights of creditors generally and general principles of equity; (iii) the execution and delivery of, consummation of the transaction contemplated by and performance of the Company's obligations under this Loan Agreement, the Mortgage, the SUNY Agreement, the Sublease, the Facility Management Agreement and the other Company Documents, including, but not limited to, the pledge of and security interest in the Gross Revenues made or granted pursuant to Section 10 hereof and the mortgaging of the Mortgaged Property, do not or did not violate, conflict with or constitute a default under the certificate of incorporation or by-laws of the Company or any indenture, mortgage, trust, or other commitment or agreement to which the Company is a party or by which it or any of its Properties are bound, or any existing law, rule, regulation, judgment, order, writ, injunction or decree of any Governmental Authority, agency or other instrumentality or court having jurisdiction over the Company or any of its Properties; (iv) the SUNY Agreement, the Sublease and the Facility Management Agreement are in full force and effect and have not been modified or rescinded; (v) the Company is not in default under the SUNY Agreement, the Sublease or the Facility Management Agreement; and (vi) to the knowledge of the Company, no "event of default" or event which with notice of the passage

of time would constitute an “event of default” under the Outstanding Prior Bonds, the Ground Lease, the SUNY Agreement, the Sublease or the Facility Management Agreement has occurred.

The Company warrants, represents and covenants (i) that the Gross Revenues are and will be free and clear of any Lien or charge thereon or with respect thereto, prior to, or of equal rank with, the pledge thereof made pursuant hereto, and (ii) that all corporate action on the part of the Company to authorize the pledge thereof and the granting of a security interest therein has been duly and validly taken. The Company further covenants that it shall at all times, to the extent permitted by law, defend, preserve and protect such Lien and all of the rights of the Issuer and the Holders of Bonds thereunder against all claims and demands of all persons whomsoever.

SECTION 16. Tax-Exempt Status of Company. The Company represents that (i) it is an organization described in Section 501(c)(3) of the Code, or corresponding provisions of prior law, and is not a “private foundation,” as such term is defined under Section 509(a) of the Code; (ii) it has received a letter or other notification from the Internal Revenue Service to that effect; (iii) such letter or other notification has not been modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification; (v) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist; and (vi) it is exempt from federal income taxes under Section 501(a) of the Code, except for payment of unrelated business income tax. The Company agrees that (a) it shall not perform any act or enter into any agreement which shall adversely affect such federal income tax status and shall conduct its operations in the manner which will conform to the standards necessary to qualify the Company as an exempt organization within the meaning of Section 501(c)(3) of the Code or any successor provision of federal income tax law; and (b) it shall not perform any act, enter into any agreement or use or permit the Project to be used in a manner, or for any trade or business unrelated to the exempt purposes of the Company, which could adversely affect the exclusion of interest on the Series 2011A Bonds from federal gross income pursuant to Section 103 of the Code.

SECTION 17. Securities Acts Status. The Company represents that (i) it is an organization organized and operated (A) exclusively for educational or charitable purposes, and (B) not for pecuniary profit; and (ii) no part of the net earnings of which inures to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. The Company agrees that it shall not perform any act or enter into any agreement which shall adversely affect such status as set forth in this Section.

SECTION 18. Maintenance of Corporate Existence. The Company covenants that it will (i) maintain its corporate existence, (ii) continue to operate as a not-for-profit corporation, (iii) obtain, maintain and keep in full force and effect such governmental approvals, consents, licenses, permits and accreditation as may be necessary for it to continue to so operate, and (iv) except as expressly permitted hereby, not dissolve or otherwise dispose of all or substantially all of its assets or consolidate with or merge into another person or permit one or more persons to consolidate with or merge into it. The Company, with the prior written consent of the Issuer (which consent shall not be unreasonably withheld) and the Trustee (in its sole discretion), may (A) sell or otherwise transfer all or substantially all of its assets to, or consolidate with or merge

into, another organization or corporation which qualifies as an organization described in Section 501(c)(3) of the Code, or any successor provision of federal income tax law, (B) permit one or more corporations or any other organization to consolidate with or merge into it, or (C) acquire all or substantially all of the assets of one or more corporations or other organizations. Notwithstanding the foregoing provisions of this Section, no disposition, transfer, consolidation or merger otherwise permitted hereby shall be permitted unless (1) the same would not in the opinion of Bond Counsel adversely affect the exclusion of interest on any Series 2011A Bond from gross income for purposes of federal income taxation; (2) the Company will not as a result thereof be in default hereunder or under the SUNY Agreement, the Sublease or the Facility Management Agreement; (3) the surviving, resulting or transferee corporation, as the case may be, is incorporated under the laws of the State and is qualified as an organization described in Section 501(c)(3) of the Code or any successor provision of federal income tax law; (4) the surviving, resulting or transferee corporation of the Company assumes in writing all of the obligations of the Company hereunder, under the Mortgage, the SUNY Agreement, the Sublease, the Facility Management Agreement and the other Bond Documents; and (5) the Company furnishes to the Issuer and the Trustee a certificate to the effect that upon such sale, transfer, consolidation, merger or acquisition such corporation will be in compliance with each of the provisions hereof, and will meet the requirements of the Act and such other certificates, opinions and documents as the Issuer and the Trustee may reasonably require to establish compliance with this Section.

SECTION 19. Environmental Quality Review and Historic Preservation. For the purpose of assisting the Issuer in making any findings or determinations which might be required by (i) Article 8 of the New York Environmental Conservation Law and the regulations promulgated thereunder (collectively, “*SEQR*”), or (ii) the New York State Historic Preservation Act of 1980 and the regulations promulgated thereunder (collectively the “*Preservation Act*”), the Company agrees as follows:

(a) It has prepared and will prepare such documents, if any, as the Issuer or other Governmental Authority having primary responsibility under *SEQR* or the *Preservation Act* determines are required by *SEQR* or the *Preservation Act*, in such form and containing such information in such detail as the Issuer or such other Governmental Authority determines is required by *SEQR* or the *Preservation Act*, which documents are or shall be accurate in all material respects; and

(b) It has reviewed either:

(1) the determination of the Issuer or other Governmental Authority having primary responsibility under *SEQR* relative to the Project to the effect that the Project will not have a significant adverse impact on the environment; or

(2) the written findings by the Issuer or other Governmental Authority having primary responsibility under *SEQR* relative to the Project that:

(i) consistent with social, economic and other considerations of State policy, all practicable means have been and will be taken with respect to the Project to minimize or avoid adverse environmental effects; and

(ii) all practicable means will be taken with respect to the Project to minimize or avoid adverse environmental effects;

(c) It will in all respects undertake the Project in a manner consistent with the findings or determination of the Issuer or other Governmental Authority having primary responsibility under SEQR relative to the Project; and

(d) If the Issuer determines that any action is required to be taken in connection with any component of the Project pursuant to the Preservation Act, then prior to the expenditure of Bond proceeds for that component, the provisions of the Preservation Act shall have been complied with.

SECTION 20. Use and Possession of the Project; Ground Lease and Sublease.

(a) Subject to the rights, duties and remedies of the Issuer hereunder, the Company shall have sole and exclusive control and possession of and responsibility for (i) the Project and the Mortgaged Property, (ii) the operation of the Project and the Mortgaged Property and supervision of the activities conducted therein or in connection with any part thereof, and (iii) the maintenance, repair and replacement of the Project and the Mortgaged Property; *provided, however,* that, except as otherwise limited hereby, the foregoing shall not prohibit use of the Project or the Mortgaged Property by persons other than the Company or its staff or employees or SUNY, the College, the College's students, staff or faculty in furtherance of the Company's corporate purposes, if such use will not adversely affect the exclusion of interest on any Series 2011A Bonds from gross income for federal income tax purposes.

(b) The Company shall observe and perform all terms, covenants and conditions on its part to be observed or performed under the Ground Lease and the Sublease Agreement and shall not consent to any amendment or modification thereof without the prior written consent of the Trustee. The Company shall promptly forward to the Trustee copies of any notice of default or of an occurrence which with notice or the passage of time will constitute a default given or received by the Company under the Ground Lease and the Sublease Agreement.

SECTION 21. Restrictions on Religious Use. The Company agrees that with respect to the Project or portion thereof, so long as the Project or portion thereof exists and unless and until the Project or portion thereof is sold for the fair market value thereof, the Project or portion thereof shall not be used for sectarian religious instruction or as a place of religious worship or in connection with any part of a program of a school or department of divinity for any religious denomination; *provided, however,* that the foregoing restriction shall not prohibit the free exercise of any religion; *provided, further, that* if at any time hereafter, in the opinion of Bond Counsel, the then applicable law would permit the Project or portion thereof to be used without regard to the above stated restriction, said restriction shall not apply to the Project and each portion thereof. The Issuer and its agents may conduct such inspections as the Issuer deems necessary to determine whether the Project or any portion or real Property thereof financed by Bonds is being used for any purpose proscribed hereby. The Company hereby further agrees that prior to any disposition of any portion of the Project for less than fair market value, it shall execute and record in the appropriate real property records an instrument subjecting, to the satisfaction of the Issuer, the use of such portion of the Project to the restriction that (i) so long as

such portion of the Project (and, if included in the Project, the real Property on or in which such portion of the Project is situated) shall exist, and (ii) until such portion of the Project is sold or otherwise transferred to a person who purchases the same for the fair market value thereof at the time of such sale or transfer, such portion of the Project shall not be used for sectarian religious instruction or as a place of religious worship or used in connection with any part of the program of a school or department of divinity of any religious denomination. The instrument containing such restriction shall further provide that such restriction may be enforced at the instance of the Issuer or the Attorney General of the State, by a proceeding in any court of competent jurisdiction, by injunction, mandamus or by other appropriate remedy. The instrument containing such restriction shall also provide that if at any time thereafter, in the opinion of Bond Counsel, the then applicable law would permit such portion of the Project, or, if included in the Project, the real Property on or in which such portion is situated, to be used without regard to the above stated restriction, then said restriction shall be without any force or effect. For the purposes of this Section an involuntary transfer or disposition of the Project or a portion thereof, upon foreclosure or otherwise, shall be considered a sale for the fair market value thereof.

SECTION 22. Sale of the Project or Mortgaged Property. The Company covenants that it will not transfer, sell or convey the Project or the Mortgaged Property or any part thereof or interest therein, including development rights, without the prior approval of the Trustee (in its sole discretion) and the Issuer, *provided that* the Issuer shall not approve such transfer, sale or conveyance unless (a) in the opinion of Bond Counsel, the same will not adversely affect the exclusion of interest on any Series 2011A Bond from gross income for federal income tax purposes, and (b) the Company pays to the Trustee either for deposit into the Bond Fund, or to purchase defeasance securities in accordance with Section 10.1 of the Indenture, an amount equal to the greater of:

(i) the amount, if any, which is sufficient to redeem or provide for payment in accordance with Section 10.1 of the Indenture of any Outstanding Series 2011A Bonds required to be redeemed or deemed paid in order to preserve the exclusion of interest on Series 2011A Bonds from gross income for federal income tax purposes; and

(ii) the lesser of (A) the net proceeds of such transfer, sale or conveyance or (B) a percentage of the Outstanding Series 2011A Bonds determined by dividing (1) the principal amount of Series 2011A Bonds issued to finance the portion of the Project being transferred, sold or conveyed (which principal amount shall be reasonably determined by the Issuer) by (2) the aggregate principal amount of Series 2011A Bonds issued.

Notwithstanding the foregoing, the Company may remove equipment, furniture or fixtures that is part of the Project or the Mortgaged Property and was financed with the proceeds of the Outstanding Prior Bonds in accordance with Section 23 of this Loan Agreement.

SECTION 23. Maintenance, Repair and Replacement. The Company agrees that, throughout the term hereof, it shall, at its own expense, hold, operate and maintain the Project and the Mortgaged Property or cause the Project and Mortgaged Property to be operated and maintained in a careful, prudent and economical manner, and keep the same, with the appurtenances and every part and parcel thereof, in good repair, working order and safe condition and shall from time to time make all necessary and proper repairs, replacements and

renewals so that at all times the operation thereof may be properly and advantageously conducted. The Company shall give the Issuer and the Trustee not less than fifteen (15) days' prior written notice of its intention to make a change or alteration that materially alters the scope or nature of the Project or the Mortgaged Property or a portion thereof. The Company shall have the right to remove or replace any type of fixtures, furnishings and equipment in the Project or the Mortgaged Property which may have been financed by the proceeds of the sale of Bonds, *provided* the Company substitutes for any such removed or replaced fixtures, furnishings and equipment, additional fixtures, furnishings and equipment having equal or greater value and utility than the fixtures, furnishings and equipment so removed or replaced and such substituted items remain subject to the first priority perfected Lien of the Mortgage and this Loan Agreement.

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

SECTION 24. Covenant as to Insurance.

(a) At all times throughout the term of this Loan Agreement, including, without limitation, during any period of construction of the Project, the Company shall maintain insurance, with insurance companies licensed to do business in the State, against such risks, loss, damage and liability (including liability to third parties) and, except as otherwise specified herein, for such amounts as are customarily insured against by other enterprises of like size and type as that of the Company, including, without limitation:

(i) (A) during any period of construction, reconstruction, renovation or improvement of the Project, Builders' All Risk Insurance written on "100% builders' risk completed value, non-reporting form," including coverage therein for "completion and/or premises occupancy," and coverage for property damage insurance, and (B) All Risk Hazard Insurance with respect to the Project, all of which insurance shall include coverage for removal of debris, insuring the buildings, structures, facilities, fixtures and other Property constituting a part of the Project against loss or damage to the Project by fire, lightning, vandalism, malicious mischief and other casualties, with standard extended coverage endorsement covering perils of windstorm, hail, explosion, aircraft, vehicles and smoke (except as limited in the standard form of extended coverage endorsement at the time in use in the State) with policy limits equal at least to the lesser of (x) the value of the Project and all improvements thereon or thereto (exclusive of the fair market value of the land), or (y) the aggregate Outstanding principal amount of the Bonds, and at all times in an amount such that the proceeds of such insurance shall be sufficient to prevent the Company or the Issuer from becoming a co-insurer of any loss under the insurance policies;

(ii) public liability insurance in accordance with customary insurance practices for similar operations with respect to the Project and the business thereby conducted in a minimum amount of \$5,000,000 per occurrence, which insurance (A) will also provide coverage of the Company's obligations of indemnity under Section 29 hereof;

(B) may be effected under overall blanket or excess coverage policies of the Company or any affiliate thereof, *provided, however*, that at least \$1,000,000 is effected by a comprehensive liability insurance policy; and (C) shall not contain any provisions for a deductible amount in excess of \$1,000 or for risk retention in any amount in excess of \$1,000 by the Company;

(iii) workers' compensation insurance, disability benefits insurance and such other forms of insurance which the Company or the Issuer is required by law to provide covering loss resulting from injury, sickness, disability or death of the employees of the Company or any affiliate thereof, or any contractor or subcontractor performing work with respect to the Project; the Company shall require that all said contractors and subcontractors maintain all forms or types of insurance with respect to their employees required by laws; and

(iv) boiler and machine property damage insurance with respect to any steam and pressure boilers and similar apparatus located at the Project from risks normally insured against under boiler and machinery policies and in amounts and with deductions customarily obtained for similar business enterprises and in each case approved by the Issuer.

(b) All insurance required by this Section above shall be procured and maintained in financially sound and generally-recognized, responsible insurance companies authorized to write such insurance in the State.

(c) Each of the policies or binders evidencing the insurance required above to be obtained shall:

(i) designate (except in the case of workers' compensation insurance) the Company, the Trustee, and the Issuer as additional insureds as their respective interests may appear, *provided, however*, that the insurance policies set forth in paragraph (a)(i) of this Section shall name only the Issuer and the Trustee in the mortgagee loss payable clause;

(ii) provide that there shall be no recourse against the Issuer or the Trustee for the payment of premiums or commissions or (if such policies or binders provide for the payment thereof) additional premiums or assessments;

(iii) provide that in respect of the respective interests of the Issuer and the Trustee in such policies, the insurance shall not be invalidated by any action or inaction of the Company or any other Person and shall insure the Issuer and the Trustee regardless of, and any losses shall be payable notwithstanding, any such action or inaction;

(iv) provide that such insurance shall be primary insurance without any right of contribution from any other insurance carried by the Issuer or the Trustee to the extent that such other insurance provides the Issuer or the Trustee, as the case may be, with contingent and/or excess liability insurance with respect to its respective interest as such in the Project;

(v) provide that if the insurers cancel such insurance for any reason whatsoever, including the insured's failure to pay any accrued premium, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change shall not be effective as to the Issuer or the Trustee until at least thirty (30) days after receipt by the Issuer and the Trustee, respectively, of written notice by such insurers of such cancellation, lapse, expiration, reduction or change;

(vi) waive any right of subrogation of the insurers thereunder against any Person insured under such policy, and waive any right of the insurers to any setoff or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any Person insured under such policy; and

(vii) contain such other terms and provisions as any owner or operator of facilities similar to the Project would, in the prudent management of its Properties, require to be contained in policies, binders or interim insurance contracts with respect to facilities similar to the Project owned or operated by it.

(d) Concurrently with the original issuance of the Bonds, the Company shall deliver or cause to be delivered to the Issuer and the Trustee certificates of insurance, and upon the written request of the Issuer or the Trustee, duplicate copies of insurance policies and/or binders evidencing compliance with the insurance requirements of this Section. At least thirty (30) days prior to the expiration of any such policy, the Company shall furnish the Issuer and the Trustee with evidence that such policy has been renewed or replaced or is no longer required by this Loan Agreement.

(e) The Company shall, at its own cost and expense, make all proofs of loss and take all other steps necessary or reasonably requested by the Issuer or the Trustee to collect from insurers for any loss covered by any insurance required to be obtained by this Section. The Company shall not do any act, or suffer or permit any act to be done, whereby any insurance required by this Section would or might be suspended or impaired.

(f) The insurance required to be maintained pursuant to this Section 24 shall be subject to the review of the Insurance Consultant every two (2) years commencing June 30, 2013, and the Company agrees that it will follow any recommendations of the Insurance Consultant. In order to establish compliance with this Section 24, the Company agrees that it will deliver to the Trustee bi-annually within three months after the end of the applicable Fiscal Year and upon any modification, renewal or replacement of any insurance required under this Section 24, (i) a report of the Insurance Consultant setting forth a description of the insurance maintained, or caused to be maintained pursuant to this Section 24 (with copies of the policies or other evidence of such issuance attached to the report) and then in effect and stating whether, in the opinion of the Insurance Consultant, such insurance, the manner of providing such insurance and any reductions or eliminations of the amount of any insurance coverage during the Fiscal Years covered by such report comply with the requirements of this Section 24 and adequately protect the Project and the Company's operations, and (ii) a letter from the Insurance Consultant evidencing compliance with its recommendations. The Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed on the report and letter

furnished by the Insurance Consultant and conforming to this paragraph (f). The Trustee shall not have a duty to review the policies or other evidence of insurance and may conclusively rely on any report of the Insurance Consultant that complies with clause (i) of this Section 24(f). The Trustee shall notify the Company, the Issuer and the Bondholders of any failure by the Company to deliver a report of the Insurance Consultant to the Trustee. For purposes of this paragraph, the term, "Insurance Consultant" means a Person which is appointed by the Company for the purpose of passing on questions related to insurance of the Company and for the Project, having the skill and experience necessary to render the particular report and recommendations required and having a favorable and professionally recognized reputation for such skill and experience, which Person does not control the Company or any affiliate thereof and is not controlled by or under common control with the Company or an affiliate.

(g) THE ISSUER DOES NOT IN ANY WAY REPRESENT THAT THE INSURANCE SPECIFIED HEREIN, WHETHER IN SCOPE OR COVERAGE OR LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT TO PROTECT THE BUSINESS OR INTEREST OF THE COMPANY.

SECTION 25. Damage or Condemnation. In the event of a taking of the Project or the Mortgaged Property or any portion thereof by eminent domain or condemnation, or of damage or destruction affecting all or part thereof, all property casualty insurance, condemnation or eminent domain proceeds shall, if not applied to reimburse the Company for costs incurred to repair or restore the same, be paid to the Trustee for deposit in the Insurance and Condemnation Fund. All proceeds derived from an award for such taking or from property casualty insurance shall be applied as provided below.

(i) If within one hundred eighty (180) days (or such longer period as the Issuer and the Company may agree) after the Issuer receives actual notice or knowledge of the taking or damage, the Company, the Trustee and the Issuer agree in writing that the Property or the affected portion thereof shall be repaired, replaced or restored, the Company shall proceed to repair, replace or restore the same, or the affected portion thereof, including all fixtures, furniture, equipment and effects, to its original condition insofar as possible with such changes and additions as shall be appropriate to the needs of the Company and approved in writing by the Trustee and the Issuer. The funds required for such repair, replacement or restoration shall be paid, subject to such conditions and limitations as the Trustee and the Issuer may impose, from the proceeds of insurance, condemnation or eminent domain awards received by reason of such occurrence and to the extent such proceeds are not sufficient, from funds to be provided by the Company.

(ii) If no agreement for the repair, restoration or replacement of the Property or affected portion shall have been reached by the Trustee, the Issuer and the Company within such period, the proceeds then held by the Company shall be paid the Trustee for deposit in the Bond Fund and the proceeds then held in the Insurance and Condemnation Fund shall be transferred to the Bond Fund, whereupon such proceeds shall be applied to the purchase or redemption of Outstanding Bonds in accordance with the Indenture.

SECTION 26. Taxes and Assessments. The Company shall pay or cause to be paid, when due at its own expense, and hold the Issuer harmless from, all taxes, assessments, water

and sewer charges and other impositions, if any, which may be levied or assessed upon the Project or any part thereof, and upon all ordinary costs of operating, maintaining, repairing and replacing the Project and its equipment. The Company shall file exemption certificates as required by law. The Company agrees to exhibit to the Trustee and an Authorized Officer of the Issuer within ten (10) days after written demand by the Issuer or the Trustee, certificates or receipts issued by the appropriate authority showing full payment of all taxes, assessments, water and sewer charges and other impositions; *provided, however*, that the good faith contest of such impositions shall be deemed to be complete compliance with the requirements hereof if the Company sets aside such reserves as may be required by good accounting practice. Notwithstanding the foregoing, the Trustee or the Issuer, in each case in its sole discretion, after notice in writing to the Company, may pay any such charges, taxes and assessments if, in the reasonable judgment of the Issuer or the Trustee, the Project or any part thereof would be in substantial danger by reason of the Company's failure to pay such charges, taxes and assessments of being sold, attached, forfeited, foreclosed, transferred, conveyed, assigned or otherwise subjected to any proceeding, equitable remedy, Lien, charge, fee or penalty that would impair (i) the interests or security of the Issuer hereunder or under the Indenture; (ii) the ability of the Issuer to enforce its rights thereunder; (iii) the ability of the Issuer to fulfill the terms of any covenants or perform any of its obligations hereunder or under the Indenture; or (iv) the ability of the Company to fulfill the terms of any covenants or perform any of its obligations hereunder. The Company agrees to reimburse the Trustee, or the Issuer for any such payment, with interest thereon from the date payment was made by the Trustee or the Issuer at a rate equal to the highest rate of interest payable on any investment held for the Bond Fund on the date such payment was made by the Trustee or the Issuer.

SECTION 27. Annual Budget; Reporting Requirements; Access to Records.

(a) *Annual Budget.* On or before the date of issuance of the Bonds for the academic year commencing September 2011, and on or before the date that is ninety (90) days prior to the commencement of each academic year thereafter, the Company shall prepare or cause to be prepared an Annual Budget for such academic year and shall file a copy of such budget with the Trustee and the Underwriter. The Annual Budget of the Company shall set forth revenues and expenses and capital expenditures by category in reasonable detail and demonstrate compliance with the Debt Service Coverage Ratio covenant for the applicable Fiscal Years. As and when determined necessary or appropriate by the Company, the Annual Budget shall be amended and a copy of each revision shall be promptly filed with the Trustee and the Underwriter.

(b) *Reporting Requirements.* The Company shall furnish or cause to be furnished to the Issuer, the Underwriter, the Trustee and such other persons as the Issuer or the Trustee may request and to the Owners of the Bonds upon any Owner's written request to the Company:

(i) annually, within one hundred twenty (120) days after the end of the Company's Fiscal Year, (A) a copy of the annual audited financial statements of the Company for such Fiscal Year, including therein without limitation, a balance sheet as of the end of such Fiscal Year, a statement of changes in net assets and a statement of activities for such Fiscal Year or such other financial statements then required in accordance with generally accepted accounting principles applicable to the Company,

audited by a firm of independent public accountants of recognized standing, (B) a certificate or other instrument signed by the Company's auditors setting forth the Debt Service Coverage Ratio for such Fiscal Year and detailing the calculation thereof and stating whether an Event of Default, or, to the best of the auditors' knowledge, an event that, with the giving of notice or the passage of time, or both, would constitute such an Event of Default, has occurred and is continuing, and, if such an Event of Default or such an event has occurred and is continuing, a statement as to the nature thereof, and (C) if such an Event of Default or such an event has occurred and is continuing, a certificate of an Authorized Officer of the Company setting forth the action that the Company proposes to take with respect thereto;

(ii) quarterly statements shall be provided within forty-five (45) days of the end of the quarter (or, if required by the Trustee, monthly statements upon the occurrence of a default by the Company under Section 8 or any other section of this Loan Agreement within thirty (30) days of the end of the month), together with a certificate of an Authorized Representative stating that the Company is not in default of any of its obligations or covenants under the Bond Documents;

(iii) promptly following approval by the Management Committee (as defined in the Facility Management Agreement), but at least ninety (90) days prior to the commencement of the academic year to which it applies, an Annual Budget for each academic year covering the operation of the Project;

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

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

(vi) such reports with respect to the condition of, and repairs, replacements, renovations, and maintenance, to the Project or the Mortgaged Property as the Issuer, the Underwriter or the Trustee may from time to time reasonably request;

(vii) copies of any detailed audit reports, management letters or recommendations submitted to the Company by independent accountants;

(viii) immediate notice of any failure by SUNY to license or make any payment required by the SUNY Agreement or Facility Management Agreement or notice of default thereunder; and

(ix) such other information respecting the business, Property or the condition or operations, financial or otherwise, of the Company as the Issuer or the Trustee may from time to time reasonably request (other than information the Company or College is required by law to keep confidential).

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

SECTION 28. Continuing Disclosure. The Company shall annually provide certain financial information and operating data in accordance with the provision of Section (b)(5)(i) of Rule 15c2-12, promulgated by the Securities and Exchange Commission, as provided in the Continuing Disclosure Agreement. Notwithstanding any other provision of this Loan Agreement, failure of the Company or the Dissemination Agent (as defined in the Continuing Disclosure Agreement) to comply with the Continuing Disclosure Agreement shall not be considered a default hereunder or an Event of Default under Section 8.1 of the Indenture and under no circumstances shall such failure affect the validity or the security for the payment of the Bonds. It is expressly provided, however, that any beneficial owner of the Bonds may take such action to the extent and in such manner as may be allowed by applicable law, as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Company to comply with its obligations under the Continuing Disclosure Agreement.

SECTION 29. Indemnity by Company.

(a) The Company releases the Issuer and the Trustee, and their respective members, officers, directors, agents, officials, employees and any person who controls the Issuer or the Trustee within the meaning of the Securities Act of 1933, as amended, from, and covenants and agrees to indemnify, hold harmless and defend the Issuer and the Trustee and their respective members, officers, directors, employees, agents, officials, grantors, beneficiaries and any person who controls such party within the meaning of the Securities Act of 1933, as amended, and employees and each of them (each an “*Indemnified Party*”) from and against, any and all losses, claims, damages, demands, liabilities and expenses (including attorneys’ fees and expenses, whether incurred in a third party action or an action to enforce this Loan Agreement), taxes, causes of action, suits, claims, demands and judgments of any nature, joint or several, by or on behalf of any person arising out of:

(i) the transactions provided for in the Bond Documents;

(ii) the execution and delivery or amendment of any document entered into in connection with the transactions provided for in the Bond Documents, including any certifications or representations made by any person other than the party seeking indemnification;

(iii) the approval of the financing for the Project;

(iv) any and all claims arising in connection with the interpretation, performance, enforcement, breach, default or amendment of the Bond Documents or any other documents relating to the Project or the Bonds or in connection with any other

matters relating to the Bonds or the Project, including, but not limited to, any federal or state tax audit, or any questions or other matters arising under such documents;

(v) the Trustee's acceptance or administration of the trusts created by the Indenture or the exercise of its powers or duties under the Indenture, this Loan Agreement, the Tax Compliance Agreement or any other agreements to which it is a party or otherwise in connection with the transactions provided for in the Bond Documents;

(vi) any and all claims arising in connection with (A) the issuance or sale of any Bonds or any certifications or representations made by any person other than the party seeking indemnification, including, but not limited to, any (1) statement or information made by the Company with respect to the Company or the Project in any offering document or materials regarding the Bonds, the Project or the Company or in the Tax Compliance Agreement or in any other certificate executed by the Company which, at the time made, is misleading, untrue or incorrect in any material respect; (2) untrue statement or alleged untrue statement of a material fact relating to the Company or the Project contained in any offering material relating to the sale of the Bonds, as from time to time amended or supplemented, or arising out of or based upon the omission or alleged omission to state in such offering material a material fact relating to the Company or the Project required to be stated in such offering material or necessary in order to make the statements in such offering material not misleading; and (3) failure to properly register or otherwise qualify the sale of the Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the Bonds could be sold; and (B) the carrying out by the Company of any of the transactions provided for in the Bond Documents;

(vii) the Company's failure to comply with any requirement of any Bond Document applicable to the Company;

(viii) any act or omission of the Company or any of its agents, servants, employees or licensees in connection with this Loan Agreement or the Project, including violation of any law, ordinance, court order or regulation affecting the Project or any part of it or the ownership, occupancy or use of it;

(ix) any damage or injury, actual or claimed, of whatsoever kind, cause or character, to Property (including loss of use of Property) or persons, occurring or allegedly occurring in, on or about the Project or arising out of any action or inaction of the Company, whether or not related to the Project, or resulting from or in any way connected with the acquisition, construction, reconstruction, renovation, equipping or management of the Project, the issuance of the Bonds or otherwise in connection with transactions provided for in the Bond Documents or otherwise in connection with the Project, the Bonds or the execution or amendment of any document relating to the Project or the Bonds;

(x) any failure to comply with the Environmental Compliance and Indemnification Agreement applicable to, or the release of any toxic substance from, the Project; and

(xi) any and all claims arising in connection with the operation of the Project, or the conditions, environmental or otherwise, occupancy, use, possession, conduct or supervision of work done in or about, or from the planning, design, acquisition, construction, repair or equipping of, the Project or any part of it.

(b) This indemnification shall extend to and include, without limitation, all reasonable costs, attorneys' fees (whether incurred in a third party action or an action to enforce this Loan Agreement), expenses or liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim, except (a) in the case of the foregoing indemnification of the Trustee or any of its Indemnified Parties, to the extent such damages are caused solely by the gross negligence or willful misconduct of such Person, and (b) in the case of the foregoing indemnification of the Issuer or any of its Indemnified Parties, to the extent such damages are caused by the gross negligence or willful misconduct of such Person. To effectuate the purposes of this Section, the Company shall provide for and insure, in the liability policies required under Section 24 of this Loan Agreement, not only its own liability in respect of the matters therein mentioned but also liability pursuant to this Section.

(c) An Indemnified Party shall promptly notify the Company in writing of any claim or action brought against such Indemnified Party in which indemnity may be sought against the Company pursuant to this Section. Such notice shall be given in sufficient time to allow the Company to defend or participate in such claims or action, but the failure to give such notice in sufficient time shall not constitute a defense hereunder nor in any way impair the obligations of the Company under this Section.

(d) The provisions of this Section and the indemnification provided herein shall survive repayment of the Bonds. Notwithstanding anything to the contrary in this Loan Agreement, the covenants of the Company contained in this Section shall continue in full force and effect after the expiration or earlier termination of this Loan Agreement until the later of (i) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought, and (ii) payment in full or the satisfaction of such claim or cause of action and all expenses and charges incurred by the Indemnified Party relating to the enforcement of this Section and the provisions herein specified.

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

(f) The Company and every assignee of the Company's interest in this Loan Agreement hereby waives any and all of its rights against the Issuer (whether such rights currently exist or arise in the future by statute, common law or otherwise) as a mortgagee of the Project with respect to any and all environmental liabilities, however or whenever accruing.

(g) Should an insurance carrier provide for the defense of the Issuer in connection with any claim subject to indemnity under this Section, the Company shall cause such insurance carrier (and the attorneys retained by such insurance carrier) to promptly provide the Issuer with

such information regarding the status of such claims as the Issuer may from time to time reasonably request, to immediately advise the Issuer of any monetary verdict against it, and in no event shall the Company permit a judgment to be entered against the Issuer arising out of such claim without thirty (30) days' prior written notice to the Issuer. Should the Company provide the defense of any such claim directly, the attorneys selected by the Company shall be subject to the prior approval of the Issuer, and the Company shall cause such attorneys to promptly provide the Issuer with such information regarding the status of such claims as the Issuer may from time to time reasonably request, to immediately advise the Issuer of any monetary verdict against it, and in no event shall the Company permit a judgment to be entered against the Issuer arising out of such claim without thirty (30) days' prior written notice to the Issuer.

(h) Should any lawsuit be commenced against the Issuer which is subject to indemnity pursuant to this Section, and should such lawsuit result in a judgment being entered against the Issuer, the Company shall not permit any Lien resulting from such judgment to encumber any asset of the Issuer (whether now owned or hereafter acquired). Should such judgment result in a Lien encumbering any asset of the Issuer, the Company shall immediately, upon demand by the Issuer, cause such judgment to be released from all assets of the Issuer (whether now owned or hereafter acquired), pursuant to documentation in form and content acceptable to the Issuer. The Company shall be responsible for all damages suffered by the Issuer (including incidental and consequential damages) resulting from any such judgment Lien that may encumber any asset of the Issuer, including, but not limited to, all out-of-pocket expenses (including reasonable attorneys' fees) incurred by the Issuer to obtain releases of any such judgment Lien.

SECTION 30. Defaults and Remedies.

(a) As used herein the term "*Event of Default*" shall mean:

(i) the Company defaults in the timely payment of any amount payable pursuant to Section 7 hereof or the payment of any other amounts required to be delivered or paid by or on behalf of the Company in accordance herewith, and such default continues for a period in excess of ten (10) days; or

(ii) the Company fails to satisfy the Debt Service Coverage Ratio covenant under Section 8 of this Loan Agreement; or

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

(iv) the occurrence of an Event of Default under the Bonds, the Indenture, the Mortgage or any other Bond Document; or

(v) an Event of Bankruptcy with respect to the Company; or

(vi) a final judgment for the payment of money which (A) in itself, exceeds \$500,000 or if combined with the aggregate amount of all outstanding final judgments for money exceeds \$500,000, and (B) is not covered by insurance or reserves set aside by the Company, which in the judgment of the Issuer will adversely affect the rights of the Holders of the Bonds shall be rendered against the Company and at any time after forty-five (45) days from the entry thereof, (C) such judgment shall not have been discharged or paid, or (D) the Company shall not have taken and be diligently prosecuting an appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, and shall not have caused, within forty-five (45) days, the execution of or levy under such judgment, order, decree or process or the enforcement thereof to have been stayed pending determination of such appeal;

(vii) the termination of (i) the Ground Lease, (ii) the Sublease Agreement, (iii) the SUNY Agreement, or (iv) the Facility Management Agreement; or

(viii) the occurrence of a default under any Indebtedness of the Company.

(b) Upon the occurrence of an Event of Default, the Issuer may take any one or more of the following actions:

(i) declare all sums payable by the Company hereunder immediately due and payable;

(ii) withhold any or all further performance hereunder;

(iii) maintain an action against the Company hereunder to recover any sums payable by the Company or to require its compliance with the terms hereof or of the Mortgage;

(iv) realize upon any pledge of or security interest in the Gross Revenues and the rights to receive the same, all to the extent provided in Sections 10 and 11 hereof, by any one or more of the following actions: (A) enter the Company and examine and make copies of the financial books and records of the Company relating to the Gross Revenues and, to the extent of the assigned Gross Revenues, take possession of all checks or other orders for payment of money and moneys in the possession of the Company representing Gross Revenues or proceeds thereof; (B) notify any account debtors obligated on any Gross Revenues to make payment directly to the Issuer or to the Trustee, as the Issuer may direct, and of the amount to be so paid; *provided, however*, that (1) the Issuer may, in its discretion, immediately collect the entire amount of interest or principal coming due on Outstanding Bonds on the next interest payment date therefor, and may continue to do so commencing on each such interest payment date to the extent of amounts due on Outstanding Bonds on the next interest payment date therefor, with respect to the Gross Revenues, until such amounts are fully collected, (2) written notice of such notification shall be mailed to the Company five (5) days prior to mailing or otherwise making such notification to account debtors, and (3) until the Company shall receive such notice it shall have full authority and responsibility to enforce and collect Gross Revenues owing from its account debtors; (C) following the above mentioned notification to account debtors,

collect, compromise, settle, compound or extend amounts payable as Gross Revenues which are in the form of accounts receivable or contract rights from the Company's account debtors by suit or other means and give a full acquittance therefor and receipt therefor in the name of the Company whether or not the full amount of any such account receivable or contract right owing shall be paid to the Issuer; and (D) forbid the Company to extend, compromise, compound or settle any accounts receivable or contract rights which represent any unpaid assigned Gross Revenues, or release, wholly or partly, any person liable for the payment thereof (except upon receipt of the full amount due) or allow any credit or discount thereon; or (E) endorse in the name of the Company any checks or other orders for the payment of money representing any unpaid assigned Gross Revenues or the proceeds thereof;

(v) take any action necessary to enable the Issuer to realize on its Liens hereunder or under the Mortgage or the other Security Documents, or by law, and any other action or proceeding permitted by the terms hereof or by law.

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

At any time before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of any Event of Default or before the completion of the enforcement of any other remedies hereunder, the Issuer may annul any declaration made pursuant to paragraph (b) of this Section and its consequences if such Event of Default shall be cured. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereto.

SECTION 31. Compliance with Indenture. The Company hereby approves of and agrees to the provisions of the Indenture. The Company agrees to do all things within its power in order to enable the Issuer to comply with all requirements and to fulfill all covenants of the Indenture which require the Company to comply with requests or obligations so that the Issuer will not be in default in the performance of any covenant, condition, agreement or provision of the Indenture.

SECTION 32. Investment of Moneys. The Issuer hereby acknowledges that the Company may in its sole discretion direct the investment of certain moneys held under the Indenture as provided therein. Neither the Issuer nor the Trustee shall have any liability arising out of or in connection with the making of any investment authorized by the provisions of Article IV of the Indenture in the manner provided therein, or for any loss, direct or indirect, resulting from any such investment.

SECTION 33. Limitation on Agreements. The Company shall not enter into any contract or agreement which impairs the Company's ability to comply with the provisions of Section 7 hereof in any material respect.

SECTION 34. Arbitrage; Tax Exemption. Each of the Company and the Issuer covenants that it shall take no action, nor shall it approve the Trustee's taking any action or making any investment or use of the proceeds of the Series 2011A Bonds, which would cause the Series 2011A Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code, and any proposed or final regulations thereunder as are applicable to the Series 2011A Bonds at the time of such action, investment or use. The Company (or any related person, as defined in Section 147(a)(2) of the Code) shall not, pursuant to an arrangement, formal or informal, purchase Series 2011A Bonds in an amount related to the amount of any obligation to be acquired from the Company by the Issuer.

The Company covenants that it will not take any action or fail to take any action which would cause any representation or warranty of the Company contained in the Tax Compliance Agreement then to be untrue and shall comply with all covenants and agreements of the Company contained in the Tax Compliance Agreement, in each case to the extent required by and otherwise in compliance with such Tax Compliance Agreement.

SECTION 35. Financing Statements. The Company hereby irrevocably appoints each of the Issuer and the Trustee during the term hereof as its lawful attorney-in-fact to execute, on behalf of the Company, one or more financing statements and continuation statements therefor as to the security interests granted to the Issuer or the Trustee, as the case may be, in any moneys (or investments thereof), and the rights to receive the same, pledged to the Issuer hereunder and to file such financing statements and continuation statements therefor in any appropriate public office. The Issuer and the Trustee shall forward to the Company, in due course, a copy of any such financing or continuation statement executed on behalf of the Company as provided herein.

SECTION 36. Certificate as to Representations and Warranties. The obligations of the Issuer hereunder and the delivery of the Bonds are conditioned upon the receipt by the Issuer at or prior to delivery of the Bonds of a certificate of an Authorized Officer of the Company acceptable to the Issuer to the effect that the representations and warranties contained herein are true and correct and in full force and effect on and as of the date of delivery of the Bonds as if made on the date of delivery of the Bonds.

SECTION 37. Disclaimer of Personal Liability. No recourse shall be had against or liability incurred by any member, director, trustee, officer, official, counsel, consultant, employee or agent of the Issuer or of the Company or any person executing this Loan Agreement for any covenants and provisions hereof or for any claims based hereon.

SECTION 38. Severability of Invalid Provisions. If any one or more of the covenants, stipulations, promises, obligations and agreements provided herein or in the Mortgage, the Indenture, the Bond Documents or any of the Bonds on the part of the Issuer or the Company to be performed should be contrary to law, then such covenant or covenants, stipulation or stipulations, promise or promises, obligation or obligations, agreement or agreements shall be null and void, shall be deemed and construed to be severable from the remaining covenants, stipulations, promises, obligations and agreements contained herein and shall in no way affect the validity of the other provisions hereof or of the Mortgage, the Indenture, the Bond Documents or any of the Bonds.

SECTION 39. Further Assurances. The Company, at any and all times, shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as are necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, moneys, securities, funds and security interests hereby or by the Indenture pledged, assigned or granted, or intended so to be, or which the Company may hereafter become bound to pledge, assign or grant to the Issuer pursuant hereto.

SECTION 40. Amendments to Loan Agreement. This Loan Agreement may be amended only in accordance with Article XI of the Indenture and each amendment shall be made by an instrument in writing signed by the Company, the Trustee and the Issuer.

SECTION 41. Termination. This Loan Agreement shall remain in full force and effect until no Bonds are Outstanding and until all other payments, expenses and fees payable hereunder by the Company shall have been made or provision made for the payment thereof; *provided, however,* that the liabilities and the obligations of the Company under Section 7(a) hereof and to provide reimbursement for or indemnification against expenses, costs or liabilities made or incurred pursuant to Sections 24, 26 and 29 hereof shall nevertheless survive any such termination. Upon such termination, the Issuer shall promptly deliver such documents as may be reasonably requested by the Company to evidence such termination and the discharge of the Company's duties hereunder and the release or surrender of any security interests granted by the Company to the Issuer pursuant hereto.

SECTION 42. Notices. All notices, approvals, requests, consents, demands and directions required or authorized to be given by either party pursuant to this Loan Agreement or in respect hereof or of the Bonds shall be in writing and shall be sent by registered or certified mail, in the case of the Issuer, addressed to it to the attention of the Issuer's President, at 143 Genesee Street, Buffalo, New York 14203; in the case of the Company, addressed to it to the attention of the Company's President, at Buffalo State College, 1300 Elmwood Avenue, Suite 505, Buffalo, New York 14222 (with a copy at the same time and in the same manner to Hodgson Russ LLP, The Guaranty Building, 140 Pearl Street, Suite 100, Buffalo, New York 14202, Attention: Terrence M. Gilbride, Esq.); and, in the case of the Trustee, addressed to it at the Office of the Trustee at the address of such Office of the Trustee (with a copy at the same time and in the same manner to Bond, Schoeneck & King, PLLC, One Lincoln Center, Syracuse, New York 13202, Attention: Matthew Wells, Esq.); or at such other address as the Person to be notified shall have specified by notice to the other Persons. The Company agrees to give to the Issuer all notices sent by it to the Trustee and to the Trustee all notices sent by it to the Issuer and the Issuer agrees to give to the Company all notices sent by it to the Trustee.

SECTION 43. Section Headings. All headings preceding the text of the several sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part hereof nor shall they affect the meaning, construction or effect hereof.

SECTION 44. Governing Law. This Loan Agreement shall be governed by and construed in accordance with the laws of the State.

SECTION 45. Schedules. Schedule A is incorporated herein and made a part hereof.

IN WITNESS WHEREOF, the parties hereto have set their hands as of the date first above written.

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION**

By: _____

David W. Kerchoff, Assistant Treasurer

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

By: _____

Ross B. Kenzie, President

SCHEDULE A

ISSUER FEE

In connection with the Series 2011 Bonds:

Amount of Fee: \$154,997.50 payable at Closing.



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

CESAR A. PERALES
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

July 5, 2011

HISCOCK & BARCLAY LLP
ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE NY 13202

Attached is the acknowledgment copy of your recently submitted filing. This filing consists of a total of 3 pages; however, only the first page of the filed document is returned as part of this acknowledgment. This document has been filed with the New York State Department of State, Uniform Commercial Code Division.

The Financing Statement has been assigned Filing Number: 201106300354340, Filing Date: 06/30/2011 and is currently reflected in our automated database as follows:

Debtor's Name & Address

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
1300 ELMWOOD AVENUE, SUITE 505
BUFFALO NY 14222

Secured Party's Name & Address

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
143 GENESEE STREET
BUFFALO NY 14203
(See attached for additional Secured Parties)

This filing will lapse on 06/30/2041, unless continued. We encourage filers to take full advantage of the six-month window of opportunity in which to file a Financing Statement Amendment (Continuation). Submission of your documents at the onset of the six-month window will allow ample time to rectify potential filing errors and help to assure timely recording of your filing.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 474-4763, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 019594

Secured Party's Name & Address (continued)

MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE
ONE M&T PLAZA, 7TH FLOOR
BUFFALO NY 14203

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

019594

2011 JUN 30 AM 9:00

A. NAME & PHONE CONTACT AT FILER [optional]
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGEMENT TO: (Name and Address)

Hiscock & Barclay, LLP
One Park Place
300 South State Street
Syracuse, New York 13202
Attn: Susan R. Katzoff, Esq.

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME -- insert only one debtor name (1a or 1b) -- do not abbreviate or combine names

OR

1a. ORGANIZATION'S NAME
Buffalo State College Foundation Housing Corporation

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
1300 Elmwood Avenue, Suite 505 Buffalo NY 14222

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any
Not for profit corp. NY NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME -- insert only one debtor name (2a or 2b) -- do not abbreviate or combine names

OR

2a. ORGANIZATION'S NAME

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any
 NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) -- insert only one secured party name (3a or 3b)

OR

3a. ORGANIZATION'S NAME
Buffalo and Erie County Industrial Land Development Corporation

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
143 Genesee Street Buffalo NY 14203

4. This FINANCING STATEMENT covers the following collateral:

The right, title and interest of the Debtor in the personal property described on Schedule A attached hereto granted pursuant to the Loan Agreement dated as of June 1, 2011 between the Secured Party and the Debtor.

5. ALTERNATIVE DESIGNATION (if applicable) LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [ADDITIONAL FEE] [optional] All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA
Loan Agreement

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME		
Buffalo State College Foundation Housing Corporation		
OR	9b. INDIVIDUAL'S LAST NAME	
	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME						
OR	11b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
11c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY
11d. SEE INSTRUCTIONS	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any		
Not Applicable				NONE		

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME						
OR	12b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS			CITY	STATE	POSTAL CODE	COUNTRY
One M&T Plaza, 7th Floor			Buffalo	NY	14203	

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.

14. Description of real estate:

16. Additional collateral description:

See Schedule A attached hereto

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box.

- Debtor is a TRANSMITTING UTILITY
- Filed in connection with a Manufactured-Home Transaction — effective 30 years
- Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"
TO UCC-1 FINANCING STATEMENTS
FROM BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
TO BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT COMPANY
RELATING TO LOAN AGREEMENT

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT COMPANY (the "*Issuer*") and **BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION** (the "*Company*") have entered into a Loan Agreement dated as of June 1, 2011 (as amended and supplemented from time to time, the "*Loan Agreement*"). Pursuant to a Pledge and Assignment dated as of June 1, 2011, the Issuer assigned certain of its rights under the Loan Agreement to **MANUFACTURERS AND TRADERS TRUST COMPANY**, as trustee of the Issuer's Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "*Series 2011A Bonds*") and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Bonds*"), which are to be issued under and secured by a certain Trust Indenture dated as of June 1, 2011 (as amended and supplemented from time to time, the "*Indenture*"), between Issuer and Trustee. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Loan Agreement.

Pursuant to the Loan Agreement, the Company pledged, granted a security interest in and assigned to the Issuer the Gross Revenues, together with the Company's right to receive and collect the Gross Revenues and the proceeds of the Gross Revenues.

BOND PURCHASE AGREEMENT

***Buffalo and Erie County
Industrial Land Development Corporation
\$43,875,000
Revenue Bonds
(Buffalo State College Foundation Housing Corporation Project),
Series 2011A
and
\$410,000
Taxable Revenue Bonds
(Buffalo State College Foundation Housing Corporation Project),
Series 2011B***

May 26, 2011

Buffalo and Erie County Industrial Land Development Corporation
143 Genesee Street
Buffalo, New York 14203
Attention: President

Buffalo State College Foundation Housing Corporation
1300 Elmwood Avenue, Suite 505
Buffalo, New York 14222
Attention: Vice President

Ladies and Gentlemen:

M&T Securities, Inc. (the "Underwriter") offers to enter into this Bond Purchase Agreement (this "Agreement") relating to \$43,875,000 aggregate principal amount of Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A (the "Series A Bonds"), and \$410,000 aggregate principal amount of Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds"), of Buffalo and Erie County Industrial Land Development Corporation (the "Issuer"), which Agreement, upon acceptance by the Issuer and Buffalo State College Foundation Housing Corporation (the "Company"), shall constitute a binding agreement among the Issuer, the Underwriter and the Company in full force and effect according to the terms hereof. This offer is made subject to the acceptance hereof by the Issuer and the Company on or before 6:30 p.m., prevailing Eastern time, on May 26, 2011, and if not so accepted will be subject to withdrawal by the Underwriter upon notice delivered to the Issuer and the Company at any time prior to acceptance hereof by the Issuer and the Company.

The Bonds shall be dated the date of issuance and delivery thereof; shall mature, be subject to redemption and bear interest as set forth in Exhibit "A" hereto; and shall otherwise be as described in the Official Statement hereinafter mentioned. The proceeds of the issuance and sale of the Bonds shall be applied (a) to pay or reimburse certain costs of, and to refinance certain indebtedness previously incurred in connection with, a project consisting of the acquisition, construction, equipping and furnishing by the Company of an approximately 225,000 square foot student housing complex (the "Project" or the "Student Housing Facility") consisting of three wings of varying heights with approximately 507 beds, together with related infrastructure improvements, located on 3.9 acres of land (the "Land") situated at the corner of Letchworth Street and Grant Street in the City of Buffalo, Erie County, New York and serving students of Buffalo State College (the "College"), a part of the State University of New York ("SUNY") system of higher education, and (b) to pay certain costs of issuance of the Bonds.

The Bonds shall be issued under and pursuant to a Trust Indenture, to be dated as of June 1, 2011 (the "Indenture"), between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "Trustee"). The Bonds shall also be issued pursuant to Resolutions of the Board of the Issuer duly adopted at a meeting thereof duly called and held on March 14, 2011 (the "Resolutions").

In connection with the development of the Student Housing Facility, SUNY (for and on behalf of the College) has leased the Land (the "Leased Premises") to Buffalo State Alumni Association, Inc., a New York not-for-profit corporation (the "Alumni Association") pursuant to a Ground Lease, dated July 1, 2009 (the "Ground Lease"), between SUNY and the Alumni Association. The Alumni Association has subleased the Leased Premises to the Company pursuant to a Sublease Agreement, dated as of July 1, 2009 (the "Sublease"), between the Alumni Association and the Company. The Company and SUNY (for and on behalf of the College), as Manager (the "Manager"), have entered into a Facility Management Agreement, dated as of July 1, 2009 (the "Facility Management Agreement").

In addition, the Company and SUNY (for and on behalf of the College) will enter into an Agreement, to be dated as of June 1, 2011 (the "SUNY Agreement"), pursuant to which, among other things, SUNY will agree that if at the beginning of the fall or spring semester in any academic year the occupancy of the Student Housing Facility falls below the level necessary to achieve the level of revenues required under the Facility Management Agreement, SUNY will promptly license in its own name those of the unoccupied units in the Student Housing Facility, and pay at such time the then established license rates for the Student Housing Facility, as shall be necessary to achieve the required level of Project revenues. SUNY, the Alumni Association, the Issuer and the Trustee shall enter into an Acknowledgment and Consent, to be dated as of June 1, 2011 (the "Acknowledgment and Consent"), with respect to, among other things, the Ground Lease, the Sublease and the Facility Management Agreement.

The Issuer and the Company will enter into a Loan Agreement, to be dated as of June 1, 2011 (the "Loan Agreement"), under which the Company will be obligated to make loan payments in amounts sufficient to pay the principal of, premium, if any, and interest on the 2011 Bonds when due. Pursuant to the Indenture and a Pledge and Assignment, to be dated as of June 1, 2011 (the "Pledge and Assignment"), the Issuer will assign and pledge to the Trustee, as

security for the payment of the 2011 Bonds and all additional bonds issued under the Indenture, all right, title and interest of the Issuer in and to the Loan Agreement, including payments to be made by the Company pursuant to the Loan Agreement (except certain unassigned rights described therein, including indemnity, payment of fees, and repayment of expenses and advances), and all right, title and interest of the Issuer in and to all money and securities held by the Trustee in any fund or account under the Indenture (other than the Rebate Fund). In order to secure the 2011 Bonds and its obligations under the Loan Agreement, the Company and the Trustee shall enter into a Guaranty Agreement, to be dated as of June 1, 2011 (the "Guaranty"), under which the Company will unconditionally guarantee the full and prompt payment of debt service on the 2011 Bonds; the Company shall enter into a Leasehold Mortgage and Security Agreement, to be dated as of June 1, 2011 (the "Leasehold Mortgage"), pursuant to which the Company shall grant to the Issuer (which shall assign to the Trustee) a mortgage lien on and security interest in its interest in the real and personal property comprising the Student Housing Facility; the Company shall enter into an Assignment of Rents and Leases, to be dated as of June 1, 2011 (the "Assignment of Rents"), pursuant to which the Company shall assign to the Trustee all rents, residency agreements, leases, subleases, licenses or occupancy agreements with regard to the Student Housing Facility; and the Company and the Trustee shall enter into an Assignment of Agreements, to be dated as of June 1, 2011 (the "Assignment of Agreements"), pursuant to which the Company shall assign to the Trustee all of its right, title and interest under the SUNY Agreement and the Facility Management Agreement. Pursuant to an Assignment of Mortgage, to be dated as of June 1, 2011 (the "Assignment of Mortgage"), the Issuer shall assign its rights under the Leasehold Mortgage to the Trustee as additional security for the Bonds. The Company and the Trustee shall also enter into a Continuing Disclosure Agreement, to be dated as of June 1, 2011 (the "Continuing Disclosure Agreement"), with respect to the Bonds. The Indenture, the Loan Agreement, the Pledge and Assignment, the Assignment of Mortgage, the Acknowledgment and Consent, and all other agreements, instruments or documents which may be executed and delivered by the Issuer in connection with the issuance of the Bonds are hereinafter sometimes collectively referred to as the "Issuer Financing Documents." The Sublease, the Facility Management Agreement, the Loan Agreement, the Leasehold Mortgage, the Guaranty, the Assignment of Rents, the SUNY Agreement, the Assignment of Agreements, the Continuing Disclosure Agreement, and all other agreements, instruments or documents which may be executed and delivered by the Company in connection with the issuance of the Bonds are hereinafter sometimes collectively referred to as the "Company Financing Documents."

The Issuer and the Company hereby consent to and confirm the prior use of the Preliminary Official Statement, dated May 18, 2011, as supplemented by a Supplement dated May 23, 2011 (as so supplemented, the "Preliminary Official Statement"), in connection with the public offering of the Bonds by the Underwriter, and further confirm the authority of the Underwriter to use, and consent to the use of, a final Official Statement with respect to the Bonds, to be dated the date hereof, and any amendments or supplements thereto (as so amended and supplemented, the "Official Statement") in connection with the public offering, sale and distribution of the Bonds. The Issuer and the Company hereby represent and warrant that the Preliminary Official Statement previously furnished to the Underwriter has been "deemed final" by the Issuer and the Company as of its date for purposes of Rule 15c2-12 of the Securities and

Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12").

1. Purchase, Sale and Closing. The Issuer hereby agrees to sell to the Underwriter, and the Underwriter, upon the basis of the representations, warranties, covenants and agreements contained herein, but subject to the conditions hereinafter set forth, agrees to purchase from the Issuer, all (but not less than all) of the Bonds at an aggregate purchase price of \$45,156,755.35, which consists of the par amount of the Bonds, plus net original issue premium of \$1,090,966.10, and less underwriter's discount of \$219,210.75. Payment for the Bonds shall be made by wire transfer of immediately available funds to the Trustee in trust under the Indenture. The closing for the delivery of and payment for the Bonds shall take place at the offices of Hiscock & Barclay, LLP, 1100 M&T Center, Three Fountain Plaza, Buffalo, New York, at or prior to 12:00 Noon, local time in Buffalo, New York, on June 16, 2011, or at such other date, time or place as may be designated by the Underwriter, with the approval of the Company and the Issuer (the "Closing Date"). The Bonds will be delivered on the Closing Date in definitive fully registered form without coupons, duly executed and authenticated. Delivery of the definitive Bonds shall be made through the facilities of the book-entry-only system of The Depository Trust Company, New York, New York ("DTC"). The Bonds will be delivered as fully-registered bonds, bearing CUSIP numbers, with a single bond for each maturity of each series of the Bonds, and registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Bonds. Unless otherwise agreed by the Underwriter, the Bonds will be delivered under DTC's FAST delivery system.

2. Public Offering of Bonds. The Underwriter agrees to make a bona fide public offering of all of the Bonds at prices not in excess of the initial public offering prices, or at yields not less than the initial yields, set forth on the inside front cover page of the Official Statement and in Exhibit A hereto, reserving, however, the right to change such prices or yields without notice as the Underwriter shall deem necessary in connection with the public offering of the Bonds.

3. Representations and Warranties of Issuer. In addition to the other representations and warranties made by the Issuer in this Agreement, the Issuer hereby represents and warrants as follows:

(a) The Issuer is a not-for-profit corporation constituting a local development corporation duly organized and validly existing in good standing under the laws of the State of New York, and has (or at the relevant time or times had) full power and authority (i) to adopt the Resolutions, (ii) to execute, deliver and perform its obligations under this Agreement and the other Issuer Financing Documents, (iii) to issue, sell, execute and deliver the Bonds to the Underwriter as provided in this Agreement and (iv) to undertake, carry out and consummate the Project and all other transactions contemplated by each of the aforesaid documents.

(b) The Issuer has duly authorized (i) the execution and delivery of, and the due performance of its obligations under, this Agreement and the other Issuer Financing Documents, (ii) the taking of any and all actions as may be required on the part of the Issuer to carry out, give

effect to and consummate the transactions contemplated by this Agreement and the other Issuer Financing Documents and (iii) the execution of the Official Statement.

(c) The Resolutions have been duly adopted by the Issuer and are in full force and effect. This Agreement has been duly authorized, executed and delivered by the Issuer and is, and when executed and delivered by the parties thereto, the other Issuer Financing Documents will be, legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium and similar laws in effect from time to time affecting the rights of creditors generally and except to the extent that the enforceability thereof may be limited by the application of general principles of equity. At or prior to the Closing Date, the other Issuer Financing Documents shall have been duly executed and delivered by the Issuer.

(d) The Bonds have been duly authorized and, when issued, authenticated by the Trustee, delivered and paid for by the Underwriter on the Closing Date in accordance with the terms of this Agreement, will constitute legal, valid and binding special obligations of the Issuer enforceable in accordance with their terms and entitled to the benefits and security of the Indenture, except as such enforceability may be limited by bankruptcy, insolvency or other laws of general application relating to or affecting creditors' rights and by general principles of equity.

(e) The adoption of the Resolutions, the execution and delivery by the Issuer of this Agreement, the Bonds and the other Issuer Financing Documents, and compliance with the provisions of the Resolutions and of this Agreement, the Bonds and the other Issuer Financing Documents will not conflict with or constitute a breach of, or a default under, any indenture, commitment, agreement or other instrument to which the Issuer is a party or by which it or any of its property is bound, or any constitutional or statutory provision, rule, regulation, ordinance, judgment, order or decree to which the Issuer or any of its property is subject.

(f) There is no action, suit, proceeding, inquiry or investigation before or by any court, arbitrator, grand jury, public board or body, in which the Issuer has been served or of which it has otherwise received official notice or which, to the best knowledge of the Issuer after due inquiry, is threatened against the Issuer (nor to the best knowledge of the Issuer is there any basis therefor), (i) which in any way questions the powers of the Issuer referred to in subparagraph (a) of this Paragraph 3 or the validity of the proceedings taken by the Issuer in connection with the issuance and sale of the Bonds, or (ii) wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Agreement or by the Official Statement, or (iii) which in any way would adversely affect the validity or enforceability of the Bonds, the Resolutions, this Agreement or the other Issuer Financing Documents.

(g) No approval, permit, consent, authorization or order of any court or any governmental or public agency, authority or entity not already obtained (other than any approvals that may be required under the state securities or "blue sky" laws of any jurisdiction, as to which no representation is made) is required with respect to the Issuer in connection with the issuance and sale of the Bonds; the execution and delivery by the Issuer of, or the performance by the

Issuer of its obligations under, this Agreement and the other Issuer Financing Documents; or the transactions contemplated hereby and thereby.

(h) On and as of the date hereof and, unless an event of the nature described in Paragraph 5(d) hereof subsequently occurs, at all times during the period from the date hereof to and including the date which is 25 days following the End of the Underwriting Period (as determined in accordance with Paragraph 11 hereof), the information in the Official Statement with respect to the Issuer and its affairs does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

(i) If the Official Statement is supplemented or amended pursuant to Paragraph 5(d) hereof, at the time of each such supplement or amendment to the Official Statement and, unless the Official Statement is subsequently again supplemented or amended pursuant to Paragraph 5(d) hereof, at all times during the period from the date of this Agreement to and including the date which is 25 days following the End of the Underwriting Period for the Bonds (as determined in accordance with Paragraph 11 hereof), the information with respect to the Issuer and its affairs contained in the Official Statement, as so amended or supplemented, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(j) The Issuer is not in default, and at no time has been in default, in the payment of principal of, premium if any, or interest on any bonds, notes or other obligations which it has issued, assumed or guaranteed.

4. Representations and Warranties of Company. In addition to the other representations made by the Company in this Agreement, the Company hereby represents and warrants as follows:

(a) The Company is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of New York. The Company has been determined to be and is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), by virtue of being an organization described in Section 501(c)(3) of the Code, and is not a private foundation as described in Section 509(a) of the Code.

(b) The Company has full corporate power and authority to enter into and complete the transactions contemplated by this Agreement and the Official Statement and has duly and validly taken all corporate action required to authorize all actions as may be necessary to complete such transactions. The Company lawfully possesses all necessary licenses, approvals, consents, permits, accreditations and certificates which are required for it to construct, equip and operate the Student Housing Facility as described in the Official Statement and to carry out the transactions contemplated by the Official Statement, this Agreement and the other Company Financing Documents.

(c) This Agreement has been duly authorized, executed and delivered by the Company and is, and when executed and delivered by the parties thereto, each of the other Company Financing Documents will be, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its respective terms, except as such enforceability may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights generally. At or prior to the Closing Date, each of the other Company Financing Documents shall have been duly executed and delivered by the Company.

(d) There is no litigation or administrative proceeding of any nature pending or, to the knowledge of the Company, threatened against the Company which seeks to restrain or enjoin the Project or the issuance, sale or delivery of the Bonds or the execution and delivery or performance by the Company of this Agreement or any of the other Company Financing Documents, or which contests or affects or may affect the validity or enforceability of (i) this Agreement, the Bonds or any of the other Company Financing Documents, (ii) the pledge or application of any moneys or security provided for the payment of the Bonds, (iii) the titles of the officers of the Company to their respective offices or (iv) the corporate existence or powers of the Company.

(e) The execution, delivery and performance by the Company of this Agreement and the other Company Financing Documents and the Company's completion of the transactions contemplated in this Agreement and the Official Statement do not and will not conflict with or constitute a breach of or default under the charter or bylaws of the Company or any existing law, court or administrative decision, regulation, permit, approval, decree or order, or any agreement, indenture, mortgage, lease, sublease or other instrument to which the Company is a party or by which it or any of its properties is or may be subject or bound.

(f) On and as of the date hereof and, unless an event of the nature described in Paragraph 5(d) hereof subsequently occurs, at all times during the period from the date hereof to and including the date which is 25 days following the End of the Underwriting Period (as determined in accordance with Paragraph 11 hereof), the information (collectively, the "Company Information") in the Official Statement with respect to the Student Housing Facility, the Company, SUNY, the College, the Alumni Association and the Buffalo State College Foundation (the "Foundation") does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading.

(g) If the Official Statement is supplemented or amended pursuant to Paragraph 5(d) hereof, at the time of each such supplement or amendment to the Official Statement and, unless the Official Statement is subsequently again supplemented or amended pursuant to Paragraph 5(d) hereof, at all times during the period from the date of this Agreement to and including the date which is 25 days following the End of the Underwriting Period for the Bonds (as determined in accordance with Paragraph 11 hereof), the Company Information contained in the Official Statement, as so amended or supplemented, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(h) Each of the Ground Lease, the Sublease and the Facility Management Agreement are in full force and effect and there exists no default on the part of any party thereto.

5. **Covenants of Issuer and Company.** The Issuer and the Company (each as to itself only and not with respect to the other) hereby covenant and agree with the Underwriter as follows:

(a) To cooperate with the Underwriter in endeavoring to qualify the Bonds for offer and sale under the state securities or "blue sky" laws of such jurisdictions as the Underwriter may reasonably request and in determining their eligibility for investment under the laws of such jurisdictions as the Underwriter may reasonably request, provided that the foregoing shall not require the Issuer or the Company to qualify to do business in any foreign jurisdiction;

(b) Not to take or omit to take any action which will adversely affect the exclusion of the interest on the Series A Bonds from the gross income of the holders thereof for Federal income tax purposes;

(c) Promptly after acceptance hereof by the Issuer and the Company, and in any case within seven business days from the date of this Agreement, (i) to deliver or cause to be delivered to the Underwriter five manually executed copies of the Official Statement in the form of the Preliminary Official Statement with only such further changes therein from the Preliminary Official Statement as shall have been consented to by the Underwriter, duly signed on behalf of each of the Issuer and the Company by their respective authorized officers, and (ii) to deliver or cause to be delivered to the Underwriter such number of copies of the Official Statement as the Underwriter may reasonably request in order for the Underwriter to comply with the rules of the Municipal Securities Rulemaking Board and Rule 15c2-12; and

(d) To promptly notify the Underwriter, if, during the period from the date hereof to and including the date which is 25 days following the End of the Underwriting Period for the Bonds (as determined in accordance with Paragraph 11 hereof), any event shall occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and if in the opinion of the Underwriter such event requires the preparation and distribution of a supplement or amendment to the Official Statement, to prepare and furnish to the Underwriter (i) such number of copies of the supplement or amendment to the Official Statement, in form and substance mutually agreed upon by the Issuer and the Company and approved by the Underwriter, as the Underwriter may reasonably request, and (ii) if such notification shall be given subsequent to the Closing Date, such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of any such supplement or amendment to the Official Statement.

6. **Conditions to Underwriter's Obligations.** The obligations of the Underwriter hereunder with respect to the Bonds shall be subject to the compliance with and

performance by the Issuer and the Company of their respective obligations and agreements to be complied with and performed hereunder on or prior to the Closing Date, and to the truth, accuracy and completeness as of the date hereof of the respective representations and warranties of the Issuer and the Company contained herein, and to the truth, accuracy and completeness of such representations and warranties on the Closing Date as if made on and as of the Closing Date.

The obligations of the Underwriter hereunder with respect to the Bonds are also subject to the following further conditions:

On or prior to the Closing Date, the Underwriter shall have received:

(a) The signed written opinion of Hiscock & Barclay, LLP, Bond Counsel, dated the Closing Date and addressed to (or accompanied by a reliance letter addressed to) the Underwriter, in substantially the form attached as Appendix C to the Official Statement, and a signed written supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that: (i) this Agreement has been duly authorized, executed and delivered by the Issuer, (ii) the sections of the Official Statement captioned "INTRODUCTORY STATEMENT," "THE 2011 BONDS" and "SECURITY FOR THE 2011 BONDS" and Appendix B to the Official Statement fairly and accurately summarize the terms and provisions of the Bonds, the Indenture, the Loan Agreement and the other Issuer Financing Documents and Company Financing Documents purported to be summarized therein, and the section of the Official Statement captioned "TAX MATTERS" fairly and accurately sets forth the opinion of Bond Counsel as to the matters covered therein, (iii) the Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of being described in Section 3(a)(2) of said Act, and the Indenture is exempt from the qualification requirements of the Trust Indenture Act of 1939, as amended, and (iv) on the basis of the performance of its duties as Bond Counsel and without having undertaken to determine independently the accuracy or completeness of, or to verify the information furnished with respect to, matters described in the Official Statement, including the Appendices thereto (except as set forth in the opinion in clause (ii) above), nothing has come to such firm's attention that causes it to believe that the Official Statement contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, it being understood that, in rendering such opinion, Bond Counsel shall be expressing no opinion with respect to any statistical data, technical and financial statements, operating statistics and other financial data contained in the Official Statement;

(b) The signed written opinion of Harris Beach PLLC, counsel to the Issuer, dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter and its counsel and covering the matters described in Exhibit “B” hereto;

(c) The signed written opinion of Hodgson Russ LLP, counsel to the Company, dated the Closing Date and addressed to the Underwriter, the Issuer and the Trustee and permitting reliance thereon by Bond Counsel, in form and substance satisfactory to the Underwriter and its counsel and covering the matters described in Exhibit “C” hereto;

(d) The signed written opinion of counsel to SUNY, dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter;

(e) The signed written opinion of Reed Smith LLP, counsel to the Underwriter, in form and substance satisfactory to the Underwriter;

(f) A certificate, dated the Closing Date, signed by an authorized officer of the Issuer, to the effect that: (i) each of the representations and warranties of the Issuer set forth in this Agreement is true, correct and complete on the Closing Date as if made on and as of the Closing Date; (ii) each of the agreements of the Issuer to be complied with and each of the obligations of the Issuer to be performed hereunder, and under the Resolutions and the Issuer Financing Documents, on or prior to the Closing Date has been complied with and performed; and (iii) to the best of such officer's knowledge, after reasonable investigation, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein, in the light of the circumstances under which such statements and information were made or provided, not misleading;

(g) A certificate, dated the Closing Date and signed by an authorized officer of the Company, to the effect that (i) each of the representations and warranties of the Company set forth in this Agreement is true, correct and complete on the Closing Date as if made on and as of the Closing Date; (ii) each of the agreements of the Company to be complied with and each of the obligations to be performed by the Company under this Agreement and the other Company Financing Documents on or prior to the Closing Date have been complied with and performed; (iii) to the best of such officer's knowledge, after reasonable investigation, no event affecting the Company, the College, SUNY, the Alumni Association or the Foundation has occurred since the date of the Official Statement which should be disclosed in the Official Statement for

the purpose for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein, in the light of the circumstances under which such statements and information were made or provided, not misleading; and (iv) the Company has reviewed the continuing disclosure requirements set forth in the Continuing Disclosure Agreement and understands and accepts its responsibilities thereunder;

(h) A certificate, dated the Closing Date and signed by an authorized officer of SUNY, to the effect that (i) the Ground Lease, the Facility Management Agreement and the SUNY Agreement have been duly executed and delivered by SUNY and are in full force and effect in accordance with their terms, (ii) the information in the Official Statement with respect to SUNY and the College is true and correct in all material respects, and (iii) to the best of such officer's knowledge, after reasonable investigation, no event affecting SUNY, the College or the Student Housing Facility has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein, in the light of the circumstances under which such statements and information were made or provided, not misleading;

(i) Copies of the Resolutions and the articles of incorporation and bylaws of the Issuer, certified as being true, correct and complete by an authorized officer of the Issuer;

(j) Copies of the resolutions of the Board of Directors of the Company authorizing the execution, delivery and performance of the Company Financing Documents and all other action to be taken by the Company in connection with the Project, and copies of the articles of incorporation and bylaws of the Company, in each case certified as being true, correct, complete and in full force and effect by an authorized officer of the Company;

(k) Copies of the articles of incorporation and bylaws of the Alumni Association and the Foundation, in each case certified as being true, correct, complete and in full force and effect by an authorized officer of the Alumni Association or the Foundation, as the case may be;

(l) An executed counterpart of each of the Issuer Financing Documents and the Company Financing Documents, each of which shall be in full force and effect, executed by all relevant parties thereto, and otherwise in form and substance reasonably satisfactory to the Underwriter;

(m) Financing Statements on Form UCC-1 naming the Issuer as debtor and the Trustee as secured party relative to the security interests created under the Indenture;

(n) Financing Statements on Form UCC-1 naming the Company as debtor, the Issuer as secured party and the Trustee as assignee of the secured party, relative to the security interests created under the Leasehold Mortgage and the Loan Agreement;

(o) A current survey of the land encumbered by the Leasehold Mortgage made by a registered or licensed engineer or surveyor and certified to the Issuer and the Trustee, showing (A) the boundaries of such land, the established building setback lines, if any, and the location of the Student Housing Facility on such land and within any such building setback lines, (B) all easements affecting the land and other matters apparent thereon, the relation of the land to public thoroughfares for access purposes and the lines and widths of all streets and rights-of-way abutting or traversing the land and (C) any encroachments by structures situate on adjoining property over the land and the extent thereof in feet and inches;

(p) Evidence satisfactory to the Underwriter that the policies of insurance required under the Loan Agreement and the Leasehold Mortgage have been obtained by the Company and are in full force and effect;

(q) A copy of the rulings of the Internal Revenue Service to the effect that the Company, the Alumni Association and the Foundation are each an organization described in Section 501(c)(3) of the Code, certified by an officer of the Company;

(r) Evidence satisfactory to the Underwriter of the issuance of a mortgagee's policy of title insurance for a face amount not less than the aggregate principal amount of the Bonds by a reputable title insurance company, naming the Issuer and the Trustee as insureds, with respect to the real property purported to be covered by the Leasehold Mortgage, insuring that the Leasehold Mortgage constitutes a valid first lien on the real property covered by the Leasehold Mortgage free and clear of all liens, charges and encumbrances except encumbrances acceptable to the Issuer and the Underwriter and such encumbrances as may be expressly permitted under the Company Financing Documents;

(s) Evidence of current searches satisfactory to the Issuer and the Underwriter listing all effective financing statements which name the Company (under its current name and any previous name) as debtor and which are filed with the New York Secretary of State, together with copies

of such financing statements (none of which shall cover the collateral purported to be covered by the Leasehold Mortgage or the Loan Agreement);

(t) Evidence that the Bonds have received a rating of at least “A+” with a stable outlook from Standard & Poor’s Ratings Group;

(u) Evidence of proper public approval of the issuance of the Series A Bonds pursuant to the requirements of Section 147(f) of the Code;

(v) A non-arbitrage certificate of the Issuer with respect to the Series A Bonds and such other tax compliance certificates or agreements of the Issuer and the Company as may be required by Bond Counsel in connection with the Series A Bonds, and an IRS Form 8038 executed by the Issuer in connection with the Series A Bonds;

(w) A Policy Statement 103 Application with respect to the Bonds (the “Policy Statement 103 Application”), executed on behalf of the Issuer, in form and substance satisfactory to the Underwriter and its counsel and otherwise in proper form for filing with the Department of Law of the State of New York; and

(x) Such additional certificates or documents (including, but not limited to, legal opinions or other instruments), as the Underwriter or its counsel or Bond Counsel may reasonably request to evidence the authority of the Trustee to act under the Indenture; the truth, accuracy and completeness, as of the Closing Date, of the representations and warranties of the Issuer and the Company at or prior to such time; and of the performance of all agreements then to be performed and all conditions and legal requirements then to be satisfied by each of them in connection with this Agreement and the other Issuer Financing Documents and Company Financing Documents.

7. **Termination.** The Underwriter shall have the right to terminate and cancel its obligation hereunder to purchase and pay for the Bonds on the Closing Date if the Underwriter shall deliver to the Issuer and the Company a certificate to the effect that in its reasonable judgment of the Underwriter any of the following events has occurred after the date hereof and on or prior to the Closing Date:

(a) Any restriction on or suspension of trading in securities, or any banking moratorium, or the inception or escalation of any war or major military hostilities which substantially impairs the marketability or the market price of the Bonds;

(b) The enactment of any legislation or any action by the Securities and Exchange Commission or a court which, in the opinion of counsel to the Underwriter, would

require registration of the Bonds or any of the Company Financing Documents or the Issuer Financing Documents under the Securities Act of 1933, as amended, in connection with the public offering of the Bonds, or qualification of the Indenture or any of the Company Financing Documents or Issuer Financing Documents under the Trust Indenture Act of 1939, as amended;

(c) Any event described in subparagraph (d) of Paragraph 5 hereof shall have occurred which in the opinion of the Underwriter requires the preparation and distribution of a supplement or amendment to the Official Statement, regardless of whether or not such a supplement or amendment to the Official Statement has been prepared and/or distributed;

(d) Any change, or any development involving a prospective change, in or affecting particularly the operations, properties, financial condition or prospects of the Company of SUNY which, in the reasonable judgment of the Underwriter, materially impairs the investment quality, market price or marketability of the Bonds;

(e) The market price or marketability of the Bonds shall (in the reasonable judgment of the Underwriter) have been materially and adversely affected by reason of:

(i) legislation enacted by the Congress, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress by any Committee of such House to which such legislation has been referred for consideration;

(ii) a decision rendered by a court established under Article III of the Constitution of the United States or the United States Tax Court; or

(iii) an order, ruling, regulation, press release, statement or other form of notice made or proposed by the Treasury Department of the United States or the Internal Revenue Service or any other governmental agency;

in each such case with the purpose or effect, directly or indirectly, of imposing federal income taxation upon the interest that would be received by the holders of the Series A Bonds or obligations of the general character of the Series A Bonds or upon the payments that would be received by the Issuer under the Loan Agreement or other income of the general character of such payments;

(f) The market price or marketability of the Bonds shall (in the reasonable judgment of the Underwriter) have been materially and adversely affected by reason of any legislation, ordinance, rule or regulation introduced in, or actively considered for enactment by, any governmental body, department or agency of the State of New York or by reason of a decision rendered by any court of competent jurisdiction within said State; or

(g) The Issuer and/or the Company shall have failed to comply with any of the requirements of Paragraph 5(c) hereof.

8. **Expenses.** Whether or not the sale of the Bonds by the Issuer to the Underwriter is consummated, the Underwriter shall be under no obligation to pay any costs or expenses incident to the performance of the obligations of the Issuer hereunder. All costs and expenses incident to the authorization, preparation, issuance, sale and delivery of the Bonds, including without limitation costs of the preparation, printing, execution, delivery and recording or filing, as the case may be, of the Preliminary Official Statement and the Official Statement, together with any amendments and supplements thereto, including a reasonable number of certified or conformed copies, and all of the Issuer Financing Documents and Company Financing Documents, Uniform Commercial Code financing statements, title insurance premiums, the fees and disbursements of Bond Counsel, counsel to the Company, counsel to the Underwriter, counsel to the Trustee, and counsel to the Issuer, and the fees and disbursements of accountants and other advisors, shall be the obligation of the Company or shall be paid from the proceeds of the issuance and sale of the Bonds. Except for the fees payable in connection with the filing of the Policy Statement 103 Application, which fees shall be the responsibility of the Company, the Underwriter shall pay the cost of qualifying the Bonds for sale under the "blue sky" or securities laws of any jurisdictions and all advertising costs and other expenses in connection with the public offering of the Bonds.

9. **Indemnification.** The Company hereby agrees that it will indemnify and hold the Underwriter and its members, directors, officers, employees and agents, as the case may be, and each person, if any, who controls the Underwriter within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended, harmless from and against any and all losses, claims, damages or liabilities, joint or several, to which it may become subject under any federal or state securities law, or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact included in the Company Information contained in the Preliminary Official Statement or in the Official Statement, or any amendment or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the Company will reimburse such persons or entities for any legal or other expenses reasonably incurred in connection with investigating, defending or preparing to defend any such action or claim. The Company shall indemnify the Issuer as set forth in the Loan Agreement.

In case any proceeding (including any governmental investigation) shall be instituted involving any entity in respect of which indemnity may be sought pursuant to the preceding paragraph, such entity (the "indemnified party") shall promptly notify the Company in writing, which upon request of the indemnified party shall retain counsel reasonably satisfactory to the indemnified party to represent the indemnified party in such proceeding and shall pay the fees and disbursements of such counsel related to such proceeding. In any such proceeding, an indemnified party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the Company and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceeding (including any impleaded parties) include the Company and the indemnified party and representation of both parties by the same counsel would be inappropriate

because of actual or potential differing interests between them. The Company shall not be liable for any settlement of any proceeding effected without its written consent but if settled with such consent, or if there be a final judgment for the plaintiff, the Company agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment. The failure of an indemnified party to provide notice to the Company shall not abridge, curtail or limit in any way the Company's obligations to indemnify the Issuer and the Underwriter pursuant to this Agreement.

If the indemnification provided in this Paragraph 9 is not permitted by applicable law, then the Company shall instead contribute to the amount paid or payable by the indemnified party in the proportion appropriate to reflect the relative benefits received by the Company on the one hand and the indemnified party on the other from the offering of the Bonds. If this allocation is not permitted by applicable law, then the Company shall contribute to such amount in the proportion appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the indemnified party on the other in connection with the statements or omissions that resulted in the particular losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative fault shall be determined by reference, among other things, to whether the untrue or alleged untrue statement of a material fact relates to information supplied by the Company or the indemnified party and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and the indemnified parties agree that it would not be just and equitable if contribution pursuant to this paragraph were determined by pro rata allocation or by any other method of allocation that does not consider the equitable considerations referred to in this paragraph. The amount payable to an indemnified party pursuant to this paragraph shall include any expenses reasonably incurred in defending any action or claim. Notwithstanding the provisions of this paragraph, the Underwriter shall not be required to contribute any amount in excess of the amount by which the total price at which the Bonds were offered to the public exceeds the amount of damages that the Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. In addition, no person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

10. Survival of Representations, Warranties and Agreements. All representations, warranties and agreements of the Issuer and the Company set forth in this Agreement, including without limitation the indemnification and contribution provisions set forth in Paragraph 9 hereof, shall remain operative and in full force and effect regardless of (a) any investigation, or statement as to the results thereof, made by or on behalf of the Underwriter, (b) delivery of and payment for the Bonds, and (c) any termination of this Agreement.

11. Determination of End of Underwriting Period. (a) For purposes of this Agreement, the "End of the Underwriting Period" shall mean the earlier of (i) the Closing Date unless the Issuer and the Company have each been notified in writing to the contrary by the Underwriter on or prior to the Closing Date or (ii) the date on which the "end of the underwriting period" for the Bonds has occurred under Rule 15c2-12; provided, however, that the Issuer and the Company shall be entitled to treat as the End of the Underwriting Period for the Bonds the

date specified in the notification of the Underwriter required under subparagraph (c) of this Paragraph 11.

(b) The Underwriter shall provide to the Issuer and the Company, upon request, such information as may be reasonably required by the Issuer or the Company in order to determine whether the "end of the underwriting period" for the Bonds has occurred under Rule 15c2-12 with respect to the unsold balance of Bonds that are held by the Underwriter for sale to the public within the meaning of Rule 15c2-12.

(c) If the Underwriter retains no unsold balance of Bonds for sale to the public within the meaning of Rule 15c2-12, then the Underwriter shall promptly notify the Issuer and the Company in writing that, in its opinion, the "end of the underwriting period" for the Bonds under Rule 15c2-12 has occurred on a date which shall be set forth in such notification.

(d) As soon as practicable following receipt thereof, the Underwriter shall deliver the Official Statement, and any supplement or amendment thereto, to the Electronic Municipal Market Access system of the Municipal Securities Rulemaking Board.

12. Section Headings; Execution in Counterparts. Section headings in this Agreement are inserted for convenience of reference only and shall not be considered a part of, or used in the interpretation of any provisions of, this Agreement. This Agreement may be executed and accepted in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute or accept this Agreement by signing any such counterpart.

13. Notice and Other Actions. All notices, requests, demands and formal actions hereunder shall be in writing mailed, telecopied or delivered to the following address:

The Issuer:

143 Genesee Street
Buffalo, NY 14203
Attn: Chief Operating Officer
Fax: 716-856-6754

The Underwriter:

160 Technology Drive, Suite 201
Canonsburg, PA 15317
Attn: Linda D. Eremita, Managing Director
Fax: 724-743-5959

The Company:

1300 Elmwood Ave., Suite 505
Buffalo, NY 14222
Attn: Dr. Stanley Kardonsky, Vice President
Fax: 716-878-4350

with a copy to:

Hodgson Russ LLP
The Guaranty Building
140 Pearl Street, Suite 100
Buffalo, NY 14202

14. Parties in Interest. This Agreement is made solely for the benefit of the Underwriter, the Company, the Issuer and their respective successors and assigns, and no other entity shall acquire or have any rights under or by virtue of this Agreement. The terms "successors" and "assigns" shall not include any purchaser of Bonds from or through the Underwriter merely because of such purchase.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

16. ACKNOWLEDGMENT OF CONTINUING DISCLOSURE OBLIGATIONS. THE COMPANY HAS REVIEWED, UNDERSTANDS AND ACCEPTS THE CONTINUING DISCLOSURE REQUIREMENTS SET FORTH IN THE FORM OF THE CONTINUING DISCLOSURE AGREEMENT ATTACHED AS APPENDIX D TO THE PRELIMINARY OFFICIAL STATEMENT.

[The balance of this page is intentionally left blank.]

16. **Severability.** The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Very truly yours,

M&T SECURITIES, INC.



By _____
Authorized Officer

Accepted and Agreed at _____ [a.m./p.m.] this 26th day of May 2011:

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION**

By _____
Title:

Accepted and Agreed at _____ [a.m./p.m.] this 26th day of May 2011:

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION

By _____
Title:

Signature Page to Bond Purchase Agreement

16. **Severability.** The provisions of this Agreement are intended to be severable. If any provision of this Agreement shall be held invalid or unenforceable in whole or in part in any jurisdiction such provision shall, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction.

Very truly yours,

M&T SECURITIES, INC.

By _____
Authorized Officer

Accepted and Agreed at 10:17 [a.m./p.m.] this 26th day of May 2011:

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION**

By _____
Title: *Assistant Treasurer*

Accepted and Agreed at 9:36 [a.m./p.m.] this 26th day of May 2011:

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION

By _____
Title: *Vice President*

Signature Page to Bond Purchase Agreement

EXHIBIT A

TERMS OF THE BONDS

(Attached)

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION

\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A

Maturity Schedule

<u>Maturity (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP</u>
2012	\$260,000	3.000%	1.050%	102.494	11943KAL6
2013	685,000	3.000	1.500	103.365	11943KAM4
2014	705,000	3.000	1.940	103.362	11943KAN2
2015	725,000	3.000	2.350	102.636	11943KAP7
2016	750,000	4.000	2.600	106.876	11943KAQ5
2017	780,000	4.000	3.000	105.691	11943KAR3
2018	820,000	5.000	3.320	110.795	11943KAS1
2019	860,000	5.000	3.610	109.878	11943KAT9
2020	905,000	5.000	3.840	108.987	11943KAU6
2021	950,000	5.000	4.040*	107.694	11943KAV4

\$5,645,000 5.750% Term Bonds due October 1, 2026, priced @ 107.993 to yield 4.720%*, CUSIP 11943KAW2
 \$7,575,000 6.000% Term Bonds due October 1, 2031, priced @ 107.099 to yield 5.070%*, CUSIP 11943KAX0
 \$23,215,000 5.375% Term Bonds due October 1, 2041, priced @ 98.302 to yield 5.490%, CUSIP 11943KAY8

*Yield to first call date

\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011B

Maturity Schedule

<u>Maturity Date (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP</u>
2012	\$410,000	1.250%	1.25%	100.00	11943KAZ5

REDEMPTION PROVISIONS

Optional Redemption of Series A Bonds. The Series A Bonds maturing on or after October 1, 2021, are subject to redemption at the option of the Company, in whole or in part at any time on or after April 1, 2021, at the par amount of the 2011A Bonds to be redeemed, without premium, plus accrued interest to the Redemption Date.

Mandatory Sinking Fund Redemption of Series A Bonds. The Series A Bonds are subject to scheduled mandatory sinking fund redemption pursuant to the operation of the mandatory sinking fund, as provided for in the Indenture, from payments to be made by the Company under the Loan Agreement, as follows:

The Series A Bonds maturing on October 1, 2026 shall be subject to redemption on October 1 of each year, and in the principal amounts each year, as set forth below, at a Redemption Price equal to their principal amount plus accrued interest to the Redemption Date.

<u>Year</u>	<u>Principal Amount</u>
2022	\$1,005,000
2023	1,060,000
2024	1,125,000
2025	1,190,000
2026*	1,265,000

* Maturity

The Series A Bonds maturing on October 1, 2031 shall be subject to redemption on October 1 of each year, and in the principal amounts each year, as set forth below, at a Redemption Price equal to their principal amount plus accrued interest to the Redemption Date.

<u>Year</u>	<u>Principal Amount</u>
2027	\$1,340,000
2028	1,420,000
2029	1,510,000
2030	1,605,000
2031*	1,700,000

* Maturity

The Series A Bonds maturing on October 1, 2041 shall be subject to redemption on October 1 of each year, and in the principal amounts each year, as set forth below, at a Redemption Price equal to their principal amount plus accrued interest to the Redemption Date.

<u>Year</u>	<u>Principal Amount</u>
2032	\$1,800,000
2033	1,900,000
2034	2,005,000
2035	2,115,000
2036	2,235,000
2037	2,355,000
2038	2,485,000
2039	2,625,000
2040	2,770,000
2041*	2,925,000

* Maturity

Extraordinary Redemption. The Bonds are subject to redemption prior to maturity (1) as a whole, without premium, in the event of (i) a taking in Condemnation of, or failure of title to, all or substantially all of the Project, (ii) damage to or destruction of part or all of the Project and the election by the Company to redeem the Bonds, or (iii) a taking in Condemnation of part of the Project and election by the Company to redeem the Bonds; (2) as a whole, without premium, in the event that any court or administrative body shall enter a judgment or decree

requiring the Company to cease all or any substantial part of its operations at the Project; or (3) in part, without premium, in the event that (i) excess moneys remain in the Insurance and Condemnation Fund established under the Indenture following damage or Condemnation of a portion of the Project and completion of the repair, rebuilding or restoration of the Project by the Company, and (ii) such excess moneys are not paid to the Company. In any such event, the Bonds shall be redeemed, as a whole or in part, as the case may be, in the manner provided in the Indenture, on the earliest practicable date for which the Trustee can give notice of redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the Redemption Date, without premium.

EXHIBIT B

MATTERS TO BE COVERED IN OPINION OF COUNSEL TO ISSUER

(Capitalized terms have the respective meanings given to them
in the foregoing Bond Purchase Agreement)

1. The Issuer is a not-for-profit local development corporation organized under the laws of the State of New York, authorized and empowered by Section 1411 of the Not-for-Profit Corporation Law of the State of New York, as amended, and Resolution Nos. 218 (2009), 295 (2009), and 5-3 (2010) adopted by the Erie County Legislature.
2. The Issuer has the power and lawful authority to execute and deliver the Bonds and the Issuer Financing Documents, and to perform and observe the provisions of the Bonds and the Issuer Financing Documents on its part to be performed and observed.
3. The Issuer has complied with all of the requirements of New York law with respect to the authorization, execution and delivery of the Bonds and Issuer Financing Documents. The Issuer has duly authorized the execution, delivery and performance of the Bonds and the Issuer Financing Documents.
4. To the best of our knowledge, there is no litigation pending or threatened in any court, either state or federal, calling into question the creation, organization or existence of the Issuer or the validity of the Bonds and the Issuer Financing Documents.
5. The Bonds and the Issuer Financing Documents have been duly authorized, executed and delivered by the Issuer, and the Bonds and the Issuer Financing Documents constitute legal, valid and binding obligations of the Issuer, enforceable against it in accordance with their respective terms.
6. To the best of such firm's knowledge, no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to disclose therein in order to make the statements and information therein with respect to the Issuer, in light of the circumstances under which such statements and information were made or provided, not misleading.
7. The Official Statement has been duly approved, executed and delivered by the Issuer.
8. Such other matters as the Underwriter or its counsel may reasonably request.

EXHIBIT C

MATTERS TO BE COVERED IN OPINION OF COUNSEL TO COMPANY

(Capitalized terms have the respective meanings given to them
in the foregoing Bond Purchase Agreement)

1. The Company is a nonprofit corporation duly incorporated, validly existing and in good standing under the laws of the State of New York with full power to own its properties and conduct its business as described in the Official Statement.

2. The Company is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), is exempt from tax under Section 501(a) of the Code, except for unrelated business income subject to taxation under Section 511 of the Code, has received a ruling issued by the Internal Revenue Service to the effect that it is such an organization, which ruling has not been modified, limited or revoked and, after due inquiry, such counsel knows of no circumstances which would disqualify the Company as such an organization.

3. The Company is a corporation organized and operated exclusively for charitable purposes, not for pecuniary profit, and no part of the net earnings of which inures to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of subsection 3(a)(4) of the Securities Act of 1933, as amended, and of subsection 12(g)(2)(D) of the Securities Exchange Act of 1934, as amended.

4. Pursuant to due authorization the Company has executed the Bond Purchase Agreement and the Official Statement and has authorized the distribution of the Preliminary Official Statement and the Official Statement.

5. The Bond Purchase Agreement and each of the other Company Financing Documents have been duly authorized, executed and delivery by the Company, are in full force and effect and, assuming due authorization, execution and delivery by the other parties thereto, as appropriate, constitute legal, valid and binding obligations of the Company enforceable in accordance with their respective terms (subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and to general principles of equity).

6. To the best of such firm's knowledge after due inquiry, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, against or affecting the Company, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Official Statement or the validity or enforceability of the Company Financing Documents.

7. To the best of such firm's knowledge after due inquiry, the execution by the Company of the Company Financing Documents and compliance with the provisions thereof,

under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Company a breach of or default under the Company's articles of incorporation or bylaws or any existing law, ordinance, administrative regulation, court order or consent decree to which the Company is or may be subject.

8. The Leasehold Mortgage has been executed in proper form under the laws of the State of New York for the creation of the lien contemplated thereby on and against the interest of the Company in and to the "Mortgaged Property" described therein and for recordation in the real property records of Erie County, New York.

9. The provisions of the Leasehold Mortgage are sufficient to create in favor of the Issuer a valid and enforceable lien on all right, title and interest of the Company in those items and types of the "Mortgaged Property" described in the Leasehold Mortgage.

10. The provisions of the Loan Agreement and the Leasehold Mortgage are sufficient to create in favor of the Issuer a valid and enforceable security interest in those items and types of collateral described therein in which a security interest may be created under Article 9 of the Uniform Commercial Code in effect in the State of New York, and financing statements on Form UCC-1 have been duly prepared and filed in all requisite filing offices and such filings are sufficient to perfect the security interest created by the Loan Agreement and the Leasehold Mortgage in all right, title and interest of the Company in those items and types collateral in which a security interest may be perfected by the filing of financing statements under the New York Uniform Commercial Code.

11. Without having undertaken to determine independently the accuracy or completeness of, or to verify the information furnished with respect to, matters described in the Official Statement, including the Appendices thereto, but on the basis of such firm's assistance to the Issuer, the Underwriter and the Company in the preparation of the Official Statement and its representation of the Company in connection with the issuance of the Bonds, nothing has come to such firm's attention that causes it to believe that the Official Statement contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, it being understood that, in rendering such opinion, such counsel shall be expressing no opinion with respect to or any statistical data, technical and financial statements, operating statistics and other financial data in the Official Statement.

12. To the best of such firm's knowledge, such firm knows of no additional or further approval, consent or authorization of any federal, state or local governmental body or agency, not already obtained, which is required to be obtained by the Company in connection with the Project or the execution, delivery or performance of the Company Financing Documents.

13. Such other matters as the Underwriter or its counsel may reasonably request.

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT
CORPORATION**

and

MANUFACTURERS AND TRADERS TRUST COMPANY,
as Trustee

TRUST INDENTURE

Dated as of June 1, 2011

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION**

**\$43,875,000 REVENUE BONDS (BUFFALO
STATE COLLEGE FOUNDATION HOUSING
CORPORATION PROJECT), SERIES 2011A**

**\$410,000 TAXABLE REVENUE BONDS (BUFFALO
STATE COLLEGE FOUNDATION HOUSING
CORPORATION PROJECT), SERIES 2011B**

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TRUST INDENTURE

THIS TRUST INDENTURE dated as of June 1, 2011 (as amended and supplemented from time to time, this “*Indenture*”), is between **BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION**, a not-for-profit corporation constituting a local development corporation organized and existing under the laws of the State of New York, having its principal office at 143 Genesee Street, Buffalo New York 14203 (the “*Issuer*”), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a banking corporation duly organized and existing under the laws of the State of New York, authorized to accept and execute trusts of the character hereinafter set forth and having its principal corporate trust office at One M&T Plaza, 7th Floor, Buffalo, New York 14203, as trustee (together with its successors in trust, the “*Trustee*”):

THE MEANING OF CAPITALIZED TERMS USED HEREIN AND NOT OTHERWISE DEFINED CAN BE DETERMINED BY REFERENCE TO SCHEDULE A OF THIS INDENTURE.

RECITALS :

The Issuer was created, pursuant to and in accordance with the provisions of the Act, and is empowered under the Act to undertake the providing of projects of a character such as the Project for the public purposes of the State, as well as the costs incidental to issuance of the Series 2011A Bonds and Series 2011B Bonds.

The Issuer proposes to issue (a) its Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A, for the purpose of funding a loan to Buffalo State College Foundation Housing Corporation (the “*Company*”) to (i) redeem and defease the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-2, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1 and the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2 (collectively the “*Prior Tax-Exempt Bonds*”) and (ii) pay or reimburse Costs of the Project and issuance costs of the Series 2011A Bonds and (b) its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B for the purpose of funding a loan to the Company to (i) redeem and defease the Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-3 and the Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-4 (collectively, the “*Prior Taxable Bonds*”

and collectively with the Prior Tax-Exempt Bonds, the “*Outstanding Prior Bonds*”) and (ii) pay issuance costs of the Series 2011B Bonds.

Contemporaneously with the execution of this Indenture, the Issuer and the Company will enter into an Loan Agreement of even date herewith (as amended or supplemented from time to time, the “*Loan Agreement*”), whereby the Issuer agrees to issue the Bonds and the Company agrees to make certain payments to the Issuer, to which Loan Agreement reference may be made by any interested person for the terms, conditions and obligations of the parties thereto.

The execution and delivery of this Indenture and the issuance of the Bonds under the Act as herein provided have been in all respects approved and duly and validly authorized by resolution duly adopted by the Issuer.

It has been determined that the redemption and defeasance of the Outstanding Prior Bonds will require the issuance, sale and delivery of the Bonds, in the aggregate principal amount of \$44,285,000, as hereinafter provided.

The fully registered Bonds without coupons to be issued hereunder and the Trustee’s Certificate of Authentication to be endorsed on the Series 2011A Bonds and Series 2011B Bonds are all to be in substantially the form of Exhibit A and Exhibit B, respectively, attached hereto, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture.

All things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid, binding and legal special obligations of the Issuer according to the import thereof, and to constitute this Indenture a valid pledge of the Loan Payments under the Loan Agreement (except as hereinafter provided with respect to the Unassigned Rights) for payment of the principal of, and premium, if any, and interest on the Bonds have been done and performed, and the creation, execution and delivery of this Indenture, and the creation, execution and issuance of such Bonds, subject to the terms hereof have in all respects been duly authorized.

NOW, THEREFORE, the parties hereto further declare:

GRANTING CLAUSES

That the Issuer, in consideration of the mutual covenants herein contained, and as security for the Bonds and for the payment of all other sums required to be paid hereunder, does hereby assign and grant a security interest in, mortgage, release, assign, transfer and pledge unto the Trustee, and its successors and assigns forever, for the benefit of the Owners and future Owners of the Bonds, the following described property:

A. All right, title and interest of the Issuer in and to the Loan Agreement (except for the Unassigned Rights expressly retained by the Issuer), the present and continuing right to make claim for, collect, receive and receipt for any of the Pledged Revenues and other sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable thereunder or hereunder (except for amounts payable to the Issuer with respect to Unassigned Rights), the

exclusive right to bring actions and proceedings thereunder or for the enforcement thereof (except as otherwise specifically provided with respect to Unassigned Rights), the right to grant consents and waivers, and to enter into amendments and to do any and all things which the Issuer is or may become entitled to do thereunder;

B. All right, title and interest of the Issuer in and to all money and securities from time to time held by the Trustee under the terms of this Indenture or credited to any fund or account established hereunder (other than any moneys or securities in the Rebate Fund);

C. Any and all other Property of every name and nature from time to time hereafter by delivery or by writing of any kind given, granted, sold, conveyed, mortgaged, pledged, assigned or transferred, or as to which a Lien is granted, as and for additional security hereunder by the Issuer or by anyone on its behalf or with its written consent or by the Company, subject to the Unassigned Rights, in favor of the Trustee, that is hereby authorized to receive any and all such Property at any and all times and to hold and apply the same subject to the terms hereof; and

D. Any and all proceeds (including real property) acquired by the Issuer or the Trustee as a result of its exercise of any remedies under the Security Documents or Loan Agreement.

The Indenture also is intended to constitute a security agreement under the Uniform Commercial Code of the State so that the Trustee shall have and may enforce a security interest, to secure payment of all sums due or to become due under the Bonds and the Indenture, in so much of the Property described in Paragraphs A through D above as may be made subject to such security interest, including the moneys held by the Trustee hereunder, such security interest to attach at the earliest moment permitted by law and also to include and attach to all additions and accessions thereto, all substitutions and replacements therefor and all proceeds thereof, and all other contract rights and general intangibles of the Issuer (except the Unassigned Rights and the Rebate Fund) obtained in connection with or relating to the Project, as well as any and all items of property in the foregoing classifications which are hereafter acquired;

TO HAVE AND TO HOLD all said Properties, real, personal and mixed, mortgaged, pledged, assigned and conveyed by the Issuer as aforesaid, or intended so to be, unto the Trustee and its successors in the trust forever.

In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued pursuant to this Indenture by those who shall hold the same from time to time: (i) this Indenture shall constitute a contract among the Issuer, the Trustee and the Owners from time to time of the Bonds, and (ii) the pledge made in this Indenture and the covenants set forth herein to be performed by the Issuer shall be for the equal and ratable benefit, security and protection of all Owners of the Bonds that from time to time may be issued under and secured by this Indenture without privilege, priority or distinction as to the Lien or otherwise of any of the Bonds over any other of the Bonds except as otherwise provided herein;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, (i) shall pay or cause to be paid the principal of, and premium, if any, and interest on the Bonds due or to become due thereon, at the times and in the manner mentioned in the Bonds or shall provide, as permitted hereby,

for the payment thereof; (ii) shall perform and observe all the covenants to be performed and observed by it hereunder; and (iii) shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof and of the Loan Agreement, then upon such final payments, this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture shall be and remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH that the Issuer hereby agrees and covenants with the Trustee for the equal and proportional benefit of the respective Owners and the Trustee hereby accepts and agrees to accept and discharge such trusts from time to time of the Bonds or any part thereof, as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.1. Definition of Terms. All of the capitalized terms used in this Indenture and the preamble hereto not otherwise defined shall have the meanings assigned thereto in the Schedule of Definitions attached hereto as Schedule A and made a part hereof.

Section 1.2. Rules of Construction. Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Indenture:

- (a) Words importing the singular number shall include the plural number and vice versa.
- (b) Words importing the redemption or calling for redemption of Bonds shall not be deemed to refer to or connote the payment of Bonds at their Stated Maturity.
- (c) All references herein to particular Articles or Sections, unless otherwise provided, are references to Articles or Sections of this Indenture.
- (d) The headings herein are solely for convenience of reference and shall not constitute a part of this Indenture nor shall they affect its meaning, construction or effect.
- (e) “Herein,” “hereby,” “hereunder,” “hereof,” “hereinbefore,” “hereinafter” and other equivalent words refer to this Indenture and not solely to the particular Article, Section or subdivision hereof in which such word is used.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF BONDS

Section 2.1. Authorized Amount of Bonds. No Bonds may be authenticated and issued under the provisions of this Indenture except in accordance with this Article II. Except as otherwise provided in Sections 2.8 and 2.12 hereof, the aggregate principal amount of the Bonds that may be authenticated and issued under this Indenture is \$44,285,000. The Series 2011A Bonds shall be dated the Closing Date and mature on the dates and in the amounts set forth below and shall bear interest from their date to maturity or prior redemption at the annual rates set forth opposite such dates and amounts, respectively:

Maturity Date (October 1)	Amount	Interest Rate
2012	\$ 260,000.00	3.000%
2013	685,000.00	3.000%
2014	705,000.00	3.000%
2015	725,000.00	3.000%
2016	750,000.00	4.000%
2017	780,000.00	4.000%
2018	820,000.00	5.000%
2019	860,000.00	5.000%
2020	905,000.00	5.000%
2021	950,000.00	5.000%
2026	5,645,000.00	5.750%
2031	7,575,000.00	6.000%
2041	23,215,000.00	5.375%

The Series 2011B Bonds shall be dated the Closing Date and mature on October 1, 2012 and shall bear interest from their date to maturity or prior redemption at the annual interest rate of 1.250%.

Section 2.2. Purpose for Which Bonds May Be Issued. The Initial Bonds may be issued only for the purpose of providing funds to defease the Outstanding Prior Bonds and pay certain Costs of Issuance of the Bonds. Additional Bonds may be issued for the purposes specified in Section 2.12 hereof.

Section 2.3. Installments, Interest Rates and Certain Other Provisions of the Initial Bonds.

(a) Form of Initial Bonds.

The Initial Bonds shall be issued in Authorized Denominations and in the form of fully registered Bonds without coupons having installments of principal and interest due at the times,

bearing interest at the rates set forth in Section 2.1, and being in substantially the form of Bond set forth as Exhibit A and Exhibit B, respectively. The Initial Bonds shall be payable at the places and in the manner set forth in the respective form of Bond.

(b) *Details of the Initial Bonds.*

The Initial Bonds shall be signed on behalf of the Issuer by the manual or facsimile signature of an Authorized Representative of the Issuer. The Certificate of Authentication shall be manually signed by the Trustee.

In case any officer whose manual or facsimile signature shall appear on any Initial Bond shall cease to be such officer before the delivery thereof, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if he or she had remained in office until after such delivery.

The Series 2011A Bonds shall be numbered from RA-1 and the Series 2011B Bonds shall be numbered RB-1, each upwards in the order of their issuance, or in any other manner deemed appropriate by the Trustee. Each Initial Bond shall bear interest from the dated date indicated thereon, if authenticated prior to the first Interest Payment Date. If authenticated on or after the first Interest Payment Date, in exchange for or upon the registration or transfer of Initial Bonds, such Initial Bonds shall bear interest from and including the Interest Payment Date next preceding the date of authentication thereof, unless the date of such authentication shall be an Interest Payment Date to which interest thereon has been paid in full or duly provided for, in which case, such Initial Bonds shall bear interest from and including such Interest Payment Date.

The Initial Bonds shall be subject to redemption as described in Section 3.1 hereof and in the applicable form of Bond.

(c) *Registration of Initial Bonds in the Book Entry Only System.*

(i) Notwithstanding any provision herein to the contrary, the provisions of this Section 2.3(c) and the Representation Letter (as defined below) shall apply with respect to any Initial Bond registered to Cede & Co. or any other nominee of The Depository Trust Company (“DTC”) while the Book Entry Only System (meaning the system of registration described in paragraph (ii) of this Section 2.3(c)) is in effect. The Book-Entry Only System shall be in effect subject to the provisions below concerning termination of the Book Entry Only System. Until the Company revokes such specification in its discretion by written notice to the Issuer and the Trustee, the Company hereby specifies that the Book Entry Only System shall be in effect while the Initial Bonds are Outstanding.

(ii) The Initial Bonds in or to be in the Book Entry Only System shall be issued in the form of a separate single authenticated fully registered Bond for each Stated Maturity in substantially the form provided for in Exhibit A and Exhibit B attached hereto. Any legend required to be on the Initial Bonds by DTC may be added by the Issuer. On the date of original delivery thereof, the Initial Bonds shall be registered in the registry books of the Trustee in the name of Cede & Co., as nominee of DTC, as agent for the Issuer in

maintaining the Book Entry Only System. With respect to Initial Bonds registered in the registry books kept by the Trustee in the name of Cede & Co., as nominee of DTC, the Issuer, the Company and the Trustee shall have no responsibility or obligation to any Participant (which means securities brokers and dealers, banks, trust companies, clearing corporations and various other entities, some of whom or their representatives own DTC) or to any Beneficial Owner (which means, when used with reference to the Book Entry Only System, the person who is considered the beneficial owner of the Initial Bonds pursuant to the arrangements for book entry determination of ownership applicable to DTC) with respect to the following: (A) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (B) the delivery to or from any Participant, any Beneficial Owner or any other person, other than DTC, of any notice with respect to the Bonds, including any notice of redemption, or (C) the payment to any Participant, any Beneficial Owner or any other person, other than DTC, of any amount with respect to the principal of, and premium, if any, or interest on the Initial Bonds. The Trustee shall pay all principal of, and premium, if any, and interest on the Initial Bonds only to or upon the order of DTC, and all such payments shall be valid and effective fully to satisfy and discharge the Issuer's obligations with respect to the principal of, and premium, if any, and interest on Initial Bonds to the extent of the sum or sums so paid. No person other than DTC shall be entitled to receive an authenticated Bond evidencing the obligation of the Issuer to make payments of principal, and premium, if any, and interest pursuant to this Indenture. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., the words "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(iii) Upon receipt by the Trustee of written notice from DTC to the effect that DTC is unable or unwilling to discharge its responsibilities set forth herein, the Issuer shall issue and the Trustee shall transfer and exchange Initial Bonds as requested in writing by DTC in appropriate amounts and in Authorized Denominations, and whenever DTC requests the Issuer and the Trustee to do so, the Trustee and the Issuer will, at the expense of the Company, cooperate with DTC in taking appropriate action after reasonable notice (A) to arrange for a substitute bond depository willing and able upon reasonable and customary terms to maintain custody of the Initial Bonds, or (B) to make available for transfer and exchange Initial Bonds registered in whatever name or names and in whatever Authorized Denominations as DTC shall designate.

(iv) In the event the Company determines that the Beneficial Owners should be able to obtain Bond certificates, the Company may so notify DTC and the Trustee, whereupon DTC will notify the Participants of the availability through DTC of Bond certificates. In such event, the Issuer shall issue and the Trustee shall authenticate, transfer and exchange Bond certificates as requested by DTC in appropriate amounts and in Authorized Denominations, at the expense of the Company. Whenever DTC, in writing, requests the Trustee to do so, the Trustee and the Issuer will cooperate with DTC in taking appropriate action after reasonable notice to make available for transfer and exchange Initial Bonds registered in whatever name or names and in whatever Authorized Denominations as DTC shall designate.

(v) Notwithstanding any other provision of this Indenture to the contrary, so long as any Initial Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of, and premium, if any, and interest on such Initial Bond and all notices with respect to such Initial Bond shall be made and given, respectively, to DTC as provided in the Letter of Representation (the “*Representation Letter*”) from the Issuer to DTC as in effect from time to time.

(vi) Notwithstanding any provision in this Section 2.3 to the contrary, so long as the Initial Bonds Outstanding are held in the Book Entry Only System, if less than all of such Initial Bonds are to be redeemed upon any redemption of Bonds hereunder, the particular Bonds or portions of Initial Bonds to be redeemed shall be selected by DTC in such manner as DTC may determine.

(d) *Replacement of Bonds.* Replacement Bonds shall be issued pursuant to applicable law as a result of the destruction, loss or mutilation of the Bonds. The costs of a replacement shall be paid or reimbursed by the applicant, who shall indemnify the Issuer, the Trustee and the Company to their respective satisfaction against all liability and expense in connection therewith.

Section 2.4. No Recourse, Special Obligations.

(a) All covenants, stipulations, promises, agreements and obligations of the Issuer contained herein, in the Bonds, in the other Issuer Documents and in the other documents and instruments connected therewith shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, agent or employee of the Issuer in his or her individual capacity, and no recourse under or upon any obligation, covenant or agreement contained in the Bond Documents and the Bonds or otherwise based upon or in respect to the Bond Documents and the Bonds or any documents supplemental hereto or thereto, or for any of the Bonds or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, director, officer, agent or employee, as such, of the Issuer, or any successor local development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, or any person executing the Bond Documents and the Bonds either directly or through the Issuer or any successor local development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, it being expressly understood that the Bond Documents and the Bonds shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute special limited obligations of the Issuer, payable solely from the Loan Payments received by the Issuer (except for Loan Payments derived by the Issuer with respect to the Unassigned Rights) and other revenues pledged hereunder, and that no such personal liability whatsoever shall attach to, or is or shall be incurred by, any such member, director, officer, agent or employee of the Issuer or of any such successor local development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, or any person executing the Bonds because of the creation of the indebtedness authorized thereby, or under or by reason of the obligations, covenants or agreements contained in the Bond Documents or in any of the Bonds or implied therefrom, and that any and all such personal liability of, and any and all such rights and claims against, every such member, director, officer, agent or employee because of

the Indebtedness authorized hereby, or under or by reason of the obligations, covenants or agreements contained in the Bond Documents or in any of the Bonds or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of and as a consideration for the execution of the Bond Documents and the issuance of the Bonds. The limitations on the obligations of the Issuer contained in this Section 2.4 by virtue of any lack of assurance required by Section 2.4(b) shall not be deemed to prevent the occurrence and full force and effect of any Event of Default pursuant to Section 8.1 hereof.

(b) No order or decree of specific performance with respect to any of the obligations of the Issuer hereunder or under the Bonds or Bond Documents shall be sought or enforced against the Issuer unless (i) the party seeking such order or decree shall first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Issuer shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, and (ii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Issuer an amount or undertaking which in the sole discretion of the Issuer is sufficient to cover such reasonable fees and expenses, and (iii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, directors, officers, agents or employees shall be subject to potential liability, the party seeking such order or decree shall (A) agree to indemnify and hold harmless the Issuer and its members, directors, officers, agents and employees against any liability incurred as a result of its compliance with such demand, and (B) if requested by the Issuer, furnish to the Issuer security which in the sole discretion of the Issuer is sufficient to protect the Issuer and its members, directors, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request.

(c) The obligations and agreements of the Issuer contained herein shall not constitute or give rise to an obligation of the State or any municipality or subdivision thereof (including Erie County, New York) and neither the State nor any municipality or political subdivision thereof (including Erie County, New York) shall be liable thereon, and further such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute special limited obligations of the Issuer payable solely from the Loan Payments received by the Issuer (except for Unassigned Rights) and other revenues pledged hereunder.

Section 2.5. Authentication. No Bond shall be valid for any purpose or shall be entitled to any right or benefit hereunder unless there shall be endorsed on such Bond a Certificate of Authentication of the Trustee, duly executed by the Trustee, substantially in the form set forth in the applicable form of Bond included herein as Exhibit A and Exhibit B. Such executed Certificate of Authentication by the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The Trustee's Certificate of Authentication on any Bond shall be deemed to have been executed by it if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same person sign the Certificate of Authentication of the Trustee on all of the Bonds issued hereunder.

Section 2.6. Authorization and Preparation of Bonds. Bonds shall be prepared and executed by the Issuer and delivered to the Trustee, which Bonds shall be typewritten or xerographically reproduced.

Section 2.7. Delivery of Bonds.

(a) Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver the Initial Bonds to the Trustee and the Trustee shall authenticate the Initial Bonds and deliver them to the Underwriter in accordance with the directions of the Issuer and the provisions of this Section 2.7.

(b) Prior to or simultaneously with the delivery by the Trustee of any of the Initial Bonds, there shall be filed with the Trustee at least:

(i) Original executed counterparts of each of the Bond Documents;

(ii) The certificates and policies, if available, of the insurance required by the Loan Agreement;

(iii) An Opinion of Counsel for the Company stating, among other things, that, in the Opinion of Counsel for the Company, each of the Company Documents has been duly authorized by and lawfully executed and delivered on behalf of the Company, is in full force and effect and is valid and binding upon the Company in accordance with its terms except to the extent limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights;

(iv) An Opinion of Bond Counsel stating that, in the Opinion of Bond Counsel, (A) the Issuer is duly authorized and entitled to issue the Bonds, (B) the Bonds have been duly authorized, executed and delivered by the Issuer and constitute valid and binding special obligations of the Issuer and (C) under existing law, the interest on the Series 2011A Bonds is excluded from gross income for federal income tax purposes and interest on the Bonds is exempt from personal income taxes imposed by the State and any political subdivision thereof, except under certain conditions to be more fully expressed in such opinion;

(v) An authorization to the Trustee, signed by an Authorized Representative of the Issuer, to authenticate and deliver the Bonds to the Underwriter; and

(vi) Such other documents as the Trustee or Bond Counsel may reasonably require.

Section 2.8. Mutilated, Lost, Stolen or Destroyed Bonds.

(a) In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer shall execute and, upon the Issuer's written request, the Trustee shall authenticate and deliver a new Bond of the same maturity, interest rate and principal amount and bearing the same number (or such number as the Trustee shall permit) as the mutilated, destroyed, lost or stolen Bond, in exchange for the mutilated Bond or in substitution for the Bond so destroyed, lost or stolen. In every case of exchange

or substitution, the applicant shall furnish to the Issuer and to the Trustee (i) such security or indemnity as may be required by them to hold each of them harmless from all risks, however remote, and (ii) evidence to their satisfaction of the mutilation, destruction, loss or theft of the applicant's Bond and of the ownership thereof. Upon the issuance of any Bond upon such exchange or substitution, the Issuer may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses, including attorneys' fees, of the Issuer or the Trustee. In case any Bond that has matured or is about to mature or has been selected or called for redemption shall become mutilated or be destroyed, lost or stolen, the Issuer may, instead of issuing a Bond in exchange or substitution therefor, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Bond) if the applicant for such payment shall furnish to the Issuer and to the Trustee such security or indemnity as they may require to hold them harmless and evidence to the satisfaction of the Issuer and the Trustee of the mutilation, destruction, loss or theft of such Bond and of the ownership thereof.

(b) Every Bond issued pursuant to the provisions of this Section 2.8 shall constitute an additional contractual, special limited obligation of the Issuer (whether or not the destroyed, lost or stolen Bond shall be found at any time to be enforceable) and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Bonds duly issued under this Indenture.

(c) All Bonds shall be held and owned upon the express condition that the provisions of this Section 2.8 are exclusive, with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude all other rights or remedies, notwithstanding any law or statute existing or hereinafter enacted to the contrary.

Section 2.9. Negotiability of Bonds and Registration Books; Bond Registrar.

(a) All Bonds issued under this Indenture shall be negotiable, subject to the provisions for registration and transfer contained in this Indenture and in the Bonds.

(b) So long as any Bonds shall remain Outstanding, the Issuer shall maintain, at the Office of the Trustee, books for the registration and transfer of Bonds. The Trustee is hereby appointed Bond Registrar for the Issuer for the purpose of registering and making transfers on such registration books. By executing this Indenture, the Trustee accepts the duties and obligations of Bond Registrar for the Issuer. The Trustee, as Bond Registrar, shall register in such books and permit to be transferred thereon, under such reasonable regulations as the Trustee may prescribe, any Bond entitled to registration or transfer.

Section 2.10. Transfer of Bonds.

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

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

Section 2.11. Regulations With Respect to Exchanges and Transfers.

(a) In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any exchanges or transfers shall forthwith be cancelled in accordance with the provisions of Section 5.12 hereof. For every exchange or transfer of Bonds, whether temporary or definitive, the Issuer or the Trustee may make a charge sufficient to reimburse it for (i) any tax, fee or other governmental charge required to be paid with respect to the delivery of definitive Bonds in exchange for temporary Bonds, (ii) the reasonable cost of preparing each new Bond, and (iii) any other expenses of the Issuer or the Trustee incurred in connection therewith.

(b) Neither the Issuer nor the Trustee shall be obligated to exchange or transfer any Bond during the ten (10) days next preceding (i) a Bond Payment Date or (ii) in the case of any proposed redemption of Bonds, the date of the first mailing of notice of such redemption; *provided, however*, that in the event of a Bond selected for redemption in part, nothing in this paragraph shall prohibit exchange of the remaining portion of such Bond redeemed in part for a new Bond with a reduced principal amount or the transfer or exchange of any such new Bond.

Section 2.12. Authority for Issuance of Refunding Bonds. The Issuer may, upon the request of the Company, issue from time to time, and the Trustee shall authenticate, (a) Additional Bonds for the purpose of providing all or a part of the funds necessary to refund all or any portion of the Outstanding Bonds of any one or more series (“*Refunding Bonds*”), including the costs of issuance of such Refunding Bonds and of financing, (b) Additional Bonds to finance improvements or repairs to the Project or the acquisition of furniture, fixtures, machinery or other tangible personal property for installation in the Project or use at the Project (“*Project Bonds*”) and the costs of issuance of such Project Bonds. Each series of Additional Bonds must be issued in compliance with the provisions of Section 2.13 of this Indenture and shall mature no later than the latest date permitted by applicable law (if any).

Section 2.13. Conditions Precedent to Issuance of Additional Bonds.

(a) Additional Bonds issued hereunder shall be on a parity with the Parity Bonds unless the Supplemental Indenture with respect to such Additional Bonds provides otherwise. No Series of Additional Bonds shall have a Lien on Pledged Revenues or the Trust Estate senior to the Lien of the Initial Bonds. Any Additional Bonds shall be authorized and described in a Supplemental Indenture executed by the Issuer and the Trustee and which, when so issued, authorized and described, shall be equally and ratably secured by this Indenture and the Trust Estate on parity with the Bonds then

Outstanding under this Indenture, without distinction, preference or priority unless otherwise provided in the applicable Supplemental Indenture.

(b) **Refunding Bonds.** Prior to the issuance of Refunding Bonds, the Company shall deliver or cause to be delivered to the Trustee:

(i) A Supplemental Indenture executed by the Issuer and approved by the Company providing for the issuance of the Refunding Bonds, containing such terms and provisions as may be necessary or proper to secure the Refunding Bonds and as shall not, unless all Outstanding Bonds are to be paid or redeemed, be inconsistent with this Indenture;

(ii) An executed counterpart of an amendment to the Loan Agreement evidencing and securing the Company's obligation to pay to the Issuer Loan Payments sufficient to pay Debt Service Payments on the Refunding Bonds to be issued, together with an assignment to the Trustee of said amendment to the Loan Agreement and of the amounts payable thereunder;

(iii) Certified copies of the resolution of the Issuer authorizing the execution of the Supplemental Indenture, the issuance of the Refunding Bonds and the payment or redemption of the Bonds to be refunded;

(iv) Evidence satisfactory to the Trustee that notice of redemption of any Bonds to be redeemed has been properly given or the Trustee has received irrevocable instructions to give such notice at the appropriate time;

(v) An Opinion or Opinions of Counsel in form and substance satisfactory to the Trustee and Bond Counsel to the effect that (A) the Additional Bonds have been duly issued for a permitted purpose under the Act and this Article II, (B) all consents or approvals required to be obtained from any Governmental Authority for the issuance of the Additional Bonds have been obtained, (C) the issuance of the Additional Bonds and execution and delivery of related documents will not constitute a breach or default on the part of the Company under its certificate of incorporation, or on the part of the Issuer or the Company under any applicable laws or regulations, court orders or rulings of Governmental Authorities to which the Issuer or the Company is subject or any agreements to which the Issuer or the Company is a party or to which its Properties are subject, (D) all documents delivered by the Issuer and the Company in connection with the issuance of the Additional Bonds have been duly and validly authorized, executed and delivered and such execution and delivery and all other actions taken by the Issuer and the Company in connection with the issuance of the Additional Bonds have been duly authorized by all necessary corporate actions, (E) all conditions precedent to the issuance of the Additional Bonds pursuant to this Indenture and the applicable Supplemental Indenture have been satisfied, and (F) no litigation is pending or threatened to restrain or enjoin the issuance or delivery of the Additional Bonds;

(vi) Executed counterparts of such documents as are necessary or appropriate for the purposes of the refunding, including, if appropriate, an escrow agreement providing for the deposit and application of funds for the refunding and irrevocable instructions with respect to any required redemption of refunded Bonds;

(vii) A resolution of the Company finding that such refunding is in the best interests of the Company and stating the reasons for such refunding;

(viii) An Opinion of Bond Counsel to the effect that the issuance of Additional Bonds will not adversely affect the exclusion (if any) from gross income of the Owners of any Outstanding Bonds of the interest on such Outstanding Bonds for federal tax purposes;

(ix) In connection with a partial refunding, written evidence from a Rating Agency, if any, by which the Outstanding Bonds are then rated, to the effect that Refunding Bonds are rated at least as high as the rating(s) assigned to the Outstanding Bonds immediately prior to the issuance of the Refunding Bonds;

(x) Unless the Bonds being refunded are Subordinate Bonds, the consent of SUNY to the issuance of such Refunding Bonds and the acknowledgment of SUNY that the SUNY Agreement is in full force and effect and the Project Bonds are subject thereto;

(xi) A Company Certificate that the Loan Agreement and the Bond Documents are in effect and no “*event of default*,” as such term is defined in the Loan Agreement and the Bond Documents, exists thereunder;

(xii) A Company Certificate that the Debt Service Coverage Ratio of the Company for the Fiscal Year prior to the Fiscal Year in which such Refunding Bonds are to be issued is equal to or greater than 1.10:1.00 and a Company Certificate accompanied by a Certificate of a firm of independent accountants of recognized standing that the Debt Service Coverage Ratio of the Company for the Fiscal Year during which such Refunding Bonds are being issued (taking into account Debt Service Payments on such Refunding Bonds) will be equal to or greater than 1.10:1.00;

(xiii) Such other certificates, affidavits, documents or opinions as the Trustee or Bond Counsel may reasonably request; and

(xiv) Evidence that the Company has paid or caused to be paid all costs and expenses of the Issuer, the Holders of the Bonds and the Trustee with respect to the issuance of Refunding Bonds.

(c) **Project Bonds.** Prior to the issuance of Project Bonds, the Company shall deliver, or cause to be delivered, to the Trustee:

(i) A Supplemental Indenture executed by the Issuer and approved by the Company providing for the issuance of the Project Bonds, containing such terms and provisions as may be necessary or proper to secure the Project Bonds and as shall not, unless all Outstanding Bonds are to be paid or redeemed, be inconsistent with this Indenture;

(ii) An executed counterpart of an amendment to the Loan Agreement evidencing and securing the Company’s obligation to pay to the Issuer Loan Payments sufficient to pay Debt Service Payments on the Project Bonds to be issued and to undertake and complete the improvements, repairs, acquisition and installation to be financed by the Project Bonds, together with

an assignment to the Trustee of said amendment to the Loan Agreement and of the amounts payable thereunder;

(iii) Certified copies of the resolution of the Issuer authorizing the execution of the Supplemental Indenture, amendments or supplements to the Loan Agreement, the Mortgage and other Bond Documents, the issuance of the Project Bonds and the undertaking of the project to be financed thereby;

(iv) An Opinion or Opinions of Counsel in form and substance satisfactory to the Trustee and Bond Counsel to the effect that (A) the Additional Bonds have been duly issued for a permitted purpose under the Act and this Article II, (B) all consents or approvals required to be obtained from any Governmental Authority for the issuance of the Additional Bonds have been obtained, (C) the issuance of the Additional Bonds and execution and delivery of related documents will not constitute a breach or default on the part of the Company under its certificate of incorporation, or on the part of the Issuer or the Company under any applicable laws or regulations, court orders or rulings of Governmental Authorities to which the Issuer or the Company is subject or any agreements to which the Issuer or the Company is a party or to which its Properties are subject, (D) all documents delivered by the Issuer and the Company in connection with the issuance of the Additional Bonds have been duly and validly authorized, executed and delivered and such execution and delivery and all other actions taken by the Issuer and the Company in connection with the issuance of the Additional Bonds have been duly authorized by all necessary corporate actions, (E) all conditions precedent to the issuance of the Additional Bonds pursuant to this Indenture and the applicable Supplemental Indenture have been satisfied, and (F) no litigation is pending or threatened to restrain or enjoin the issuance or delivery of the Additional Bonds;

(v) Executed counterparts of amendments or supplements to the Mortgage and other Bond Documents as are necessary or appropriate in the opinion of Bond Counsel for the purposes of evidencing the issuance of the Project Bonds and the pledge of the Trust Estate as security therefor;

(vi) An Opinion of Bond Counsel to the effect that the issuance of Additional Bonds will not adversely affect the exclusion (if any) from gross income of the Owners of any Outstanding Bonds of the interest on such Outstanding Bonds for federal tax purposes;

(vii) Written evidence from a Rating Agency, if any, by which the Outstanding Bonds are then rated, to the effect that Project Bonds are rated at least as high as the rating(s) assigned to the Outstanding Bonds immediately prior to the issuance of the Project Bonds;

(viii) The consent of SUNY to the issuance of such Project Bonds and the acknowledgment of SUNY that the SUNY Agreement is in full force and effect and the Project Bonds are subject thereto;

(ix) A Company Certificate that the Loan Agreement and the Bond Documents are in effect, no "*event of default*," as such term is defined in the Loan Agreement and the Bond Documents, exists thereunder and the proceeds of the Project Bonds, together with any additional

funds supplied or to be supplied from any source, will be sufficient to complete the project for which such Project Bonds are issued and pay the cost thereof; and

(x) A Company Certificate that the Debt Service Coverage Ratio of the Company for the Fiscal Year prior to the Fiscal Year in which such Project Bonds are to be issued is equal to or greater than 1.10:1.00 and a Company Certificate accompanied by a Certificate of a firm of independent accountants of recognized standing that the Debt Service Coverage Ratio of the Company for the Fiscal Year during which such Project Bonds are being issued (taking into account Debt Service Payments on such Project Bonds) will be equal to or greater than 1.10:1.00;

(xi) Such other certificates, affidavits, documents or opinions as the Trustee or Bond Counsel may reasonably request; and

(xii) Evidence that the Company has paid or caused to be paid all costs and expenses of the Issuer, the Holders of the Bonds and the Trustee with respect to the issuance of Project Bonds.

(d) The consent of the Holders of Bonds shall not be required prior to the issuance of Additional Bonds, or to the execution and delivery of any amendments to the Bond Documents required in connection therewith. The Trustee shall, however, mail notice in writing (in the form provided to the Trustee by the Issuer) to the Holders of Bonds and each Rating Agency, if any, by which the Bonds are then rated of the proposed issuance of the Additional Bonds, detailing, at least, the aggregate principal amount of such Additional Bonds, and summarizing the nature of the amendments to the Bond Documents proposed to be executed in connection therewith.

(e) Upon compliance with the requirements of Section 2.13(a) or (b) hereof, the Trustee shall thereupon be authorized to execute the Supplemental Indenture, to authenticate the Additional Bonds and to deliver the same to or upon the order of the Issuer.

ARTICLE III

REDEMPTION OF BONDS BEFORE MATURITY

Section 3.1. Redemption Dates; Prices; Notices of Redemption, Payment of Redemption Price.

(a) ***Extraordinary Redemption Without Premium.*** The Initial Bonds are subject to redemption prior to maturity (1) as a whole, without premium, in the event of (i) a taking in Condemnation of, or failure of title to, all or substantially all of the Project, (ii) damage to or destruction of part or all of the Project and the election by the Company to redeem the Initial Bonds, or (iii) a taking in Condemnation of part of the Project and election by the Company to redeem the Initial Bonds; (2) as a whole, without premium, in the event that any court or administrative body shall enter a judgment or decree requiring the Company to cease all or any substantial part of its operations at the Project; or (3) in part, without premium, in the event that (i) excess moneys remain in the Insurance and Condemnation Fund following damage or Condemnation of a portion of the Project and completion of the repair, rebuilding or restoration of the Project by the Company, and (ii) such excess moneys are not paid to the Company. In any such event, the Initial Bonds shall be redeemed, as a whole or in part, as the case may be, in the manner provided in this Indenture, on the earliest practicable date for which the Trustee can give notice of redemption at a Redemption Price equal to the principal amount thereof, plus accrued interest to the Redemption Date, without premium.

(b) ***Scheduled Mandatory Sinking Fund Redemption Without Premium.***

(i) The Series 2011A Bonds maturing on October 1, 2026, are subject to scheduled mandatory sinking fund redemption, on October 1 of each year set forth below at a Redemption Price equal to the principal amounts set forth below plus accrued interest to the Redemption Date:

Year	Sinking Fund Payment
2022	\$1,005,000
2023	1,060,000
2024	1,125,000
2025	1,190,000
2026*	1,265,000

*Maturity

(ii) The Series 2011A Bonds maturing on October 1, 2031, are subject to scheduled mandatory sinking fund redemption, on October 1 of each year set forth below at a Redemption Price equal to the principal amounts set forth below plus accrued interest to the Redemption Date:

Year	Sinking Fund Payment
2027	\$1,340,000
2028	1,420,000
2029	1,510,000
2030	1,605,000
2031*	1,700,000

*Maturity

(iii) The Series 2011A Bonds maturing on October 1, 2041, are subject to scheduled mandatory sinking fund redemption, on October 1 of each year set forth below at a Redemption Price equal to the principal amounts set forth below plus accrued interest to the Redemption Date:

Year	Sinking Fund Payment
2032	\$1,800,000
2033	1,900,000
2034	2,005,000
2035	2,115,000
2036	2,235,000
2037	2,355,000
2038	2,485,000
2039	2,625,000
2040	2,770,000
2041*	2,925,000*

*Maturity

(iv) The principal amount of the Series 2011A Bonds to be redeemed pursuant to this paragraph (b) must be reduced in any year specified by the Company by the principal amount of such Initial Bonds which at least forty-five (45) days prior to such Redemption Date have been delivered by the Company to the Trustee for cancellation, or have been purchased or redeemed (other than through a mandatory sinking fund redemption) and cancelled by the Trustee and not theretofore applied as a credit against such mandatory sinking fund redemption requirement.

(c) **Optional Redemption.** The Series 2011A Bonds maturing on or prior to October 1, 2021, will not be subject to optional redemption. The Series 2011A Bonds maturing on or after October 1, 2021, will be subject to redemption at the option of the Company, in whole or in part on any date on or after April 1, 2021, at a Redemption Price equal to the par amount of Series 2011A Bonds to be redeemed without premium, plus unpaid accrued interest to the Redemption Date.

(d) **Selection of Bonds to Be Redeemed.** In the event of any partial redemption of the Bonds, the particular Bond or portion thereof to be redeemed shall be selected by the Trustee in the manner set forth in the form of Bond.

(e) **Notice by the Company.** The Company shall exercise its option to have Initial Bonds redeemed under Section 3.1(c) by giving written notice to the Trustee and the Issuer.

(f) **Payment of Redemption Price and Accrued Interest.** Whenever Bonds are called for redemption, the accrued interest thereon shall become due on the Redemption Date. To the extent not otherwise provided, the Company shall deposit with the Trustee prior to the Redemption Date a sufficient sum to pay the Redemption Price of and accrued interest on the Bonds.

(g) **Notice of Redemption.** When Bonds are to be redeemed, the Trustee shall give written notice to the Bondowners in the name of the Issuer, which notice shall identify the Bonds to be redeemed, state the date fixed for redemption and specify the Office of the Trustee at which such Bonds will be redeemed. The notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof together with interest accrued to the Redemption Date, and that moneys therefor having been deposited with the Trustee, from and after such date, interest thereon shall cease to accrue and that the Bonds or portions thereof called for redemption shall cease to be entitled to any benefit under this Indenture except the right to receive payment of the Redemption Price, together with interest accrued to the Redemption Date. If at the time of mailing of notice of any optional redemption there shall not have been deposited moneys in the Bond Fund available for payment sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of the redemption moneys in the Bond Fund available for payment not later than the opening of business on the Redemption Date, in which case such notice shall be of no effect unless moneys are so deposited.

The Trustee shall mail the redemption notice the number of days prior to the date fixed for redemption provided in the form of Bond, to the Owners of any Bonds which are to be redeemed, at their addresses shown on the registration books maintained by the Trustee. Failure to mail notice to a particular Bondowner, or any defect in the notice to such Bondowner, shall not affect the redemption of any other Bond.

ARTICLE IV

FUNDS, REVENUES, BOND PROCEEDS AND APPLICATION THEREOF

Section 4.1. Establishment of Funds. The following trust funds are hereby established with the Trustee and shall be held, maintained and administered by the Trustee on behalf of the Issuer in accordance with this Indenture:

(a) Buffalo and Erie County Industrial Land Development Corporation – Costs of Issuance Fund – Buffalo State College Foundation Housing Corporation Project (the “*Costs of Issuance Fund*”), and within the Costs of Issuance Fund, a Series 2011A Account and a Series 2011B Account;

(b) Buffalo and Erie County Industrial Land Development Corporation – Construction Fund – Buffalo State College Foundation Housing Corporation Project (the “*Construction Fund*”);

(c) Buffalo and Erie County Industrial Land Development Corporation – Pledged Revenue Fund – Buffalo State College Foundation Housing Corporation Project (the “*Pledged Revenue Fund*”);

(d) Buffalo and Erie County Industrial Land Development Corporation – Bond Fund – Buffalo State College Foundation Housing Corporation Project (the “*Bond Fund*”) and within the Bond Fund, an Interest Account, a Principal Account and a Redemption Account;

(e) Buffalo and Erie County Industrial Land Development Corporation – Insurance and Condemnation Fund – Buffalo State College Foundation Housing Corporation Project (the “*Insurance and Condemnation Fund*”);

(f) Buffalo and Erie County Industrial Land Development Corporation – Repair and Replacement Fund – Buffalo State College Foundation Housing Corporation Project (the “*Repair and Replacement Fund*”);

(g) Buffalo and Erie County Industrial Land Development Corporation – Operation and Maintenance Fund – Buffalo State College Foundation Housing Corporation Project (the “*Operation and Maintenance Fund*”);

(h) Buffalo and Erie County Industrial Land Development Corporation – Surplus Fund – Buffalo State College Foundation Housing Corporation Project (the “*Surplus Fund*”); and

(i) Buffalo and Erie County Industrial Land Development Corporation – Rebate Fund – Buffalo State College Foundation Housing Corporation (the “*Rebate Fund*”).

Section 4.2. Application of Bond Proceeds and Allocation. At the Closing of the Bonds, the Trustee shall deposit and transfer the proceeds of the Bonds, being \$45,156,755.35 consisting of the face amount of the Bonds plus original issue premium and less Underwriter’s discount, as follows:

(a) deposit in the Series 2011A Account of the Costs of Issuance Fund \$387,856.79 for application to the payment of the costs incidental to the issuance of the Bonds in accordance with Section 4.4 hereof;

(b) deposit in the Series 2011B Account of the Costs of Issuance Fund \$3,624.41 for application to the payment of the costs incidental to the issuance of the Bonds in accordance with Section 4.4 hereof;

(c) deposit in the Construction Fund \$5,066,753.65 for application to the payment of the Costs of the Project in accordance with Section 4.5 hereof; and

(d) transfer \$39,698,520.50 to the Prior Trustee for application to the defeasance of the Outstanding Prior Bonds.

Section 4.3. Moneys to Be Held in Trust.

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

(b) The Trustee shall deposit moneys into the funds and accounts as follows:

(i) *Pledged Revenue Fund.* The Trustee shall deposit into the Pledged Revenue Fund:

- A. the Gross Revenues (other than Net Proceeds of any insurance settlement or Condemnation award) immediately upon receipt;
- B. investment earnings on the Pledged Revenue Fund; and
- C. all amounts which are required by other provisions of this Indenture to be transferred to the Pledged Revenue Fund.

(ii) *Rebate Fund.* The Trustee shall deposit into the Rebate Fund amounts required to be paid to the United States under the provisions of Section 148 of the Code as certified to the Trustee in writing by an Authorized Representative of the Company.

(iii) *Bond Fund.*

- A. *Interest Account.* The Trustee shall deposit into the Interest Account all moneys received by the Trustee under and pursuant to any of the provisions hereof or of the Loan Agreement which are required to be or which are certified to the Trustee in writing by an Authorized Representative of the

Company accompanied by directions that such moneys are to be paid into the Interest Account of the Bond Fund;

B. *Principal Account.* The Trustee shall deposit into the Principal Account all moneys received by the Trustee under and pursuant to any of the provisions hereof or of the Loan Agreement which are required to be or which are certified to the Trustee in writing by an Authorized Representative of the Company accompanied by directions that such moneys are to be paid into the Principal Account of the Bond Fund; and

C. *Redemption Account.* In the event of (i) receipt by the Trustee of Net Proceeds for purposes of redeeming Bonds; or (ii) deposit with the Trustee by the Issuer or the Company of moneys from any other source for redeeming Bonds (other than mandatory sinking fund redemptions), such moneys shall be deposited in the Redemption Account.

(iv) *Operation and Maintenance Fund.* In accordance with the priority of payments set forth in Section 4.6 of this Indenture, the Trustee shall transfer from the Pledged Revenue Fund into the Operation and Maintenance Fund an amount equal to the budgeted Operating Expenses for the next succeeding six (6) months as certified to the Trustee in writing by an Authorized Representative of the Company. Amounts equal to actual Operating Expenses in excess of the budgeted Operating Expenses for the next succeeding six (6) months may be transferred from the Surplus Fund into the Operation and Maintenance Fund on any date as certified to the Trustee in writing by an Authorized Representative of the Company. All amounts in the Operation and Maintenance Fund at the end of each Fiscal Year shall be transferred to the Surplus Fund promptly following receipt by the Trustee of a Certificate from an Authorized Officer of the Company that all Operating Expenses have been paid for such Fiscal Year.

(v) *Repair and Replacement Fund.* In accordance with the priority of payments set forth in Section 4.6 of this Indenture, the Trustee shall transfer an amount equal to one-half of the Repair and Replacement Fund Requirement from the Pledged Revenue Fund into the Repair and Replacement Fund for the current Fiscal Year (together with any amount withdrawn from the Repair and Replacement Fund and not previously replenished). All amounts in the Repair and Replacement Fund in excess of the cumulative Repair and Replacement Fund Requirement in effect for a Fiscal Year ended June 30, 2012 through 2017 and thereafter in excess of the Repair and Replacement Fund Requirement shall be transferred to the Surplus Fund on the last day of such Fiscal Year.

(vi) *Surplus Fund.* In accordance with the priority of payments set forth in Section 4.6 of this Indenture, the Trustee shall transfer all remaining amounts from the Pledged Revenue Fund into the Surplus Fund.

(vii) *Insurance and Condemnation Funds.* The Net Proceeds of any insurance settlement or Condemnation award received by the Trustee shall, upon receipt thereof, be deposited in the Insurance and Condemnation Fund.

Section 4.4. Costs of Issuance Fund. Moneys in the Costs of Issuance Fund shall be applied and expended by the Trustee to pay costs of issuance of the Bonds in accordance with the requisition in the form of Exhibit C attached hereto. The Trustee shall keep and maintain adequate records pertaining to the Costs of Issuance Fund and all payments therefrom, which shall be open to

inspection by the Company, the Issuer or their duly authorized agents during normal business hours of the Trustee. After all expenses incurred in connection with the issuance of the Bonds have been paid and a Certificate of payment of all costs filed as provided below, the Trustee shall file a statement of income and disbursements with respect thereto with the Company and the Issuer. Upon receipt by the Trustee of a Certificate signed by an Authorized Representative of the Company stating that all expenses incurred in connection with the issuance of the Bonds have been paid, any moneys remaining in the Costs of Issuance Fund shall be transferred to the Bond Fund.

Section 4.5 Deposits to Construction Fund; Payments from Construction Fund; Procedure Upon Completion; Excess Proceeds in the Construction Fund .

(a) The Construction Fund shall consist of the amounts deposited therein pursuant to this Indenture. The amounts in the Construction Fund shall be held for the security of the Series 2011A Bonds Outstanding.

(b) The Trustee shall pay the Costs of the Project as authorized by a requisition in the form of Exhibit D to this Indenture, numbered consecutively upwards from 1, signed by an Authorized Representative of the Company. Any requisition may authorize the making of payments to or on behalf of the Company for advances made in respect of Costs of the Project or work done in respect of the Project, but only to the extent that such amounts are properly chargeable against the Construction Fund in accordance with this Indenture and the Tax Compliance Agreement. In any such case, the requisition shall relate (i) in the case of payments for work done, to the work so performed, and (ii) in the case of reimbursements for advances made, to the underlying obligation for which the Company is being reimbursed. Upon written request to the Trustee, the Trustee will provide to the Issuer a record of the requisitions and disbursements from the Construction Fund.

(c) Upon completion of the construction and equipping of the Project, pursuant to the Loan Agreement and receipt of the certificate of occupancy related thereto, the Company shall furnish the Trustee with a Completion Certificate executed by an Authorized Officer of the Company and the Architect which may be given in reliance upon appropriate certifications of the Architect, certifying (i) that all required insurance has been obtained; (ii) that all construction and equipping of the Project has been substantially completed in accordance with the approved Plans and Specifications and approved changes, if any; (iii) that all Costs of the Project relating to the Project have been paid (other than the retainage) or stating the amounts to be reserved for the payment of any unpaid Costs of the Project relating to the Project and certifying that such amounts reserved are more than sufficient; (iv) that at least ninety-five percent (95%) of the net proceeds of the Series 2011A Bonds applied to payment of Costs of the Project have been applied to pay Qualified Costs of the Project as provided in the Tax Compliance Agreement; (v) the construction of the Project and the installation of the Equipment therein have been completed in a good and workmanlike manner in accordance with the Plans and Specifications and the Loan Agreement and in such manner as to conform with all applicable zoning, planning and building regulations of the Governmental Authorities, as of the date of such Completion Certificate and that no claim has been made calling into question such compliance; and (vi) that all work requiring inspection by Governmental Authorities has been duly inspected and approved by such Governmental Authorities and the certificate of occupancy and all other applicable certificates, licenses and approvals necessary for the use and operation of the Project have been issued and are in force and effect and copies are attached

thereto, and there is no violation of any of the provisions thereof or of any Governmental Requirements of which such party has notice or knowledge as of the date thereof. The Architect shall not approve the Completion Certificate and the retainage requisition until the Architect has completed a site inspection of the Project which supports a conclusion that the Project has been completed in accordance with the Plans and Specifications.

(d) To the extent that any Series 2011A Bond proceeds remain unexpended in the Construction Fund after receipt of Completion Certificate required in Section 6.3 of this Indenture, the Trustee shall (i) retain in the Construction Fund such amount as the Company shall specify in the Completion Certificate to be necessary to pay additional Costs of the Project not otherwise provided for; and (ii) transfer such excess funds in the Construction Fund to the Bond Fund for application to the payment of the principal of and interest on the Series 2011A Bonds as the same shall become due.

Section 4.6. Pledged Revenue Fund. Except as otherwise provided in this Indenture, moneys in the Pledged Revenue Fund will be used as provided in this Section (or for payment of Debt Service Payments, when the other moneys in the Bond Fund are insufficient therefor). The Issuer authorizes and directs the Trustee on each Transfer Date during the Fiscal Year to withdraw funds from the Pledged Revenue Fund to effectuate all the transfers of funds contemplated by this Section in the following order of priority:

FIRST, amounts on deposit in the Pledged Revenue Fund shall be transferred to the Rebate Fund to pay any Rebate Amount then owing;

SECOND, commencing with the Transfer Date on March 25, 2012 (there being no transfer to the Bond Fund on the first Transfer Date,) amounts on deposit in the Pledged Revenue Fund shall next be transferred (A) to the Interest Account of the Bond Fund, until there shall be on deposit therein amounts sufficient to fund the next succeeding Debt Service Payment attributable to interest in accordance with Section 4.7 of this Indenture; and (B) to the Principal Account of the Bond Fund, until there shall be on deposit therein amounts sufficient to fund one-half of the next succeeding Debt Service Payment attributable to principal in accordance with Section 4.7 of this Indenture;

THIRD, amounts on deposit in the Pledged Revenue Fund equal to one-half of the amount of the Repair and Replacement Fund Requirement set forth in Schedule B attached hereto allocable to such Fiscal Year (together with an amount equal to any amount withdrawn from the Repair and Replacement Fund and not previously replenished) shall next be transferred to the Repair and Replacement Fund in accordance with Section 4.3(b)(v) of this Indenture. Once an amount equal to the full Repair and Replacement Fund Requirement has been deposited into the Repair and Replacement Fund, no further funds shall be transferred into the Repair and Replacement Fund pursuant to this clause THIRD;

FOURTH, amounts on deposit in the Pledged Revenue Fund shall next be applied to the Operation and Maintenance Fund until there shall be on deposit therein an

amount equal to one-half of the budgeted Operating Expenses for the current Fiscal Year; and

FIFTH, after the Fiscal Year ended June 30, 2017, if the Repair and Replacement Fund is less than fully funded at the Repair and Replacement Fund Requirement, amounts on deposit in the Pledged Revenue Fund shall next be applied to the Repair and Replacement Fund in an amount necessary to fully fund the Repair and Replacement Fund at the Repair and Replacement Fund Requirement

The Trustee shall on April 15 of each Fiscal Year transfer all remaining amounts on deposit in the Pledged Revenue Fund to the Surplus Fund to be used in accordance with Section 4.11 of this Indenture.

On the second Business Day preceding a Transfer Date, the Company shall deliver to the Trustee, pursuant to Section 4.3(b)(iv) hereof, a Certificate of an Authorized Representative of the Company setting forth the amount to be transferred to the Operation and Maintenance Account on such Transfer Date, including the proper account information and wiring instructions as necessary for the Trustee to make payment of amounts required under this Section to the Operating Account.

Section 4.7. Bond Fund. Moneys in the various accounts of the Bond Fund shall be used solely for the payment of the Debt Service Payments on the Bonds and for the redemption of the Bonds prior to maturity.

(i) *Interest Account.* Moneys in the Interest Account from moneys transferred by the Trustee for such purpose shall be used to pay Debt Service Payments attributable to interest on the Bonds, on each Interest Payment Date.

(ii) *Principal Account.* Moneys in the Principal Account from moneys transferred by the Trustee for such purpose shall be used to pay Debt Service Payments attributable to principal, when due.

(iii) *Redemption Account.* Moneys on deposit in the Redemption Account shall be used for redemption (other than mandatory sinking fund redemptions) of Bonds in accordance with the provisions of Article III hereof.

If on any Bond Payment Date or Redemption Date, there is not enough money in the Bond Fund to make all the required payments, the Trustee shall transfer sufficient money for such purpose first from the available amounts in the Surplus Fund, second from the Pledged Revenue Fund, third from the Repair and Replacement Fund, fourth from the Operation and Maintenance Fund and fifth from the Insurance and Condemnation Fund.

Section 4.8. Insurance and Condemnation Fund.

(a) The Net Proceeds of any insurance settlement or Condemnation award received by the Trustee in connection with damage to or destruction of or the taking of part or all of the Project shall be deposited into the Insurance and Condemnation Fund.

(b) If, pursuant and subject to Section 25 of the Loan Agreement, following damage to or Condemnation of all or a portion of the Project, (1) the Company exercised its option not to repair,

rebuild or restore the Project and to require the redemption of the Bonds, or (2) if a taking in Condemnation as described in Section 25 of the Loan Agreement occurs, the Trustee shall, after any transfer to the Rebate Fund required by the Tax Compliance Agreement and Section 4.13 hereof is made, transfer all moneys held in the Insurance and Condemnation Fund to the Bond Fund to be applied to the redemption of the Bonds then Outstanding pursuant to Section 3.1 hereof.

(c) If, following damage to or Condemnation of all or a portion of the Project, the Company elects to repair, rebuild or restore the Project, and provided no Event of Default hereunder or under any other Bond Document, the Sublease, the SUNY Agreement or the Facility Management Agreement has occurred and is continuing, moneys held in the Insurance and Condemnation Fund and attributable to the damage to or the destruction of or the taking of the Project shall, after any transfer to the Rebate Fund required by the Tax Compliance Agreement and Section 4.13 hereof is made, be applied to pay the costs of such repairs, rebuilding or restoration in accordance with the terms and conditions set forth in paragraph (d) of this Section (or for the payment of Debt Service Payments when the moneys in the Bond Fund, the Surplus Fund, the Pledged Revenue Fund, the Repair and Replacement Fund and the Operation and Maintenance Fund in that order of priority are insufficient therefor).

(d) The Trustee is hereby authorized to and shall make such disbursements, at the Company's request, either upon the completion of such repairs, rebuilding or restoration or periodically as such repairs, rebuilding or restoration programs, upon receipt by the Trustee of a Certificate of an Authorized Representative of the Company stating, with respect to each payment to be made: (1) the amount or amounts to be paid, the Person or Persons (which may include the Company for reimbursement of such costs) to whom an amount is to be paid and the total sum of all such amounts; (2) that the Company has expended, or is expending, concurrently with the delivery of such Certificate, such amount or amounts on account of costs incurred in connection with the repair, rebuilding or restoration of the Project; (3) that all contractors, workmen and suppliers have been or will be paid through the date of such Certificate from the funds to be disbursed; (4) that there exists no Event of Default hereunder or under any other Bond Document and no condition, event or act which, with notice or the lapse of time or both, would constitute an Event of Default hereunder or under any other Bond Document; (5) that such Authorized Representative of the Company has no knowledge, after diligent inquiry and after searching the records of the appropriate State and local filing offices, of any vendor's lien or mechanic's lien which should be satisfied, discharged or bonded before the payment as requisitioned is made or which will not be discharged by such payment; (6) that no Certificate with respect to such expenditure has previously been delivered to the Trustee; and (7) that there remains sufficient moneys in the Insurance and Condemnation Fund attributable to the damage to, destruction of, or taking of the Project to complete the repair, rebuilding or restoration of the Project. Each such requisition shall be accompanied by bills, invoices or other evidences reasonably satisfactory to the Trustee. The Trustee shall be entitled to rely on such requisition.

(e) Upon completion of the repair, rebuilding or restoration of the Project, an Authorized Representative of the Company shall deliver to the Issuer and the Trustee a Certificate stating (1) the date of such completion; (2) that all labor, services, materials and supplies used therefor and all costs and expenses in connection therewith have been paid; (3) that the Project has been restored to substantially its condition immediately prior to the damage or Condemnation thereof, or to a

condition of at least equivalent value, operating efficiency and function; (4) that the Issuer or the Company has good and valid leasehold title to all Property constituting part of the restored Project, and that the Project is subject to the Loan Agreement and the Liens of this Indenture and the Mortgage; (5) the applicable Rebate Amount with respect to the Net Proceeds of the insurance settlement or Condemnation awards and the earnings thereon (with a statement as to the determination of the Rebate Amount and a direction to the Trustee of any required transfer to the Rebate Fund); and (6) that the restored Project is ready for occupancy, use and operation for its intended purposes. Notwithstanding the forgoing, such Certificate may state (a) that it is given without prejudice to any rights of the Company against third parties which exist at the date of such Certificate or which may subsequently come into being, (b) that it is given only for the purposes of this Section, and (c) that no Person other than the Issuer or the Trustee may benefit therefrom. Such Certificate shall be accompanied by a Certificate of occupancy, if required, and any and all permissions, licenses or consents required of Governmental Authorities for the occupancy, operation and use of the Project for its intended purposes.

(f) All earnings on amounts held in the Insurance and Condemnation Fund shall be retained by the Trustee in the Insurance and Condemnation Fund and applied to repair, rebuilding or restoration of the Project, redemption of the Bonds or Debt Service Payments.

(g) If the cost of the repairs, rebuilding or restoration of the Project effected by the Company shall be less than the amount in the Insurance and Condemnation Fund, then on the completion of such repairs, rebuilding or restoration, the Trustee shall transfer such difference to the Bond Fund to be used to redeem the Bonds in accordance with Article III hereof *provided that* such amounts may be transferred to the Company for its purposes if (1) the Company so requests, and (2) the Company furnishes to the Trustee and the Issuer an Opinion of Bond Counsel to the effect that payment of such moneys to the Company will not, in and of itself, adversely affect the exclusion (if any) of the interest paid or payable on the Bonds from gross income for federal income tax purposes.

(h) If the cost of the repair, rebuilding or restoration of the Project shall be in excess of the moneys held in the Insurance and Condemnation Fund, the Company shall deposit such additional moneys in the Insurance and Condemnation Fund as are necessary to pay the cost of completing such repair, rebuilding or restoration.

Section 4.9. Repair and Replacement Fund. Moneys in the Repair and Replacement Fund may be used (i) for the purpose of constructing or acquiring replacements of real or personal property that have become worn out, unusable or otherwise obsolete; (ii) for the purpose of making capital improvements to the Project; (iii) for the purpose of making renewals, betterments or other expenditures required to maintain the Project; (iv) for the purpose of reimbursing the Company for amounts theretofore expended by the Company for the foregoing purposes, in each case under the foregoing clauses (i) through (iv) upon presentation to the Trustee of a requisition in the form attached hereto as Exhibit D to this Indenture, accompanied by a resolution of the Company authorizing such expenditure; or (v) for the payment of Debt Service Payments when the moneys in the Bond Fund, the Surplus Fund and the Pledged Revenue Fund are insufficient therefor.

Section 4.10. Operation and Maintenance Fund. Moneys in the Operation and Maintenance Fund may be used to pay Operating Expenses (or for the payment of Debt Service Payments when the moneys in the Bond Fund, the Surplus Fund, the Pledged Revenue Fund and the Repair and Replacement Fund in that order of priority are insufficient therefor). Immediately after the Trustee makes transfers set forth in Section 4.6 hereof, the Trustee shall transfer an amount equal to the lesser of the next succeeding six (6) months' Operating Expenses as set forth in the Annual Budget for the Fiscal Year or the amount on deposit in the Operation and Maintenance Fund to the Operating Account. Moneys in the Operating Account shall be used as provided in Section 10(c) of the Loan Agreement.

Section 4.11. Surplus Fund. Moneys in the Surplus Fund shall be used in amounts as set forth in a Certificate of an Authorized Representative of the Company, in the following order of priority:

FIRST, amounts on deposit in the Surplus Fund shall be used to make a deposit into the Rebate Fund;

SECOND, amounts on deposit in the Surplus Fund shall be used to make up any deficiency in the Bond Fund;

THIRD, amounts on deposit in the Surplus Fund shall be used to make a deposit into the Operation and Maintenance Fund or the Operating Account to pay Operating Expenses;

FOURTH, amounts on deposit in the Surplus Fund shall be transferred to the Repair and Replacement Fund to replenish any withdrawal from the Repair and Replacement Fund or make up any deficiency therein and used for the purposes set forth in Section 4.9 of this Indenture;

FIFTH, amounts on deposit in the Surplus Fund shall be transferred to the Redemption Account of the Bond Fund and used for the redemption of Bonds in accordance with Article III hereof; and

SIXTH, amounts on deposit in the Surplus Fund in excess of \$10,000 may be withdrawn and used by the Company for any lawful purpose annually upon receipt by the Trustee of the annual audited financial statements of the Company and a Certificate of the Company required by Section 27(b)(i)(B) of the Loan Agreement provided that (i) no Event of Default has occurred and is continuing and (ii) the Company and its auditors have certified that the Debt Service Coverage Ratio required by Section 8(a) of the Loan Agreement has been met and will be maintained after such release.

Section 4.12. Rebate Fund; Determination, Notices and Records of Rebate Amount.

(a) The Rebate Fund shall be used for the deposit of the Rebate Amount and shall not be subject to the Lien of this Indenture.

(b) The Loan Agreement and the Tax Compliance Agreement provide that the Company shall make a periodic determination as to whether any Rebate Amount may be due, or cause the same to be determined, in the manner provided in Section 148(f) of the Code. The Company shall provide

the Trustee and the Issuer with a written copy of each such determination as provided in the Tax Compliance Agreement. This covenant shall survive the defeasance of any Bonds pursuant to Article VII hereof.

(c) The Trustee shall retain records of each of the determinations required to be made until a date six (6) years after the retirement of the Bonds. The Trustee shall make such records available for review by the Issuer and the Company upon reasonable notice.

(d) The Trustee shall perform such other duties as are specified to be performed by the Trustee in the Tax Compliance Agreement; provided, however, that notwithstanding any other provision in this Indenture or any of the other Bond Documents, general or specific, to the contrary, the Trustee shall have no obligations hereunder or thereunder relating to rebate requirements except to comply with specific written instructions received by the Trustee from an Authorized Representative of the Company with respect to deposits into the Rebate Fund and release of the moneys therefrom. The Trustee shall not have any responsibility hereunder or under any of the Bond Documents to make any calculations relating to arbitrage restrictions or rebate requirements, or the excludability of the interest on the Bonds from gross income for Federal income tax purposes or to verify, confirm or review (and the Trustee shall not verify, confirm or review) any such calculations or requirements, or the excludability, if any, of the interest on the Bonds from gross income for Federal income tax purposes or to take any other action with respect thereto hereunder or thereunder.

Section 4.13. Deposit into Rebate Fund.

(a) The Loan Agreement and the Tax Compliance Agreement provide that the Company shall make payments to the Trustee for deposit in the Rebate Fund. The Trustee shall deposit such amounts in the Rebate Fund when received and shall make payment of the Rebate Amount as directed by an Authorized Representative of the Company in the Company's determination.

(b) In the event that the amount in the Rebate Fund shall be insufficient to make the necessary payment to the United States of the Rebate Amount when required by the Code and the Rules, the Company shall immediately pay to the Trustee for deposit into the Rebate Fund such insufficiency.

(c) The Issuer and the Trustee have no responsibility for calculating, receiving, holding or paying (except that the Trustee shall hold and pay the Rebate Amount as provided by the Company pursuant to this Section) the Rebate Amount or for compelling the Company to calculate or pay the Rebate Amount.

Section 4.14. Excess Moneys in the Rebate Fund. If any amount shall remain in the Rebate Fund after the Trustee has made the final payment to the United States pursuant to Section 4.13 and the Company has satisfied all its obligations due and owing to the Issuer and the Trustee under the Bond Documents, such amount shall be paid to the Company.

Section 4.15. Investment of Rebate Fund.

(a) Any moneys held as a part of the Rebate Fund shall be invested or reinvested by the Trustee, as directed in writing by the Company, in Government Obligations, subject to the restrictions set forth in the Code and the regulations promulgated thereunder. The Trustee may make any and all such investments through its own investment department.

(b) Any investment of funds in the Rebate Fund shall mature or be redeemable by the Trustee at such times as may be necessary to provide funds when, at the time of the investment, the Company anticipates, as set forth in a written notice to the Trustee, the same will be needed to make payments from the Rebate Fund. The Trustee may at any time, to the extent required for payments from the Rebate Fund, sell any of such investments, and the proceeds of such sale, and of all payments at maturity and upon redemption of such investments, shall be held in the Rebate Fund. Interest and other income received or losses on moneys or securities in the Rebate Fund shall be credited or charged to the Rebate Fund and shall become a part thereof, to be disbursed as provided for herein. In making investments, the Trustee shall rely upon the directions of the Company as to the investments purchased and shall be and hereby is relieved of all liability with respect to making, holding, redeeming or selling such investments in accordance with the foregoing.

Section 4.16. Payment of Rebate Amount to the United States.

(a) The Rebate Amount shall be paid to the United States by the Trustee on behalf of the Issuer at the written direction of an Authorized Representative of the Company.

(b) Each payment of an installment of the Rebate Amount shall be paid at the time and in the manner as directed by an Authorized Representative of the Company.

(c) Under the Tax Compliance Agreement, the Company shall also furnish the Trustee and the Issuer with all other information and forms necessary to cause the Rebate Amount to be properly and timely paid to the United States in accordance with the Code.

(d) The duty of the Trustee to make payments to the United States pursuant to this Section and the Code and any regulations promulgated thereunder shall be expressly limited to funds available in the Rebate Fund at the time such payments are required to be made (including all investment earnings on funds theretofore deposited by the Trustee in the Rebate Fund) and any other funds actually provided to the Trustee by the Company for such payments. The Trustee shall not be under any duty to pay any amounts in excess of the amount available in the Rebate Fund or actually provided to it by the Company. The Issuer shall have no obligation to provide any funds to the Trustee for such payments or for deposit in the Rebate Fund.

Section 4.17. Exculpation of Trustee. The Loan Agreement provides, and the Issuer hereby agrees, that the Company and the Issuer release and relieve the Trustee from any liabilities, and the Company shall indemnify the Trustee against any liabilities, which the Trustee may incur in the exercise and performance of its powers and duties under Sections 4.12 through 4.16, inclusive of this Indenture, such release and indemnification to except only those liabilities caused by the Trustee's

own gross negligence or willful misconduct. Such indemnification is in addition to (and not to the exclusion of) any other indemnification of the Trustee provided for herein or in the Loan Agreement.

Section 4.18. Procedure When Funds Sufficient to Pay All Bonds. If, at any time, the moneys held by the Trustee in the funds established under this Article IV, other than the Rebate Fund, are sufficient to pay the principal or Redemption Price of and interest on all Bonds then Outstanding, together with any amounts due the Trustee and any amounts due to the Owners of the Bonds, the Issuer and the Trustee, the Company may elect to defease the Bonds pursuant to Article VII, and if the Company so elects and notifies the Trustee in writing of such election, the Trustee shall apply the amounts in such funds to the payment of such principal (or Redemption Price) and interest and to the payment of any other amounts due to the Owners of the Bonds, and to the payment of any amounts due to the Issuer and the Trustee, all as provided in Article VII.

Section 4.19. Investments.

(a) The Trustee shall, at the request and written direction of an Authorized Representative of the Company (*provided that* upon the occurrence of any Event of Default, the Company may not make such investment directions), invest and reinvest moneys held in any fund or account established under this Indenture in Permitted Investments, except that moneys held in the Rebate Fund and moneys held pursuant to Article VII hereof shall be invested only in Government Obligations and moneys held for payment of matured installments of principal or interest on Bonds shall remain uninvested, *provided, however*, in the absence of such written direction of an Authorized Representative of the Company, or after the occurrence of an Event of Default, the Trustee shall invest and reinvest moneys held in any such funds or accounts only in investments of the type described in clause (iv) under the definition of Permitted Investment below.

(b) All Permitted Investments shall mature or be subject to redemption by the Trustee prior to the date or dates that moneys therefrom will be required.

(c) Unless otherwise provided herein, all interest, income and profits received with respect to Permitted Investments, or upon the sale or disposition thereof shall be transferred to the Pledged Revenue Fund for application in accordance with Section 4.6 of this Indenture except that interest, income and profits received with respect to Permitted Investments in the Rebate Fund, or upon the sale or disposition thereof, shall be retained in the Rebate Fund.

(d) The term “*Permitted Investments*” means:

(i) Government Obligations or Agency Obligations or the right to receive the principal of or interest on Government Obligations through the purchase of certificates or other instruments evidencing an undivided ownership interest in payments of the principal of or interest on Government Obligations; the Trustee, in purchasing Government Obligations or Agency Obligations, (a) may make any such purchase subject to agreement with the seller for repurchase by the seller at a later date, and in such connection may accept the seller’s agreement for the payment of interest in lieu of the right to receive the interest payable by the issuer of the securities purchased, *provided that* title to the Government Obligations or Agency Obligations so purchased by the Trustee shall vest in the Trustee, that the Trustee

shall have actual or constructive possession of such Government Obligations or Agency Obligations, and that the current market value of such Government Obligations or Agency Obligations (or of cash or additional Government Obligations or Agency Obligations pledged with the Trustee as collateral for the purpose) is at all times at least equal to the principal and accrued interest payable by the seller under said agreement, or (b) may make any such purchase pursuant to an investment agreement or other agreement providing for the sale of such Government Obligations or Agency Obligations to the Trustee, or (c) may purchase shares of a fund, including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent and/or custodian or subcustodian, notwithstanding that (1) the Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, (2) the Trustee charges and collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (3) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates, whose sole assets are of a type described in this clause (i) and such repurchase agreements thereof;

(ii) obligations issued or guaranteed by any state or political subdivision thereof and rated at the time of purchase in the highest category, if rated as short-term obligations, or not lower than the third highest category, if rated as long term obligations, by Moody's or Standard & Poor's or their successors; the Trustee, in purchasing obligations of the type described in this clause (ii), may purchase shares of a fund whose sole assets are such obligations or obligations of the type described in clause (i) above, including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (1) the Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, (2) the Trustee charges and collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (3) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates;

(iii) commercial or finance company paper which is rated at the time of purchase at least "P-1" by Moody's or "A-1" by Standard & Poor's;

(iv) deposit and trust accounts, money market accounts, time deposits, trust funds, interest bearing deposits, overnight bank deposits, investment agreements, bankers' acceptances, certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Company, or bearer deposit notes in any bank, trust company or savings and loan association (including, without limitation, the Trustee or any bank affiliated with the Trustee) organized under the laws of the United States of America or any state thereof having a rating of its unsecured senior long-term debt obligations within one of the three highest rating categories by either Moody's or Standard & Poor's;

(v) obligations evidencing indebtedness described in Section 103(a) of the Code, which obligations are not investment property as defined in Sections 148(b)(2) and (3) of the Code and are rated at the time of purchase within one of the three highest rating categories by

Moody's or Standard & Poor's; the Trustee, in purchasing securities of the type described in this clause (v), may purchase shares of a fund, including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (1) the Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, (2) the Trustee charges and collects fees for services rendered pursuant to this Indenture, which fees are separate from the fees received from such funds, and (3) services performed for such funds and pursuant to this Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates, at least ninety-eight percent (98%) of the weighted average value of the assets of which are of the type described in this clause (v) or which derives at least ninety-eight percent (98%) of its gross income from such assets; and

(vi) investment agreements with, or which are guaranteed by, a financial institution which has an unsecured, uninsured and unguaranteed obligation rated, at the time such agreement is entered into, in one of the three highest rating categories by Moody's or Standard & Poor's, or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting such rating requirements, including any affiliate of the Trustee, *provided* (1) interest is paid at least semi-annually at a fixed rate during the entire term of the agreement, consistent with the Interest Payment Dates, (2) moneys invested thereunder may be withdrawn for any purpose required under this Indenture without any penalty, premium or charge upon not more than seven days' notice (*provided* such notice may be amended or cancelled at any time prior to the withdrawal date), (iii) the agreement is not subordinated to any other obligations of such financial institution or bank and provides that if the rating of such financial institution shall be downgraded below the lowest rating of the lowest of the three highest rating categories of Moody's or Standard & Poor's, that the financial institution shall either terminate such investment agreement with no penalty or collateralize such investment agreement with Government Obligations equal to 100% of the then outstanding amount of investments contained in the investment agreement until the rating of such financial institution is restored to one of the three highest rating categories by Moody's or Standard & Poor's, (iv) the same guaranteed interest rate will be paid on any future deposits permitted to be made under such investment agreement, and (v) the Trustee receives an Opinion of Counsel that such agreement is an enforceable obligation of such financial institution.

Section 4.20. Valuation of Funds. As of each Interest Payment Date for the Bonds, the Trustee shall compute the value of the assets of each fund or account established under this Indenture. In computing the assets of any fund or account, investments and the accrued interest paid on the purchase thereof shall be deemed a part of such fund or account. Investments of money in each such fund pursuant to this Article IV shall be valued at the purchase price or the current market value thereof, whichever is lower, *provided that* investment agreements shall be valued at the maximum amount that can be withdrawn thereunder.

ARTICLE V

GENERAL COVENANTS AND PROVISIONS

Section 5.1. Authority of Issuer, Validity of Indenture and Bonds. The Issuer hereby represents, warrants and covenants that it is duly authorized under the laws of the State, including particularly and without limitation, the Act, to issue the Bonds authorized hereby, to execute this Indenture and to pledge the revenues and receipts in the manner necessary for the issuance of the Bonds authorized hereby, that the execution and delivery of this Indenture has been duly and effectively authorized, and that such Bonds in the hands of the Owners thereof are and will be valid and enforceable special obligations of the Issuer according to the import thereof.

Section 5.2. Performance of Covenants. The Issuer hereby covenants, and the Trustee by executing this Indenture covenants, that each will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings pertaining thereto.

Section 5.3. Payment of Principal and Interest. The Issuer covenants that it shall promptly pay the principal of, Sinking Fund Installments, premium, if any, and interest on every Bond issued under this Indenture at the place, on the dates and in the manner provided herein and in the Bonds, according to the true intent and meaning thereof, subject to the provisions described in Article II hereof.

Section 5.4. Company Revenues. The Issuer hereby covenants that, so long as any of the Bonds are Outstanding, it will deposit or cause to be deposited with the Trustee for its account all Loan Payments and other revenues and receipts derived pursuant to the Issuer Documents (except money attributable to Unassigned Rights) or otherwise to pay the Debt Service Payments on the Bonds as the same become due and payable.

Section 5.5. Priority of Lien of Indenture. The Issuer hereby represents, warrants and covenants that this Indenture is and will be a first Lien upon the Pledged Revenues, and the Issuer agrees not to create or suffer to be created any Lien having priority or preference over the Lien of this Indenture upon the Pledged Revenues or any part thereof, except as otherwise specifically provided herein.

Section 5.6. Enforcement of Duties and Obligations of the Company. The Issuer hereby covenants that, at the request of the Trustee, it shall take all legally available action to cause the Company to fully perform all duties and acts and to fully comply with the covenants of the Company required by the Loan Agreement in the manner and at the times provided in the Loan Agreement, *provided that* the Issuer shall be furnished with satisfactory security or indemnity for the reimbursement of all expenses and to protect it against all liability in connection with any such action.

Section 5.7. Filing of Financing Statements. The Company shall file, or shall cause to be filed, financing statements relating to this Indenture, the Loan Agreement and the Pledge and Assignment to be filed in such manner and at such places as may be required by law fully to protect and perfect the security interest of the Trustee in and to the Trust Estate or any part thereof. The Issuer, as

requested by the Trustee and at the expense of the Company, shall execute or cause to be executed any and all further instruments as may be required by law or as shall reasonably be requested by the Trustee for such protection of the interests of the Trustee, and the Company shall furnish satisfactory evidence to the Trustee of filing and refiling of such instruments and of every additional instrument which shall be necessary to preserve the Lien of the Indenture upon the Trust Estate or any part thereof until the principal of and interest on the Bonds issued hereunder shall have been paid, *provided, however*, that the Company shall be responsible for all such filings and refilings and the Issuer shall have no filing responsibilities whatsoever other than executing the documents that the Company or Trustee requests. The Trustee shall execute or join in the execution of any such further or additional instrument and file or join in the filing thereof (all at the Company's expense) at such time or times and in such place or places as it may be advised by an Opinion of Counsel may be necessary to preserve the Lien of this Indenture upon the Trust Estate or any part thereof until the aforesaid principal shall have been paid. Notwithstanding the foregoing, the Company shall be responsible for the timely filing of all UCC continuation statements with respect to the security interests granted under this Indenture and the Pledge and Assignment.

Section 5.8. Inspection of Project Books. The Issuer covenants and agrees that all books and documents in its possession relating to the Bonds shall at all times be open to inspection by such accountants or other agencies as the Trustee may from time to time reasonably designate.

Section 5.9. Rights Under Bond Documents. The Bond Documents, duly executed counterparts of which have been filed with the Trustee, set forth the covenants and obligations of the parties thereto. Reference is hereby made thereto for a detailed statement of the covenants, obligations and rights of the Company, the Issuer and the other parties thereunder. The Issuer agrees that the Trustee, in its name or in the name of the Issuer, may enforce all of the Issuer's rights and all obligations of the Company under the Company Documents (other than the Unassigned Rights) for and on behalf of the Owners, whether or not an Event of Default exists hereunder.

Section 5.10. List of Owners.

(a) The Trustee, as Bond Registrar, shall keep on file at the Office of the Trustee, a list of the names and addresses of the Owners of all Bonds that from time to time may be registered on the registration books kept by the Trustee. The Issuer shall have no responsibility with regard to the accuracy of said list. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Company or by the Owners (or a designated representative thereof) of twenty-five percent (25%) or more in aggregate principal amount of Bonds Outstanding.

(b) Each Owner, by the purchase and acceptance of such Bond, consents to the disclosure of his name, address and the principal amount of Bonds held by him and agrees that the Trustee shall not be held accountable for the disclosure of any such information.

Section 5.11. Failure to Present Bonds. Subject to the provisions of Section 2.1 hereof, in the event any Bond shall not be presented for payment when the principal or Redemption Price thereof becomes due, either at maturity or at the date fixed for prior redemption thereof or otherwise, if moneys sufficient to pay such Bond shall be held by the Trustee for the benefit of the Owner thereof,

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

Section 5.12. Cancellation. All Bonds that have been paid, redeemed, purchased or surrendered shall be cancelled and delivered by the Trustee to the Issuer. A copy of the cancelled Bonds or other form of notice of such cancellation shall be delivered to the Company.

Section 5.13. Payments Due on Days Other Than Business Days. In any case where the date that any payment on the Bonds whether of interest or principal of or Sinking Fund Installment of the Bonds or at maturity shall be a day other than a Business Day, then such payment shall 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. Agreement to Provide Information. The Trustee agrees, whenever requested in writing by the Issuer or the Company, to provide such information that is known to the Trustee relating to the Bonds as the Issuer or the Company from time to time may reasonably request, including, but not limited to, such information as may be necessary to enable the Issuer or the Company to make any reports required by any federal, State or local law or regulation.

ARTICLE VI

PRIORITY RIGHTS OF TRUSTEE

Section 6.1. Priority Rights of the Trustee. The rights and privileges of the Company set forth in the Loan Agreement are specifically made subject and subordinate to the rights and privileges under the Bond Documents of the Issuer, the Trustee and the Owners of the Bonds.

ARTICLE VII

DEFEASANCE, DISCHARGE OF LIEN

Section 7.1. Defeasance, Discharge of Lien.

(a) When there are in the Bond Fund sufficient funds, or non-callable and nonprepayable Government Obligations in such principal amounts, bearing interest at such rates and with such maturities as will provide, without reinvestment, sufficient funds to pay the principal of, Sinking Fund Installments, premiums, if any, and interest on the Bonds in full as and when such amounts become due, and when the Issuer and the Trustee have received an Opinion of Bond Counsel to the effect that the defeasance of the Bonds in accordance with this Section 7.1 will not adversely affect the exclusion (if any) under the Code of the interest on the Bonds from gross income for federal income tax purposes and when all the rights hereunder of the Issuer (including the right to receive all payments under the Loan Agreement) and the Trustee have been provided for and if there shall have been paid all fees, charges and expenses required to be paid under Section 9.2 hereof, (1) the Bondowners will cease to be entitled to any right, benefit or security under this Indenture except the right to receive payment of the funds deposited and held for payment and other rights set forth below or which rights by their nature cannot be satisfied prior to or simultaneously with termination of the Lien hereof, (2) the security interests created by this Indenture (except in such funds and investments) shall terminate, and (3) the Issuer and the Trustee shall execute and deliver such instruments as may be necessary to discharge the Lien and security interests created hereunder, *provided, however*, that if any such Bonds are to be redeemed prior to the maturity thereof, such Bonds shall have been duly called for redemption or irrevocable instructions for such a call shall have been given to the Trustee. Upon such defeasance, the funds and investments required to pay or redeem the Bonds in full shall be irrevocably set aside for that purpose. The Trustee shall cause to be mailed to all Bondowners in the manner herein specified for redemption of Bonds within fifteen (15) days of the conditions of this Section being met a notice stating that such conditions have been met and that the Lien of this Indenture has been discharged and, if the Bonds are to be redeemed prior to maturity, specifying the Redemption Date and the Redemption Price. Any funds or property held by the Trustee for payment of the Bonds under this Section and not required for such payment shall (unless there is an Event of Default hereunder, in which case they shall be applied as provided in Section 8.2 hereof), after satisfaction of all the rights of the Issuer and the Trustee and payment of the Rebate Amount, if any, due to the United States under Section 148(f) of the Code, and upon such indemnification, if any, as the Issuer or the Trustee may reasonably require, be distributed to the Company. If the Bonds are not presented for final payment when due and moneys are available in the hands of the Trustee therefor, the Trustee shall, without liability for interest thereon, continue to hold the moneys held for that purpose, and interest shall cease to accrue on the principal amount represented thereby.

(b) When there are in the Bond Fund funds or securities as described in Section 7.1(a) hereof as are sufficient to pay the principal of, Sinking Fund Installments, premium, if any, and interest on some, but not all, of the Bonds in full as and when such amounts become due and the other conditions in Section 7.1(a) hereof have been met with respect to such Bonds, the particular Bonds (or portions thereof) for which such provision for payment shall have been considered made shall be selected by lot by the Trustee, and thereupon the Trustee shall take similar action to release

the security interests created by this Indenture in respect of such Bonds (except in such funds or securities and investments thereof), subject, however, to compliance with the applicable conditions set forth in the provisos above.

(c) Notwithstanding the foregoing, those provisions relating to the maturity of Bonds, interest payments and dates thereof, and the Trustee's remedies with respect thereto, and provisions relating to exchange, transfer and registration of Bonds, replacement and cancellation of Bonds, the holding of moneys in trust and the duties of the Trustee in connection with all of the foregoing and the fees, expenses and indemnities of the Trustee and the Issuer shall remain in full force and effect and shall be binding upon the Trustee, the Issuer, the Company and the Bondowners notwithstanding the release and discharge of this Indenture until the Bonds have been actually paid in full.

Section 7.2. Discharge of the Indenture.

(a) Any Outstanding Bond or installments of interest with respect thereto shall, prior to the maturity or Redemption Date thereof, be deemed to have been paid within the meaning of and with the effect expressed in, Section 7.1(a) if (i) there shall have been deposited with the Trustee sufficient Government Obligations, in accordance with Section 7.1(b), that will, without further investment, be sufficient, together with the other amounts held for such payment, to pay the principal of the Bonds when due or to redeem the Bonds on the earliest possible Redemption Date thereof at the Redemption Price specified in Section 3.1 hereof; (ii) in the event such Bond is to be redeemed prior to maturity in accordance with Section 3.1 hereof, all action required by the provisions of this Indenture to redeem the Bonds shall have been taken or provided for to the satisfaction of the Trustee and notice thereof in accordance with Section 3.1 hereof shall have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice; (iii) provision shall have been made for the payment of all amounts due to the Trustee under the terms of the Bond Documents and all fees and expenses of any additional Paying Agent; (iv) the Issuer shall have been reimbursed for all of its expenses under the Loan Agreement; and (v) all other payments required to be made under the Loan Agreement and this Indenture with respect to the Bonds shall have been made or provided for.

(b) For the purpose of Section 7.1(b) hereof, the Trustee shall be deemed to hold sufficient moneys to pay the principal of an Outstanding Bond not then due or to redeem an Outstanding Bond prior to the maturity thereof only if there shall be on deposit with the Trustee and available for such purpose a principal amount of Government Obligations, maturing or redeemable at the option of the owner thereof not later than (i) the maturity date of such Bond, or (ii) the first date following the date of computation on which such Bond may be redeemed pursuant to Article III hereof (whichever may first occur), that, together with income to be earned on such Government Obligations prior to such maturity date or Redemption Date, equals the principal and redemption premium, if any, due on such Bond, together with all interest thereon (at the maximum applicable rate) that has accrued and that will accrue to such maturity or Redemption Date.

(c) Upon the defeasance of all Outstanding Bonds in accordance with Section 7.1 hereof and this Section 7.2, the Trustee shall hold in trust, for the benefit of the Owners of such Bonds, all such Government Obligations, shall make no other or different investment of such Government

Obligations and shall apply the proceeds thereof and the income therefrom only to the payment of such Bonds.

Section 7.3. Satisfaction and Discharge of Lien. When the principal of, premiums, if any, and interest on the Bonds have been paid in full as specified therein and herein, and when all the rights hereunder of the Issuer (including the right to receive all payments under the Loan Agreement) and the Trustee have been provided for, and if there shall have been paid all fees, charges and expenses required to be paid under Section 9.2 hereof, (1) the Bondowners, will cease to be entitled to any right, benefit or security under this Indenture except rights which by their nature cannot be satisfied prior to or simultaneously with termination of the Lien hereof, (2) the security interests created by this Indenture shall terminate, and (3) the Issuer and the Trustee shall execute and deliver such instruments as may be necessary to discharge the Lien and security interests created hereunder.

ARTICLE VIII

DEFAULT PROVISIONS AND REMEDIES OF TRUSTEE AND BONDHOLDERS

Section 8.1. Events of Default. The following shall be “Events of Default” under this Indenture, and the term “*Event of Default*” shall mean, when it is used in this Indenture, any one or more of the following events:

(a) A default in the due and punctual payment of any interest on or any principal of, Sinking Fund Installments on, or the Redemption Price of any Bond, whether at the Stated Maturity thereof, upon proceedings for redemption thereof or upon the maturity thereof by declaration; or

(b) A default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer in this Indenture or in the Bonds contained and the continuance thereof for a period of fifteen (15) days after written notice given to the Issuer and the Company by the Trustee, *provided, however*, that if such performance requires work to be done, actions to be taken or conditions to be remedied which by their nature cannot be reasonably done, taken or remedied, as the case may be, within such fifteen (15) day period, no Event of Default shall be deemed to have occurred or exist if, and so long as, the Company shall commence such performance within such fifteen (15) day period, and shall diligently and continuously prosecute the same to completion within ninety (90) days after the initial notice and the Company shall deliver a report to the Trustee and the Issuer at least once every thirty (30) days setting forth the status of its attempt to cure such default; or

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

(d) If the Issuer shall have applied for or consented to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets; admitted in writing the inability to pay its debts as they mature; made a general assignment for the benefit of creditors; been the subject of an order for relief under the Bankruptcy Code, or been adjudicated a bankrupt, or filed a petition or an answer seeking reorganization, liquidation or any arrangement with creditors or taken advantage of any insolvency law, or submitted an answer admitting the material allegations of a petition in bankruptcy, reorganization, liquidation or insolvency proceedings; or an order, judgment or decree shall have been entered, without the application, approval or consent of the Issuer by any court of competent jurisdiction approving a petition seeking reorganization of the Issuer or appointing a receiver, trustee or liquidator of a substantial part of its assets and such order, judgment or decree shall continue unstayed and in effect for any period of sixty (60) consecutive days; or filed a voluntary petition in bankruptcy or failed to remove an involuntary petition in bankruptcy filed against it within sixty (60) days of the filing thereof.

At any time before an acceleration pursuant to Section 8.2(a) hereof, the Trustee may waive a default under Sections 8.1(b) or (c) hereof and the respective consequences thereof. No waiver under this Section shall affect the rights of the Trustee or the Issuer under this Indenture. Except as

otherwise provided in Section 8.11(c) hereof, the Trustee shall not waive any Event of Default under Section 8.1(a) hereof.

Section 8.2. Acceleration, Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default under Section 8.1(a) or Section 8.1(c) (but only to the extent that the Event of Default under the Loan Agreement is one described in Section 30(a)(i) of such Loan Agreement), all Bonds Outstanding shall become immediately due and payable without action or notice of any kind on the part of the Trustee or the Issuer. Upon the occurrence and continuance of any other Event of Default, the Trustee, upon the written request of a Majority of Owners, shall, by notice in writing delivered to the Issuer and the Company, declare all Bonds immediately due and payable, and such Bonds shall become and be immediately due and payable, anything in the Bonds or in this Indenture to the contrary notwithstanding. In either such event, there shall be due and payable on the Bonds an amount equal to the total principal amount of all such Bonds, plus all interest accrued thereon and that will accrue thereon to the date of acceleration. If all of the Bonds Outstanding shall become so immediately due and payable, the Issuer and the Trustee shall as soon as possible declare by written notice to the Company all unpaid Loan Payments payable by the Company under Section 7 of the Loan Agreement to be immediately due and payable.

(b) At any time after the principal of the Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Indenture, the Trustee may annul such declaration and its consequences with respect to any Bonds not then due by their terms by a notice in writing delivered to the Issuer and the Bondholders if (i) moneys shall have been deposited in the Bond Fund sufficient to pay all matured installments of interest and principal or Redemption Price (other than principal then due only because of such declaration) of all Outstanding Bonds; (ii) moneys shall be available sufficient to pay the amounts described in Section 9.2 of this Indenture; (iii) all other amounts then payable by the Issuer hereunder shall have been paid or a sum sufficient to pay the same shall have been deposited with the Trustee; and (iv) every other Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) shall have been remedied to the satisfaction of the Trustee. No such annulment shall extend to or affect any subsequent Event of Default or impair any right consequent thereon.

Section 8.3. Enforcement of Remedies.

(a) Upon the occurrence and continuance of any Event of Default, and except as provided in Section 8.2(b) hereof, upon receipt of adequate indemnification reasonably satisfactory to the Trustee, the Trustee may, but is not required to, and upon the written request of a Majority of Owners shall, proceed forthwith to protect and enforce its rights and the rights of the Owners under the Act, the Bonds, this Indenture and the other Bond Documents by such suits, actions or proceedings as the Trustee, being advised by counsel, shall deem necessary.

(b) The Trustee may sue for, enforce payment of and receive any amounts due or becoming due from the Issuer or the Company for principal, Redemption Price, interest or otherwise

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

(c) Regardless of the happening of an Event of Default, the Trustee, if requested in writing by the Majority of Owners and, except as provided in Section 8.2(b) hereof, upon receipt of indemnification reasonably satisfactory to the Trustee, shall institute and maintain such suits and proceedings as it may be advised by such Owners shall be necessary (i) to prevent any impairment of the security under this Indenture by any acts that may be unlawful or in violation of this Indenture or of any resolution authorizing the Bonds, or (ii) to preserve or protect the interests of the Owners, *provided that* such request is in accordance with law and the provisions of this Indenture and, in the sole judgment of the Trustee (which in exercising such judgment, the Trustee may rely upon an Opinion of Counsel), is not unduly prejudicial to the interests of the Owners which have not made such request.

(d) The Trustee may exercise all of the rights and remedies of a secured party under the UCC. Notice sent by registered or certified mail, postage prepaid, or delivered during business hours, to the Company at least seven (7) days before an event under Section 9-504(3) of the UCC or any successor provision of law shall constitute reasonable notification of such event.

Section 8.4. Appointment of Receivers. Upon the occurrence of an Event of Default and upon the filing of a suit or commencement of other judicial proceedings to enforce the rights of the Trustee or of the Owners under this Indenture and the other Bond Documents, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the revenues and receipts thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 8.5. Application of Moneys.

(a) The Net Proceeds received by the Trustee pursuant to any right given or action taken under the provisions of this Article VIII shall be deposited in the Bond Fund.

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

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

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

SECOND – To the payment of the unpaid principal or Redemption Price of any of the Bonds that shall have become due (other than Bonds called for redemption for the payment of which moneys were held pursuant to the provisions of this Indenture), in order of their due dates, with interest on such Bonds, at the rate or rates expressed thereon, from the respective

dates upon which such Bonds became due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the Persons entitled thereto without any discrimination or preference; and

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

(ii) If the principal of all the Bonds shall have become due or shall have been declared due and payable, to the payment of the principal and interest (at the rate or rates expressed thereon) then due and unpaid upon all of the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably according to the amounts due respectively for principal and interest to the Persons entitled thereto without any discrimination or preference.

(iii) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been annulled pursuant to provisions of Section 8.2(b) hereof, the moneys shall be applied in accordance with the provisions of paragraph (i) of this Section 8.5(b).

(c) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section 8.5, such moneys shall be applied at such time or times as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Interest on the amounts of principal to be paid on such date shall cease to accrue on the date of declaration of acceleration in accordance with Section 8.2(a) hereof. The Trustee shall give such notice as it may deem appropriate of the application of any such moneys and of the fixing of any such date.

Section 8.6. Remedies Vested in Trustee. All rights of action (including the right to file proof of claim) under this Indenture or under any of the Bonds may be enforced by the Trustee without possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds. Subject to the provisions of Section 8.5 hereof, any recovery of judgment shall be for the equal benefit of the Owners of the Outstanding Bonds.

Section 8.7. Remedies Not Exclusive. No remedy conferred upon or reserved to the Trustee or to the Owners by this Indenture is intended to be exclusive of any other remedy. Each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Owners hereunder or now or hereafter existing at law or in equity or by statute.

Section 8.8. Majority Bondholders Control Proceedings. Subject to the provisions of Sections 8.3(a) and 8.3(c) hereof, if an Event of Default shall have occurred and be continuing notwithstanding anything in this Indenture to the contrary, the Majority of Owners shall have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the

method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of this Indenture or for the appointment of a receiver or any other proceedings hereunder, *provided that* such direction is in accordance with law and the provisions of this Indenture and, in the sole judgment of the Trustee (which in exercising such judgment the Trustee may rely upon an Opinion of Counsel), is not unduly prejudicial to the interests of Owners not joining in such direction, and *provided further* that nothing in this Section 8.8 shall impair the right of the Trustee in its discretion to take any other action under this Indenture that it may deem proper and that is not inconsistent with such direction by Owners and, except as provided in Section 8.3(c) hereof, upon receipt of adequate indemnification reasonably satisfactory to the Trustee.

Section 8.9. Individual Bondholder Action Restricted.

(a) No Owner of any Bond shall have any right to institute any such action or proceedings in equity or at law for the enforcement of this Indenture or for the action of any trust hereunder or for any remedy under the Indenture unless:

(i) an Event of Default has occurred of which the Trustee has been notified or deemed notified as provided in Section 9.1(b)(viii) hereof or of which the Trustee is deemed to have notice; and

(ii) a Majority of Owners shall have made written request to the Trustee to proceed to exercise the powers granted in this Indenture or to institute such action, suit or proceeding in its own name; and

(iii) such Owners shall have offered the Trustee indemnity as provided in Section 9.1(b)(xiii) hereof, and

(iv) the Trustee shall have failed or refused to exercise the powers herein granted 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.

(b) No one or more Owners of Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the interests of the Trustee in the Trust Estate or to enforce any right hereunder except in the manner herein provided and for the equal benefit of the Owners of all Bonds Outstanding.

(c) Nothing contained in this Indenture shall affect or impair, or be construed to affect or impair, the right of the Owner of any Bond (i) to receive payment of the principal of or interest on such Bond, as the case may be, on or after the due date thereof, or (ii) to institute suit for the enforcement of any such payment on or after such due date, *provided, however*, no Owner of any Bond may institute or prosecute any such suit or enter judgment therein if, and to the extent that, the institution or prosecution of such suit or the entry of judgment therein would, under applicable law, result in the surrender, impairment, waiver or loss of the Lien of this Indenture on the Trust Estate for the equal and ratable benefit of all Owners of Bonds.

Section 8.10. Termination of Proceedings. In case any proceeding taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owners, the Issuer, the Company, the Trustee and the Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee and the Owners shall continue as if no such proceeding had been taken.

Section 8.11. Waiver and Non-Waiver of Event of Default.

(a) No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein. Every power and remedy given by this Article VIII to the Trustee and the Owners of the Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

(b) The Trustee may, with the express written consent of a Majority of Owners, waive any Event of Default under Section 8.1(b) or (c) hereof. No such waiver shall extend to or affect any other existing or any subsequent Event of Default.

(c) The Trustee may not waive an Event of Default under Section 8.1(a) without the express written consent of the Owners of one hundred percent (100%) of the aggregate principal amount of the Bonds Outstanding.

Section 8.12. Notice of Defaults.

(a) Within ninety (90) days after (i) the written receipt of notice of an Event of Default as provided in Section 9.1(b)(viii) hereof, or (ii) the occurrence of an Event of Default of which the Trustee is deemed to have notice by such Section, the Trustee shall, unless such Default shall have theretofore been cured, give written notice thereof by first class mail to each Owner of Bonds then Outstanding.

(b) The Trustee shall immediately notify in writing the Issuer and the Company of any Event of Default known to the Trustee.

ARTICLE IX

TRUSTEE AND PAYING AGENT

Section 9.1. Appointment of Trustee and Acceptance of Duties.

(a) Manufacturers and Traders Trust Company is hereby appointed as Trustee. The Trustee shall signify its acceptance of the duties and obligations of the Trustee, subject to the terms and conditions set forth in of Section 9.1(b), by executing this Indenture.

(b) The acceptance by the Trustee of the trusts imposed upon it by this Indenture and its agreement to perform said trusts is subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(i) Prior to the occurrence of an Event of Default, the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred and is continuing and has not been cured, of which the Trustee has received notice or is deemed to have notice in accordance with Section 9.1(b)(viii) hereof, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a reasonable and prudent person would use, under the circumstances, in the conduct of his or her own affairs.

(ii) The Trustee may execute any of the trusts or powers conferred upon it in this Indenture and perform any of its duties hereunder by or through attorneys, agents or employees, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters with respect to the trust and its duties hereunder and may in all cases pay such reasonable compensation to all such attorneys and agents as may reasonably be employed in connection with the trust hereunder. The Trustee may act upon an opinion of Independent Counsel, Bond Counsel or in-house counsel of the Trustee, and shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in good faith in reliance upon such opinion of Independent Counsel, Bond Counsel or in-house counsel of the Trustee.

(iii) The Trustee shall not be responsible or liable for any recital herein or in the Bonds (except in respect to the Certificate of Authentication of the Trustee endorsed on the Bonds), or for the recording or re-recording or filing or refiling of this Indenture or any other Bond Documents, or for insuring any Property securing the Bonds, or for collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplements hereto or any instruments of further assurance, or for the sufficiency of the security for the Bonds, or for any value of or title to any Property securing the Bonds, or for the performance or observance of any covenants, conditions or agreements on the part of the Company under the Company Documents.

(iv) The Trustee may become the Owner of Bonds secured hereby with the same rights that it would have if it were not Trustee.

(v) The Trustee shall be protected in acting in good faith upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed by it to be genuine and to have been signed or sent by the proper Person or Persons.

(vi) In addition to the provisions of subsection (v) hereof, the Trustee may rely upon:

(A) a Certificate, signed by an Authorized Representative of the Issuer,

(1) as to the existence or non-existence of any fact or facts stated therein,

(2) as to the sufficiency or validity of any instrument, paper or proceeding, other than a resolution of the Issuer, and

(3) prior to the occurrence of an Event of Default of which the Trustee has been notified or is deemed notified as provided in Section 9.1(b)(viii) hereof or of which by said Section the Trustee is deemed to have notice, as to the necessity or appropriateness of any particular dealing, transaction or action; and

(B) a Certificate, signed by the Secretary of the Issuer, as to the due adoption and validity of a resolution of the Issuer.

(vii) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and neither the Trustee, nor its directors, officers or employees shall be answerable or liable for other than its gross negligence or willful misconduct, subject to the limitation of paragraph (i) of this subsection (b).

(viii) The Trustee shall not be deemed to have notice of any Event of Default hereunder except a Default in the payment of the principal of, Sinking Fund Installments on or Redemption Price of or interest on any of the Bonds, whether at maturity or upon prior redemption, unless the Trustee shall be specifically notified in writing of such Event of Default.

(ix) All moneys received by the Trustee shall be held in trust in the manner and for the purpose for which they were received, but need not be segregated from other moneys held by the Trustee except to the extent required by this Indenture or by law. The Trustee shall not be liable for interest on any moneys received hereunder except as may be agreed upon.

(x) At any reasonable time, the Trustee and its duly authorized agents, experts, and representatives may (but shall not be obligated to) inspect any of the security for the Bonds and any books, papers and records of the Issuer pertaining to the Project and the Bonds.

(xi) The Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers intended to be conferred upon it in this Indenture or otherwise in respect of the premises.

(xii) The Trustee may (but shall not be obligated to) demand, as a condition of the authentication of any Bonds, the withdrawal of any moneys, the lease of any Property or the taking of any other action contemplated by this Indenture, any certificates, opinions, appraisals or other information, or corporate action or evidence thereof (in addition to any other prerequisites required in any other Section of this Indenture) that the Trustee may reasonably deem desirable for the purpose of establishing the right of the Issuer to the authentication of the Bonds, the withdrawal of the moneys, the release of the Property or the taking of the other action.

(xiii) Before suffering, taking or omitting any action under this Indenture or under the Loan Agreement or any other applicable Bond Document (other than paying the principal or Redemption Price of and interest on the Bonds as the same shall become due and payable), the Trustee may require that satisfactory security or indemnity be furnished to it for the reimbursement of all expenses, including reasonable attorneys' fees and expenses, to which it may be put and to protect it against all liability, except liability that may be adjudicated to have resulted from its own gross negligence or willful misconduct, by reason of any action so taken.

(xiv) The Trustee shall not be personally liable for any debts contracted, or for damages arising from injury to Persons or damage to Property, or for non-fulfillment of contracts during any period when it may be in the possession of any Property as in this Indenture provided.

(xv) The Trustee shall not be liable for the exercise of discretion or power hereunder or for anything whatsoever in connection with the trust created hereunder, except only for its own willful misconduct or gross negligence.

Section 9.2. Fees, Charges and Expenses of Trustee and Paying Agents. The Issuer shall cause the Company to pay or reimburse the Trustee and any Paying Agent, or cause the Trustee and any Paying Agent to be paid or reimbursed, for reasonable fees for their Ordinary Services rendered hereunder and all Ordinary Expenses reasonably and necessarily paid or incurred in connection with such Ordinary Services and, in the event that it should become necessary that the Trustee or any Paying Agent perform Extraordinary Services, reasonable extra compensation therefor, and for reasonable and necessary Extraordinary Expenses incurred in connection therewith, *provided that* if such Extraordinary Services or Extraordinary Expenses are occasioned by the gross negligence or willful misconduct of the Trustee or any Paying Agent, it shall not be entitled to compensation or reimbursement therefor. The Issuer shall cause the Company to pay or reimburse the Trustee, or cause the Trustee to be paid or reimbursed, for the reasonable fees and expenses of the Trustee, including reasonable attorneys' fees and expenses under Section 9.1(b)(ii) hereof, as Paying Agent and Bond Registrar for the Bonds as hereinabove provided. The obligation of the Issuer under this Section 9.2 to cause the Company to pay and reimburse the Trustee and any Paying Agent for such fees and expenses shall constitute additional indebtedness secured hereunder.

Section 9.3. Intervention by Trustee. In any judicial proceeding to which the Issuer is a party and which, in the opinion of the Trustee (which opinion may be based on an Opinion of Counsel), has a substantial bearing on the interests of Owners of the Bonds, the Trustee may, and if so requested in writing by the Majority of Owners shall, intervene on behalf of Owners.

Section 9.4. Right of Trustee to Pay Taxes, Insurance Premiums and Other Changes.

(a) If any tax, assessment, payment in lieu of tax, governmental or other charge upon any part of the Trust Estate is not paid, or if any insurance is not maintained as required herein, or if an Event of Default under the Loan Agreement occurs and the Trustee incurs costs and expenses in accordance with the Loan Agreement, the Trustee may pay any tax, assessment, payment in lieu of tax, governmental or other charge or insurance premium or cost or expense, without prejudice, however, to any rights of the Trustee or the Owners hereunder in consequence of such failure. Any amount so paid under this Section 9.4 shall become so much additional indebtedness secured by this Indenture, and the same shall be given a preference in payment over any Bonds and interest thereon, and shall be paid out of the proceeds of revenues collected from the Trust Estate, if not otherwise caused to be paid.

(b) The Trustee shall be under no obligation to make any payment described in Section 9.4(a) unless it shall have been requested in writing to do so by the Majority of Owners and shall have been provided with adequate funds to make such payment.

Section 9.5. Merger or Consolidation of Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, *ipso facto*, shall be and become successor Trustee hereunder and vested with all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto.

Section 9.6. Resignation by Trustee. The Trustee and any successor Trustee may, at any time, resign from the trusts hereby created and be discharged of its duties and obligations under this Indenture by giving not less than sixty (60) days' written notice to the Issuer and the Company and, by first class mail, to each Owner of Bonds then Outstanding. Such resignation shall take effect upon the date specified in such notice, *provided, however*, that in no event shall such a resignation take effect until a successor Trustee has been appointed pursuant to Section 9.8 of this Indenture.

Section 9.7. Removal of Trustee. The Trustee may be removed at any time without cause by an instrument that (i) is signed by the Majority of Owners, (ii) specifies the date on which such removal shall take effect and the name and address of the successor Trustee, and (iii) is delivered to the Trustee, the Issuer and the Company. Notice of any such removal shall be given by first class mail to each Owner of Bonds then Outstanding not less than sixty (60) days before such removal is to take effect as stated in such instrument. The Trustee may also be removed at any time for any breach of trust or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provisions of this Indenture or the Loan Agreement, by any court of competent jurisdiction upon

the application by the Issuer, the Company or a Majority of Owners. Such removal shall take effect upon the date specified in such notice, *provided, however*, that in no event shall such a removal take effect until a successor Trustee has been appointed pursuant to Section 9.8 of this Indenture.

Section 9.8. Appointment of Successor Trustee by Bondholders; Temporary Trustee.

(a) In case the Trustee hereunder shall resign, or be removed, or be dissolved, or shall be in the course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor Trustee may be appointed by the Majority of Owners by an instrument signed by such Owners and delivered to such successor Trustee, the predecessor Trustee, the Issuer, the Company and the Bank. Notice of any such appointment shall be given, by first class mail, to each Owner of Bonds then Outstanding within thirty (30) days after delivery to the Issuer of the instrument appointing such successor Trustee.

(b) In case of the occurrence of any event affecting the Trustee hereunder described in Section 9.8(a), the Issuer, by an instrument signed by the Chairman and attested by the Secretary, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Owners in the manner provided in Section 9.8(a). Such instrument appointing such successor Trustee by the Issuer shall be delivered to the successor Trustee so appointed, to the predecessor Trustee and to the Company. Notice of any such appointment shall be given, by first class mail, to each Owner of Bonds then Outstanding within thirty (30) days after delivery to the successor Trustee of the instrument appointing such successor Trustee. Any such temporary Trustee appointed by the Issuer shall immediately and without further act be superseded by any successor Trustee appointed by the Owners.

(c) Any Trustee appointed pursuant to the provisions of this Section 9.8 shall be a national banking association, trust company or bank that is authorized to exercise the corporate trust powers intended to be conferred upon it by this Indenture and has combined capital and surplus of at least \$50,000,000 or shall be a wholly-owned subsidiary of a holding company having such combined capital and surplus, or any other corporate or individual trustee duly authorized and empowered to act as Trustee hereunder and reasonably acceptable to the Issuer and approved by a Majority of Owners.

Section 9.9. Concerning Successor Trustees.

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor Trustee and the Issuer an instrument accepting such appointment hereunder. Thereupon, such successor, without any further act, deed or conveyance, shall become fully vested with all the Property, rights, powers, trusts, duties and obligations of its predecessor Trustee.

(b) Every predecessor Trustee shall, on the written request of the Issuer or the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the Property, rights, powers and trusts of such predecessor hereunder. Every predecessor Trustee shall deliver to its successor Trustee all securities and moneys held by it as Trustee hereunder. If any instrument from the Issuer shall be requested by any successor Trustee, the Property, rights, powers and duties

hereby vested or intended to be vested hereunder, any and all such instruments shall be executed, acknowledged and delivered by the Issuer.

Section 9.10. Successor Trustee as Custodian of Funds and Paying Agent. In the event of a change of Trustees, the predecessor Trustee shall cease to be (i) custodian of the Funds created pursuant to Section 4.1 hereof and of all other moneys, Property, rights and assets of the Issuer, and (ii) Bond Registrar and Paying Agent for principal of, Sinking Fund Installments on, or Redemption Price of and interest on the Bonds, and the successor Trustee shall become such custodian, Bond Registrar and Paying Agent. Every predecessor Trustee shall deliver to its successor Trustee all books of account, the registration books, the list of Bondholders and all other records, documents and instruments relating to its duties as such custodian, Bond Registrar and Paying Agent.

Section 9.11. Trust Estate May Be Vested in Co-Trustee.

(a) In the event the Trustee determines that it may be necessary or desirable to appoint one or more co-trustees to exercise any of the rights, powers or remedies granted to the Trustee hereunder, the Trustee may appoint an additional Person or Persons to act as co-trustee or co-trustees hereunder by executing an instrument of appointment for each such co-trustee and by delivering such instrument of appointment to the co-trustee, the Issuer and the Company. Any such instrument of appointment shall confer such rights, powers, duties and obligations hereunder as the Trustee may deem necessary or desirable upon the co-trustee as joint tenant (or, if required by applicable law, as tenant-in-common) with the Trustee, except to the extent, under applicable law, the Trustee is incompetent or unqualified to exercise any of such rights or powers or to discharge any of such duties or obligations. To such extent, such rights or powers, duties and obligations may be conferred upon and be exercised and performed solely by the co-trustee. If any written instrument shall be requested from the Issuer by the co-trustee to more fully and certainly vest in it such rights, powers, duties and obligations, such instrument or instruments shall be executed, acknowledged and delivered by the Issuer.

(b) At any time by an instrument in writing delivered to any co-trustee, the Issuer, the Company or the Trustee may remove such co-trustee. In case any co-trustee shall become incapable of acting, resign or be removed, all the Property, rights, powers, duties and obligations of such co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment by the Trustee of a successor to such co-trustee.

Section 9.12. Appointment, Resignation or Removal of Paying Agent; Successors.

(a) The Trustee is hereby designated and, by executing this Indenture, agrees to act as Paying Agent for and in respect to the Bonds.

(b) The Issuer from time to time may appoint one or more additional Paying Agents and, in the event of the resignation or removal of any Paying Agent, successor Paying Agents by an instrument signed by an Authorized Representative of the Issuer and attested by the Secretary or Assistant Secretary of the Issuer and delivered to such Paying Agent and the Trustee. Any such additional Paying Agent or successor Paying Agent shall be a national banking association, trust company or bank that is authorized by law to perform all the duties imposed upon a Paying Agent by

this Indenture and has a combined capital and surplus of at least \$50,000,000. Any such additional Paying Agent or successor Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by executing and delivering to the Issuer and the Trustee a written acceptance thereof.

(c) The principal office of each Paying Agent is hereby designated as the respective office or agency of the Issuer for the payment of the principal of, Sinking Fund Installments on, or Redemption Price of and the interest on the Bonds. Any additional Paying Agent shall hold all moneys received by it for the payment of principal of, Sinking Fund Installments on, or Redemption Price of and interest of the Bonds in trust for the benefit of the Owners of such Bonds. Any additional Paying Agent, and its directors, officers, employees of agents, may in good faith buy, sell, own, hold and deal in any of the Bonds, and may join in any action that any Owner may be entitled to take with like effect as if such association, bank or trust company were not such Paying Agent.

(d) A Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least sixty (60) days' written notice to the Issuer and the Trustee. A Paying Agent may be removed at any time by an instrument signed by an Authorized Representative of the Issuer and delivered to such Paying Agent and the Trustee.

(e) In the event of the resignation or removal of a Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor or, if there be no successor, to the Trustee.

Section 9.13. New York Real Property Law. To the extent, if any, that Article 4-A of the New York Real Property Law, as in effect from time to time, may apply to this Indenture or the transactions contemplated hereby, the Trustee shall have the powers and be subject to the duties set forth in Section 126 of the New York Real Property Law as in effect on date of this Indenture as originally executed. There are hereby incorporated by reference in this Indenture the provisions described in paragraphs (a) through (f) of Section 130-k of the New York Real Property Law, as in effect on the date of this Indenture as originally executed, including, without limitation, all provisions that are permitted by the terms of paragraphs (b)(1) and (b)(9) of such Section 130-k to be included in any agreement.

Section 9.14. Trustee Protected in Relying Upon Resolution, Etc . The resolutions, opinions, certificates and other instruments which are regular on their face and in form and otherwise delivered in accordance with this Indenture may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of Property and the withdrawal of moneys hereunder.

ARTICLE X

SUPPLEMENTAL INDENTURES

Section 10.1. Supplemental Indentures Not Requiring Consent of Owners.

(a) Without the consent of or notice to any of the Owners, but with the consent of the Issuer and the Company, the Trustee may enter into one or more Supplemental Indentures, not inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (i) To cure any ambiguity or formal defect or omission in this Indenture;
- (ii) To cure, correct or supplement any defective provision of this Indenture in such manner as shall not be inconsistent with this Indenture and shall not impair the security hereof nor adversely affect the Owners;
- (iii) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or the Trustee;
- (iv) To add to the covenants and agreements of the Issuer in this Indenture, other covenants and agreements to be observed by the Issuer;
- (v) To more precisely identify the Trust Estate;
- (vi) To subject to the Lien of this Indenture additional revenues, receipts, Property or collateral;
- (vii) To make any other changes in the Indenture that do not prejudice the interests of the Trustee or the Owners;
- (viii) To make any change which in the Opinion of Bond Counsel is reasonably necessary to protect the exclusion (if any) of interest on the Bonds from gross income for federal income tax purposes; or
- (ix) To issue Additional Bonds as provided in Section 2.13 of this Indenture.

(b) The Trustee may rely upon an opinion of Independent Counsel as conclusive evidence that any such Supplemental Indenture complies with the foregoing conditions and provisions.

Section 10.2. Supplemental Indentures Requiring Consent of Owners.

(a) Except as provided in Section 10.1 hereof, the Majority of Owners 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 this Indenture or in any Supplemental Indenture or in the Bonds, *provided, however*, that nothing contained in this Section 10.2 shall permit:

(i) A change in the terms of redemption or maturity of the principal of or the time of payment of interest on any Outstanding Bond or a reduction in the principal amount or Redemption Price of any Outstanding Bond or the rate of interest thereon, without the consent of the Owner of such Bond, or

(ii) the creation of a Lien upon the Trust Estate ranking prior to the Lien created by this Indenture, without the consent of the Owners of all Outstanding Bonds, or

(iii) a preference or priority of any Parity Bond or Parity Bonds over any other Parity Bond or Parity Bonds without the consent of the Owners of all Outstanding Parity 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 Owners of all Outstanding Bonds.

(b) If at any time the Issuer shall request the Trustee to enter into a Supplemental Indenture for any of the purposes of Section 10.1(a) hereof, the Trustee, upon being satisfactorily indemnified with respect to expenses, shall cause notice of the proposed execution of such Supplemental Indenture to be given, by first class mail, to each Owner of Bonds then Outstanding at their addresses as they appear on the registration books kept by the Trustee. Such notice shall briefly summarize the contents of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Office of the Trustee for inspection by all Owners.

(c) The Trustee shall not, however, be subject to any liability to any Owner by reason of the Trustee's failure to mail the notice required by this Section 10.2(b).

(d) If within such period after the mailing of the notice required by Section 10.2(b) hereof, as the Issuer shall prescribe with the approval of the Trustee, the Issuer shall deliver to the Trustee an instrument or instruments executed by the Majority of Owners, referring to the proposed Supplemental Indenture as described in such notice and consenting to and approving the execution thereof, the Trustee shall execute such Indenture.

(e) If the Majority of Owners at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner 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.

(f) The Trustee may rely upon an opinion of Independent Counsel as conclusive evidence that (i) any Supplemental Indenture entered into by the Issuer and the Trustee, and (ii) the evidence of the requisite Owner consents thereto comply with the provisions of this Section 10.2.

Section 10.3. Consent of the Company to Supplemental Indentures. Notwithstanding anything contained in this Indenture to the contrary, no Supplemental Indenture that affects any rights of the Company shall become effective unless and until the Company shall have consented in writing to the execution and delivery of such Supplemental Indenture. The Trustee may rely upon the opinion of

Independent Counsel as conclusive evidence whether or not a Supplemental Indenture affects any rights of the Company within the meaning of, and for the purposes of, this Section 10.3.

Section 10.4. Effect of Supplemental Indentures. Any Supplemental Indenture executed in accordance with the provisions of Article X shall thereafter form a part of this Indenture. All the terms and conditions contained in any such Supplemental Indenture shall be part of the terms and conditions of this Indenture for any and all purposes.

ARTICLE XI

AMENDMENTS AND MODIFICATIONS TO LOAN AGREEMENT AND TAX COMPLIANCE AGREEMENT

Section 11.1. Amendments to Loan Agreement Not Requiring Consent of Owners. Without the consent of or notice to any of the Owners, the Issuer 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 this Indenture, (ii) for the purpose of curing any ambiguity or formal defect or omission therein, (iii) in connection with the description of the Project and the substitution, addition or removal of a portion of the Project as provided in the Loan Agreement and this Indenture, (iv) in connection with additional real estate that is to become part of the Project, (v) in connection with any other change therein that, in the sole judgment of the Trustee, does not adversely affect the interests of the Trustee or the Owners of the Bonds, and (vi) to make any change which in the opinion of Bond Counsel is reasonably necessary to protect the exclusion (if any) of interest on the Bonds from gross income for federal income tax purposes. The Trustee may rely upon an opinion of Independent Counsel as conclusive evidence that any such amendment, change or modification complies with the provisions of this Section.

Section 11.2. Amendments to Loan Agreement Requiring Consent. Except for amendments, changes or modifications as provided in Section 11.1 hereof, neither the Issuer nor the Trustee shall consent to any amendment, change or modification of the Loan Agreement without mailing of notice and the written approval or consent of the Majority of Owners procured and given in the manner set forth in Section 11.2 hereof, *provided, however*, that no such amendment shall be permitted that changes the terms of payment thereunder without the consent of the Owners of all the Bonds then Outstanding. The Trustee may rely on an opinion of Independent Counsel as conclusive evidence that any such amendment, change or modification and the evidence of the requisite Owner consents comply with the requirements of this Section.

Section 11.3. Amendments of Tax Compliance Agreement Not Requiring Consent of Owners. Without the consent of or notice to any of the Owners, but with the consent of the Issuer and the Company, the Trustee may consent to any amendment, change or modification of the Tax Compliance Agreement as may be required (i) for the purpose of curing any ambiguity or formal defect or omission, (ii) to make any change which in the opinion of Bond Counsel is reasonably necessary to protect the exclusion (if any) of interest on the Bonds from gross income for federal income tax purposes, and (iii) in connection with any other change therein that in the sole judgment of the Trustee does not adversely affect the interests of the Trustee or the Owners of the Bonds. The Trustee may rely upon an Opinion of Bond Counsel as conclusive evidence that any such amendment, change or modification complies with the provisions of the Section.

Section 11.4. Amendments of Tax Compliance Agreement Requiring Consent of Owners. Except for amendments, changes or modifications as provided in Section 11.3 hereof, neither the Issuer nor the Trustee shall enter into any amendment, change or modification of the Tax Compliance Agreement without mailing of notice and the written approval or consent of the Majority of Owners procured and given in the manner set forth in Section 11.2 hereof. The Trustee may rely

upon an opinion of Independent Counsel as conclusive evidence that any such amendment, change or modification complies with the provisions of this Section.

ARTICLE XII

MISCELLANEOUS

Section 12.1. Consent of Owners.

(a) Any consent, request, direction, approval, objection or other instrument required or permitted by this Indenture to be signed and executed by the Owners may be in any number of writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture and may be conclusively relied on by the Trustee with regard to any action taken thereunder:

(i) The fact and date of the execution by any Owner or his attorney of such instrument may be proved by (A) the Certificate (which need not be acknowledged or verified) of an officer of a bank or trust company satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such instrument acknowledged to him the execution thereof on such date, or (B) by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Owner may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation.

(ii) The ownership of the Bonds and the amount, numbers and other identification, and the date of holding the same shall be proved by the registration books kept by the Trustee as Bond Registrar.

(b) Any request, consent or vote of the Owner of any Bond shall bind all future Owners of such Bond with respect to anything done or suffered to be done or omitted to be done by the Issuer or the Trustee in accordance therewith, unless and until such request, consent or vote is revoked by the filing with the Trustee of a writing, signed and executed by the Owner of the Bond, in form and substance and within such time as shall be satisfactory to the Trustee.

Section 12.2. Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person, other than the parties hereto and the Owners of the Bonds, any right, remedy or claim under or with respect to this Indenture or any covenants, conditions and provisions herein contained. This Indenture and all of the covenants, conditions, and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and the Owners of the Bonds as herein provided.

Section 12.3. Severability.

(a) If any provision of this Indenture shall, for any reason, be held or shall, in fact, be inoperative or unenforceable in any particular case, such circumstance shall not render the provision

in question inoperative or unenforceable in any other case or circumstance or render any other provision herein contained inoperative or unenforceable.

(b) The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections in this Indenture shall not affect the remaining portions of this Indenture or any part thereof.

Section 12.4. Notices.

(a) All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (1) delivered to the applicable address stated below by registered or certified mail, return receipt requested, or by such other means as shall provide the sender with documentary evidence of such delivery, or (2) delivery is refused by the addressee, as evidenced by the affidavit of the Person who attempted to effect such delivery.

(b) The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

If to the Issuer:

Buffalo and Erie County Industrial Land Development Corporation
143 Genesee Street
Buffalo, New York 14203
Attention: President/CEO/Executive Director
Telephone: (716) 856-6525
Facsimile: (716) 856-6754

with a copy to:

Harris Beach PLLC
99 Garnsey Road
Rochester, New York 14534
Attention: Public Finance Practice Group
Telephone: (585) 419-8800
Facsimile: (585) 419-8816

If to the Company:

Buffalo State College Foundation Housing Corporation
Buffalo State College
1300 Elmwood Avenue, Suite 505
Buffalo, New York 14222
Attention: President
Telephone: (716) 878-4311
Facsimile: (716) 878-4350

with a copy to:

Hodgson Russ LLP
The Guaranty Building
140 Pearl Street, Suite 100
Buffalo, New York 14202
Attention: Terrence M. Gilbride, Esq.
Telephone: (716) 856-4000
Facsimile: (716) 849-0349

If to the Trustee:

Manufacturers and Traders Trust Company
One M&T Plaza, 7th Floor
Buffalo, New York 14203
Attention: Corporate Trust Department
Telephone: (716) 842-5935
Facsimile: (716) 842-4474

with a copy to:

Matthew Wells, Esq.
Bond, Schoeneck & King, PLLC
One Lincoln Center, Suite 1800
Syracuse, New York 13202

Section 12.5. Notice to Rating Agencies.

(a) If the Bonds have received a rating from Standard & Poor's or any other rating agency, the Trustee shall use its best efforts to provide each rating agency by which the Bonds are then rated with prompt written notice prior to or concurrent with the effective date of such event of (1) the appointment of a successor Trustee, (2) any amendment or supplement, expiration, termination or substitution to this Indenture, the Loan Agreement or any other Bond Document entered into or consented to by the Trustee pursuant to Article X or Article XI of this Indenture, or (3) the redemption, purchase, acceleration or defeasance of all Outstanding Bonds.

(b) Any notice to Standard & Poor's shall be sent to 55 Water Street, New York, New York 10041, Attention: Higher Education Ratings Group – Surveillance.

(c) Any rating agency may, by notice in writing to the Trustee, designate any further or difference address to which subsequent notices under this Section 12.5 shall be sent.

Section 12.6. Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.7. Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State without regard or reference to its conflict of laws principles.

Section 12.8. No Recourse on Bonds. No recourse shall be had for the payment of the principal of or the interest on the Bonds or for any claim based thereon or on this Indenture against any member, director or officer of the Issuer or any person executing the Bonds.

Section 12.9. Table of Contents and Section Headings Not Controlling. The Table of Contents and the headings of the several Sections of this Indenture have been prepared for convenience of reference only and shall not control, affect the meaning to or be taken as an interpretation of any provision of this Indenture.

IN WITNESS WHEREOF, the Issuer has caused these presents to be signed in its name and on its behalf and, to evidence its acceptance of the Trust hereby created, the Trustee has caused these presents to be signed in its name and on its behalf as of June 1, 2011.

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION**

By:



Authorized Representative

**MANUFACTURERS AND TRADERS TRUST
COMPANY, as Trustee**

By:

M. Antifragio

Authorized Officer

EXHIBIT A

FORM OF SERIES 2011A BOND

No. RA-

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

Annual Interest Rate	Maturity Date	Bond Date	CUSIP
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REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit corporation constituting a local development corporation existing under the laws of the State of New York, having an office for the transaction of business at 143 Genesee Street, Buffalo, New York 14203 (the “*Issuer*”), for value received, hereby promises to pay, but only from the sources hereafter named, in lawful money of the United States of America to the Registered Owner named above (or registered assigns) on the Maturity Date set forth above, unless this Bond shall have been duly called for prior redemption and payment of the Redemption Price shall have been made or provided for, upon surrender hereof at the Office of Trustee (as defined in the Indenture referred to below) of Manufacturers and Traders Trust Company, Buffalo, New York, the Principal Amount stated above, and to pay interest thereon at the rate stated hereon from the date hereof, semiannually on each April 1 and October 1 after the date hereof, beginning April 1, 2012 (each, an “*Interest Payment Date*”), until payment of said Principal Amount has been made or provided for. The interest so payable on any applicable Interest Payment Date will be paid to the person in whose name this Bond is registered on the bond register maintained by the Trustee (the “*Owner*”) at the close of business on the fifteenth (15th) calendar day of the month (regardless of whether such day is a Business Day) (the “*Record Date*”) immediately preceding the relevant Interest Payment Date. Any such interest which is not deposited with the Trustee on or before any such Interest Payment Date shall forthwith cease to be payable to the Owner hereof on the Record Date, and shall be paid to the Owner hereof on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee as provided in the Indenture (as hereinafter defined). Notice of such Special Record Date shall be given to registered Owners not less than fifteen (15) days prior to such Special Record Date.

Interest will be paid on each Interest Payment Date, and the Redemption Price of Bonds with respect to any Sinking Fund Redemption will be paid on any Redemption Date (as hereinafter provided), by check mailed by the Trustee to the Owners at the addresses shown on the bond register maintained by the Trustee or, in lieu of a check and: (i) if so requested before a Record Date by an Owner of at least \$1,000,000 in principal amount of the Bonds (as hereinafter defined) as determined under the terms of the Indenture, or (ii) for any Bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), by wire transfer to an account in a bank located in the United States of America designated by such Owner.

This Bond is a special, limited obligation of the Issuer payable as to principal or Redemption Price and interest solely from, and enforceable only against, the Loan Payments (as hereinafter defined) (other than the Issuer’s Unassigned Rights (as hereinafter defined)) payable by Buffalo State College Foundation Housing Corporation, a New York not-for-profit corporation (the “Company”), under the Loan Agreement (as hereinafter defined), and certain other moneys available therefor as provided in the Indenture, and there shall be no recourse against the Issuer or any other property now or hereafter owned by it.

NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, IS OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE, IF ANY, OF OR INTEREST ON, THE BONDS. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE ISSUER PLEDGED UNDER THE INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE INDENTURE FOR THE PAYMENT OF THE BONDS. THE BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

This Bond is one of the Issuer’s \$43,875,000 Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A (the “*Series 2011A Bonds*”) issued under the Trust Indenture dated as of June 1, 2011 (which Indenture as from time to time amended and supplemented is herein referred to as the “*Indenture*”), duly executed and delivered by the Issuer to Manufacturers and Traders Trust Company, as trustee (said Trustee and any successor thereto under the Indenture being herein called the “*Trustee*”). The Series 2011A Bonds are issued together with the Issuer’s \$410,000 Taxable Revenue Bonds (Buffalo State College Housing Corporation Project), Series 2011B (the “*Series 2011B Bonds*” and, together with the Series 2011A Bonds, the “*Bonds*”). Capitalized terms used but not defined herein are defined in the Indenture and the definitions used in the Indenture are incorporated herein by reference.

The Bonds are being issued in connection with a loan by the Issuer to the Company to defease Outstanding Prior Bonds originally issued to finance a project undertaken by the Company consisting of the construction and equipping of the approximately 225,000 square foot student housing complex consisting of approximately 507 beds, together with related infrastructure improvements located at Letchworth Street and Grant Street on the campus of Buffalo State College located at Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York.

The Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Indenture. The Bonds are further secured by (i) a Pledge and Assignment dated as of June 1, 2011, from the Issuer to the Trustee with the acknowledgment of the Company, which Pledge and Assignment assigns to the Trustee certain of the Issuer's rights under the Loan Agreement; (ii) a Guaranty Agreement dated as of June 1, 2011, from the Company to the Trustee; and (iii) a Leasehold Mortgage and Security Agreement dated as of June 1, 2011, from the Company to the Issuer and assigned to the Trustee, secured by the Company's interest in the Project. Reference is hereby made to the Indenture, the Loan Agreement, the Pledge and Assignment, the Guaranty and the Mortgage, and to all amendments and supplements thereto (copies of which are and will be on file at the principal corporate trust office of the Trustee) for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Trustee and the Owners of the Bonds and the terms upon which the Bonds are issued and secured.

Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months. If any payment on this Bond is due on a non-Business Day, it will be made on the next Business Day, and no additional interest will accrue as a result.

REDEMPTION OF BONDS

Extraordinary Redemption Without Premium. The Bonds are subject to redemption prior to maturity (1) as a whole, without premium, in the event of (a) a taking in Condemnation of, or failure of title to, all or substantially all of the Project, (b) damage to or destruction of part or all of the Project and the election by the Company to redeem the Bonds, or (c) a taking in Condemnation of part of the Project and election by the Company to redeem the Bonds; (2) as a whole, without premium, in the event that any court or administrative body shall enter a judgment or decree requiring the Company to cease all or any substantial part of its operations at the Project; or (3) in part, without premium, in the event that (i) excess moneys remain in the Insurance and Condemnation Fund following damage or Condemnation of a portion of the Project and completion of the repair, rebuilding or restoration of the Project by the Company, and (ii) such excess moneys are not paid to the Company. In any such event, the Bonds shall be redeemed, as a whole or in part, as the case may be, in the manner provided in the Indenture, on the earliest practicable date for which the Trustee can give notice of redemption at a Redemption Price equal to the principal amount thereof, plus accrued interest to the Redemption Date, without premium.

Optional Redemption. The Series 2011A Bonds maturing on or prior to October 1, 2021, will not be subject to optional redemption. The Series 2011A Bonds maturing on or after October 1, 2021, will be subject to redemption at the option of the Company, in whole or in part on any date on or after April 1, 2021, at a Redemption Price equal to the par amount of Series 2011A Bonds to be redeemed without premium, plus unpaid accrued interest to the Redemption Date.

Mandatory Sinking Fund Redemption.

(i) The Series 2011A Bonds maturing on October 1, 2026, are subject to scheduled mandatory sinking fund redemption, on October 1 of each year set forth below at a Redemption Price equal to the principal amounts set forth below plus accrued interest to the Redemption Date:

Year	Sinking Fund Payment
2022	\$1,005,000
2023	1,060,000
2024	1,125,000
2025	1,190,000
2026*	1,265,000

*Maturity

(ii) The Series 2011A Bonds maturing on October 1, 2031, are subject to scheduled mandatory sinking fund redemption, on October 1 of each year set forth below at a Redemption Price equal to the principal amounts set forth below plus accrued interest to the Redemption Date:

Year	Sinking Fund Payment
2027	\$1,340,000
2028	1,420,000
2029	1,510,000
2030	1,605,000
2031*	1,700,000

*Maturity

(iii) The Series 2011A Bonds maturing on October 1, 2041, are subject to scheduled mandatory sinking fund redemption, on October 1 of each year set forth below at a Redemption Price equal to the principal amounts set forth below plus accrued interest to the Redemption Date:

Year	Sinking Fund Payment
2032	\$1,800,000
2033	1,900,000
2034	2,005,000
2035	2,115,000
2036	2,235,000
2037	2,355,000
2038	2,485,000
2039	2,625,000
2040	2,770,000
2041*	2,925,000*

*Maturity

Procedures for Redemption. In the event of any partial redemption, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee not more than sixty (60) days prior to the Redemption Date in inverse order of maturity, and within each maturity by lot or by such other method as the Trustee shall deem fair and appropriate. The Trustee shall apply any partial redemption payments made with respect to any Bonds subject to mandatory Sinking Fund Installments (other than scheduled mandatory sinking fund redemption) to the schedule of mandatory Sinking Fund Installments for such Bonds in inverse order of maturity. Further, the Trustee may provide for the selection of redemption of portions (equal to \$5,000 or any integral multiple of \$5,000 in excess thereof) of Bonds. In no event shall the principal amount of Bonds subject to any partial redemption be other than a whole multiple of \$5,000.

When Bonds are to be redeemed, the Trustee shall give written notice to the Bondowners in the name of the Issuer, which notice shall identify the Bonds to be redeemed, state the date fixed for redemption and specify the Office of the Trustee at which such Bonds will be redeemed. The notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof together with interest accrued to the Redemption Date, and that moneys therefor having been deposited with the Trustee, from and after such date, interest thereon shall cease to accrue and that the Bonds or portions thereof called for redemption shall cease to be entitled to any benefit under the Indenture except the right to receive payment of the Redemption Price, together with interest accrued to the Redemption Date. If at the time of mailing of notice of any optional redemption there shall not have been deposited moneys in the Bond Fund available for payment sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of the redemption moneys in the Bond Fund available for payment not later than the opening of business on the Redemption Date, in which case such notice shall be of no effect unless moneys are so deposited.

All such notices shall be given not less than thirty (30) days prior nor more than sixty (60) days prior to the date fixed for redemption. Failure to mail notice to a particular Bondowner, or any defect in the notice to such Bondowner, shall not affect the redemption of any other Bond.

Authorized Denominations; Transfer; Exchange. The Bonds are in registered form in minimum denominations of \$5,000 and integral multiples of \$5,000 in excess thereof (“*Authorized Denominations*”). An Owner may transfer or exchange Bonds in accordance with the Indenture. In connection with such transfer or exchange, the Trustee may require an Owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law (but no other charges). The Trustee need not transfer or exchange any Bond during the period beginning fifteen (15) days before mailing a notice of redemption of such Bond and ending on the Redemption Date.

Discharge Before Redemption or Maturity. If the Company at any time deposits with the Trustee money or Government Obligations as described and on the conditions set forth in the Indenture sufficient to pay at redemption or maturity principal of and interest on all Outstanding Bonds, and if the Company also pays all other sums then payable by the Company under the Indenture and the Loan Agreement with respect to the Bonds, the Indenture will be discharged with respect to the Bonds. After discharge, Owners must look only to the deposited money and securities for payment.

Amendment, Supplement, Waiver. Subject to certain exceptions set forth in the Indenture, the Bonds may be amended or supplemented, and any past default may be waived, only with the consent of the Majority of Owners of the Bonds. Notwithstanding the foregoing, only with the consent of the Owners of all the Bonds may the Indenture and the Bonds be amended to (i) change the terms of redemption or maturity of the principal of or the time of payment of interest on any Outstanding Bond or a reduction in the principal amount or Redemption Price of any Outstanding Bond or the rate of interest thereon, without the consent of the Owner of such Bond, or (ii) create a Lien upon the Trust Estate ranking prior to the Lien created by the Indenture, or (iii) permit a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) permit a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Indenture.

Defaults and Remedies. The Indenture provides that the occurrence of certain events constitute Events of Default. If an Event of Default occurs and is continuing, to the extent provided in the Indenture, the Trustee in certain instances must, and in other instances may (and at the direction of the Majority of Owners of the Bonds Outstanding shall), declare the principal of all the Bonds, as set forth in the Indenture, to be due and payable immediately. Any Event of Default and its consequences may be waived as provided in the Indenture. Owners may not enforce the Indenture or the Bonds except as provided in the Indenture. The Trustee may, in certain circumstances provided for in the Indenture, refuse to enforce the Indenture or the Bonds unless it receives indemnity satisfactory to it. Subject to certain limitations set forth in the Indenture, (a) the Majority of Owners may direct the Trustee in its exercise of any trust or power, and (b) the Majority of Owners may take all actions to enforce the provisions of the Indenture, the Loan Agreement, the Pledge and Assignment and the Guaranty.

Miscellaneous. If money for the payment of principal, premium or interest with respect to this Bond remains unclaimed for three years, and notice has been given as provided in the Indenture, the Trustee will pay the money to or for the account of the Company. Thereafter, the Owner must look only to the Company, and not to the Trustee or the Issuer, for payment, *provided, however*, that before being required to make any such payment to the Company, the Trustee shall (1) at least sixty (60) days prior to the payment of such unclaimed moneys to the Company give notice to any Owner who has not presented a Bond for payment on the date upon which unclaimed money will be paid to the Company, and (2) at the expense of the Company, cause to be published at least twice, at an interval of not less than seven days between publications, in an Authorized Newspaper in Schenectady, New York, and New York, New York, notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than ten (10) nor more than twenty (20) days after the date of first publication of such notice, the balance of such moneys then unclaimed will be returned to the Company. The Trustee shall, by first class mail, also send copies of any such notice to at least two registered securities depositories and the S&P Called Bond Index.

Reference is hereby made to the Bond Documents, copies of which are on file with the Trustee, for the provisions, among others, under which additional series of Bonds may be issued under the Indenture and with respect to the nature and extent of the rights, duties and obligations of the Issuer, the Trustee, the Company, and the Owners. The Owner, by its acceptance of this Bond, is deemed to have agreed and consented to the terms and provisions of the foregoing documents. The abbreviated statement in this Bond of the provisions governing interest, redemption, security and all

other matters is subject in all respects to the complete statement of such terms in the foregoing documents.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by New York law and that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Issuer, do not exceed or violate any constitutional or statutory limitations of the State of New York.

This Bond shall not be valid or obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the authentication certificate endorsed hereon.

IN WITNESS WHEREOF, BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION has caused this Bond to be executed in its name by the manual or facsimile signature of its Authorized Representative.

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION

By: _____
Authorized Representative

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture.

**MANUFACTURERS AND TRADERS, TRUST
COMPANY, as Trustee**

By: _____
Authorized Officer

Date of Authentication

ASSIGNMENT FOR TRANSFER

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto:

(Name and Address of Assignee)

Social Security or Other Identifying Number of Assignee

the within Bond and does hereby irrevocably constitute and appoint to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

NOTICE: The signature(s) on this assignment must correspond with the names as it (they) appear(s) on the face of the within Bond in every particular.

In the presence of:

EXHIBIT B

FORM OF SERIES 2011B BOND

No. RB-

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011B**

Annual Interest Rate	Maturity Date	Bond Date	CUSIP
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REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit corporation constituting a local development corporation existing under the laws of the State of New York, having an office for the transaction of business at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, but only from the sources hereafter named, in lawful money of the United States of America to the Registered Owner named above (or registered assigns) on the Maturity Date set forth above, unless this Bond shall have been duly called for prior redemption and payment of the Redemption Price shall have been made or provided for, upon surrender hereof at the Office of Trustee (as defined in the Indenture referred to below) of Manufacturers and Traders Trust Company, Buffalo, New York, the Principal Amount stated above, and to pay interest thereon at the rate stated hereon from the date hereof, semiannually on each April 1 and October 1 after the date hereof, beginning April 1, 2012 (each, an "*Interest Payment Date*"), until payment of said Principal Amount has been made or provided for. The interest so payable on any applicable Interest Payment Date will be paid to the person in whose name this Bond is registered on the bond register maintained by the Trustee (the "*Owner*") at the close of business on the fifteenth (15th) calendar day of the month (regardless of whether such day is a Business Day) (the "*Record Date*") immediately preceding the relevant Interest Payment Date. Any such interest which is not deposited with the Trustee on or before any such Interest Payment Date shall forthwith cease to be payable to the Owner hereof on the Record Date, and shall be paid to the Owner hereof on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee as provided in the Indenture (as hereinafter defined). Notice of such Special Record Date shall be given to registered Owners not less than fifteen (15) days prior to such Special Record Date.

Interest will be paid on each Interest Payment Date, and the Redemption Price of Bonds with respect to any Sinking Fund Redemption will be paid on any Redemption Date (as hereinafter provided), by check mailed by the Trustee to the Owners at the addresses shown on the bond register maintained by the Trustee or, in lieu of a check and: (i) if so requested before a Record Date by an Owner of at least \$1,000,000 in principal amount of the Bonds (as hereinafter defined) as determined under the terms of the Indenture, or (ii) for any Bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), by wire transfer to an account in a bank located in the United States of America designated by such Owner.

This Bond is a special, limited obligation of the Issuer payable as to principal or Redemption Price and interest solely from, and enforceable only against, the Loan Payments (as hereinafter defined) (other than the Issuer’s Unassigned Rights (as hereinafter defined)) payable by Buffalo State College Foundation Housing Corporation, a New York not-for-profit corporation (the “Company”), under the Loan Agreement (as hereinafter defined), and certain other moneys available therefor as provided in the Indenture, and there shall be no recourse against the Issuer or any other property now or hereafter owned by it.

NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, IS OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE, IF ANY, OF OR INTEREST ON, THE BONDS. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE ISSUER PLEDGED UNDER THE INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE INDENTURE FOR THE PAYMENT OF THE BONDS. THE BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

This Bond is one of the Issuer’s \$410,000 Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B (the “*Series 2011B Bonds*”) issued under the Trust Indenture dated as of June 1, 2011 (which Indenture as from time to time amended and supplemented is herein referred to as the “*Indenture*”), duly executed and delivered by the Issuer to Manufacturers and Traders Trust Company, as trustee (said Trustee and any successor thereto under the Indenture being herein collectively called the “*Trustee*”). The Series 2011B Bonds are issued together with the Issuer’s \$43,875,000 Revenue Bonds (Buffalo State College Housing Corporation Project), Series 2011A (the “*Series 2011A Bonds*” and, together with the Series 2011B Bonds, the “*Bonds*”). Capitalized terms used but not defined herein are defined in the Indenture and the definitions used in the Indenture are incorporated herein by reference.

The Bonds are being issued in connection with a loan by the Issuer to the Company to defease Outstanding Prior Bonds originally issued to finance a project undertaken by the Company consisting of the construction and equipping of the approximately 225,000 square foot student housing complex consisting of approximately 507 beds, together with related infrastructure improvements located at Letchworth Street and Grant Street on the campus of Buffalo State College located at Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York.

The Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Indenture. The Bonds are further secured by (i) a pledge and assignment dated as of June 1, 2011, from the Issuer to the Trustee with the acknowledgment of the Company, which Pledge and Assignment assigns to the Trustee certain of the Issuer's rights under the Loan Agreement; (ii) a Guaranty Agreement dated as of June 1, 2011, from the Company to the Trustee; and (iii) a Leasehold Mortgage and Security Agreement dated as of June 1, 2011, from the Company to the Issuer and assigned to the Trustee, secured by the Company's interest in the Project. Reference is hereby made to the Indenture, the Loan Agreement, the Pledge and Assignment, the Guaranty and the Mortgage, and to all amendments and supplements thereto (copies of which are and will be on file at the principal corporate trust office of the Trustee) for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Trustee and the Owners of the Bonds and the terms upon which the Bonds are issued and secured.

Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months. If any payment on this Bond is due on a non-Business Day, it will be made on the next Business Day, and no additional interest will accrue as a result.

REDEMPTION OF BONDS

Extraordinary Redemption Without Premium. The Bonds are subject to redemption prior to maturity (1) as a whole, without premium, in the event of (a) a taking in Condemnation of, or failure of title to, all or substantially all of the Project, (b) damage to or destruction of part or all of the Project and the election by the Company to redeem the Bonds, or (c) a taking in Condemnation of part of the Project and election by the Company to redeem the Bonds; (2) as a whole, without premium, in the event that any court or administrative body shall enter a judgment or decree requiring the Company to cease all or any substantial part of its operations at the Project; or (3) in part, without premium, in the event that (i) excess moneys remain in the Insurance and Condemnation Fund following damage or Condemnation of a portion of the Project and completion of the repair, rebuilding or restoration of the Project by the Company, and (ii) such excess moneys are not paid to the Company. In any such event, the Bonds shall be redeemed, as a whole or in part, as the case may be, in the manner provided in the Indenture, on the earliest practicable date for which the Trustee can give notice of redemption at a Redemption Price equal to the principal amount thereof, plus accrued interest to the Redemption Date, without premium.

Procedures for Redemption. In the event of any partial redemption, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee not more than sixty (60) days prior to the Redemption Date in inverse order of maturity, and within each maturity by lot or by such other method as the Trustee shall deem fair and appropriate. The Trustee shall apply any partial redemption payments made with respect to any Bonds subject to mandatory Sinking Fund Installments (other than scheduled mandatory sinking fund redemption) to the schedule of mandatory Sinking Fund Installments for such Bonds in inverse order of maturity. Further, the Trustee may provide for the selection of redemption of portions (equal to \$5,000 or any integral multiple of \$5,000 in excess thereof) of Bonds. In no event shall the principal amount of Bonds subject to any partial redemption be other than a whole multiple of \$5,000.

When Bonds are to be redeemed, the Trustee shall give written notice to the Bondowners in the name of the Issuer, which notice shall identify the Bonds to be redeemed, state the date fixed for redemption and specify the Office of the Trustee at which such Bonds will be redeemed. The notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof together with interest accrued to the Redemption Date, and that moneys therefor having been deposited with the Trustee, from and after such date, interest thereon shall cease to accrue and that the Bonds or portions thereof called for redemption shall cease to be entitled to any benefit under the Indenture except the right to receive payment of the Redemption Price, together with interest accrued to the Redemption Date. If at the time of mailing of notice of any optional redemption there shall not have been deposited moneys in the Bond Fund available for payment sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of the redemption moneys in the Bond Fund available for payment not later than the opening of business on the Redemption Date, in which case such notice shall be of no effect unless moneys are so deposited.

All such notices shall be given not less than thirty (30) days prior nor more than sixty (60) days prior to the date fixed for redemption. Failure to mail notice to a particular Bondowner, or any defect in the notice to such Bondowner, shall not affect the redemption of any other Bond.

Authorized Denominations; Transfer; Exchange. The Bonds are in registered form in minimum denominations of \$5,000 and integral multiples of \$5,000 in excess thereof (“*Authorized Denominations*”). An Owner may transfer or exchange Bonds in accordance with the Indenture. In connection with such transfer or exchange, the Trustee may require an Owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law (but no other charges). The Trustee need not transfer or exchange any Bond during the period beginning fifteen (15) days before mailing a notice of redemption of such Bond and ending on the Redemption Date.

Discharge Before Redemption or Maturity. If the Company at any time deposits with the Trustee money or Government Obligations as described and on the conditions set forth in the Indenture sufficient to pay at redemption or maturity principal of and interest on all Outstanding Bonds, and if the Company also pays all other sums then payable by the Company under the Indenture and the Loan Agreement with respect to the Bonds, the Indenture will be discharged with respect to the Bonds. After discharge, Owners must look only to the deposited money and securities for payment.

Amendment, Supplement, Waiver. Subject to certain exceptions set forth in the Indenture, the Bonds may be amended or supplemented, and any past default may be waived, only with the consent of the Majority of Owners of the Bonds. Notwithstanding the foregoing, only with the consent of the Owners of all the Bonds may the Indenture and the Bonds be amended to (i) change the terms of redemption or maturity of the principal of or the time of payment of interest on any Outstanding Bond or a reduction in the principal amount or Redemption Price of any Outstanding Bond or the rate of interest thereon, without the consent of the Owner of such Bond, or (ii) create a Lien upon the Trust Estate ranking prior to the Lien created by the Indenture, or (iii) permit a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) permit a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Indenture.

Defaults and Remedies. The Indenture provides that the occurrence of certain events constitute Events of Default. If an Event of Default occurs and is continuing, to the extent provided in the Indenture, the Trustee in certain instances must, and in other instances may (and at the direction of the Majority of Owners of the Bonds Outstanding shall), declare the principal of all the Bonds, as set forth in the Indenture, to be due and payable immediately. Any Event of Default and its consequences may be waived as provided in the Indenture. Owners may not enforce the Indenture or the Bonds except as provided in the Indenture. The Trustee may, in certain circumstances provided for in the Indenture, refuse to enforce the Indenture or the Bonds unless it receives indemnity satisfactory to it. Subject to certain limitations set forth in the Indenture, (a) the Majority of Owners may direct the Trustee in its exercise of any trust or power, and (b) the Majority of Owners may take all actions to enforce the provisions of the Indenture, the Loan Agreement, the Pledge and Assignment and the Guaranty.

Miscellaneous. If money for the payment of principal, premium or interest with respect to this Bond remains unclaimed for three years, and notice has been given as provided in the Indenture, the Trustee will pay the money to or for the account of the Company. Thereafter, the Owner must look only to the Company, and not to the Trustee or the Issuer, for payment, *provided, however*, that before being required to make any such payment to the Company, the Trustee shall (1) at least sixty (60) days prior to the payment of such unclaimed moneys to the Company give notice to any Owner who has not presented a Bond for payment on the date upon which unclaimed money will be paid to the Company, and (2) at the expense of the Company, cause to be published at least twice, at an interval of not less than seven days between publications, in an Authorized Newspaper in Schenectady, New York, and New York, New York, notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than ten (10) nor more than twenty (20) days after the date of first publication of such notice, the balance of such moneys then unclaimed will be returned to the Company. The Trustee shall, by first class mail, also send copies of any such notice to at least two registered securities depositories and the S&P Called Bond Index.

Reference is hereby made to the Bond Documents, copies of which are on file with the Trustee, for the provisions, among others, under which additional series of Bonds may be issued under the Indenture and with respect to the nature and extent of the rights, duties and obligations of the Issuer, the Trustee, the Company, and the Owners. The Owner, by its acceptance of this Bond, is deemed to have agreed and consented to the terms and provisions of the foregoing documents. The abbreviated statement in this Bond of the provisions governing interest, redemption, security and all other matters is subject in all respects to the complete statement of such terms in the foregoing documents.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by New York law and that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Issuer, do not exceed or violate any constitutional or statutory limitations of the State of New York.

This Bond shall not be valid or obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the authentication certificate endorsed hereon.

IN WITNESS WHEREOF, BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION has caused this Bond to be executed in its name by the manual or facsimile signature of its Authorized Representative.

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION

By: _____
Authorized Representative

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture.

**MANUFACTURERS AND TRADERS, TRUST
COMPANY, as Trustee**

By: _____
Authorized Officer

Date of Authentication

ASSIGNMENT FOR TRANSFER

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto:

(Name and Address of Assignee)

Social Security or Other Identifying Number of Assignee

the within Bond and does hereby irrevocably constitute and appoint to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

NOTICE: The signature(s) on this assignment must correspond with the names as it (they) appear(s) on the face of the within Bond in every particular.

In the presence of:

EXHIBIT C

COSTS OF ISSUANCE FUND REQUISITION NO. _____

TO: Manufacturers and Traders Trust Company, as Trustee under the Trust Indenture dated as of June 1, 2011 (the “*Indenture*”), between the Buffalo and Erie County Industrial Land Development Corporation and such Trustee

This requisition is made pursuant to Section 4.4 of the Indenture. Terms used in this requisition shall have the meanings specified for them in the Indenture. The Trustee is hereby authorized and directed to make payment from the Costs of Issuance Fund as specified herein.

Buffalo State College Foundation Housing Corporation hereby certifies as follows:

(i) Name and Address of Person to whom payment is to be made.

(ii) Amount to be paid. \$ _____

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

By: _____
Name: _____
Title: _____

EXHIBIT D

CONSTRUCTION FUND REQUISITION NO. _____

Date: _____, 2011

To: Manufacturers and Traders Trust Company, as Trustee
One M&T Plaza
Buffalo, New York 14203

Re: Buffalo and Erie County Industrial Land Development Corporation \$43,875,000
Revenue Bonds (Buffalo State College Housing Foundation Corporation Project),
Series 2011A

Ladies and Gentlemen:

You are hereby authorized and directed to make a disbursement from the Construction Fund under the Trust Indenture dated as of June 1, 2011 (as amended and supplemented, the "*Indenture*"), between Buffalo and Erie County Industrial Land Development Corporation and you, as trustee (the "*Trustee*") in the amount of \$ _____ in accordance with Section 4.5 of the Indenture. Capitalized terms used herein have the meaning given to them in Schedule A of the Indenture.

(i) Name(s) and address(es) of the person(s) to whom payment is to be made, and the amount to be paid to each:

Payee	Amount	Purpose
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(ii) With respect to the obligation(s) referred to above, the undersigned, an Authorized Representative of the Company, hereby certifies that:

- (A) all of the items for which disbursement is requested have been completed correctly and accurately;
- (B) the disbursement hereby requested is for a proper expenditure of Bond Proceeds pursuant to the Indenture and Tax Compliance Agreement;

- (C) with respect to items covered in this requisition, the undersigned has no knowledge of any vendors', mechanics' or other liens, bailment leases, conditional sale contracts, security interests or laborers' claims which should be satisfied or discharged before the payments as requisitioned are made or which will not be discharged by such payment;
- (D) none of the items for which this requisition is made has been the basis for any prior disbursement of proceeds of any of the Initial Bonds, Prior Tax-Exempt Bonds or Prior Taxable Bonds;
- (E) all Persons furnishing materials to, or performing work on, the Project have been paid to date or will be fully paid to date from the proceeds of this requisition;
- (F) the undisbursed Bond Proceeds are sufficient to complete the acquisition, construction and equipping of the Project in accordance with the Plans and Specifications
- (G) the amount hereby requested has been paid or is to be paid or shall be paid from the monies requested and that insofar as the payment is for work, materials, supplies, or equipment, the work has been performed and the materials, supplies or equipment have been installed in the Project or have been delivered either at the Project or at a proper place for fabrication and are covered by adequate insurance; and
- (H) there exists no Event of Default under any of the Bond Documents.

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

By: _____
 Name: _____
 Its: _____

SCHEDULE A

SCHEDULE OF DEFINITIONS

“*Acknowledgment*” means the Acknowledgment by the Company of the Pledge and Assignment.

“*Act*” means Section 1411 of the Not-for-Profit Corporation Law of the State of New York and Resolution Nos. 218 and 295 of 2009 and 5-3 (2010) of the Erie County Legislature, each as amended to date.

“*Additional Bonds*” means any bonds issued by the Issuer pursuant to Section 2.12 of this Indenture.

“*Agency Obligations*” means obligations of any agency or corporation which has been or may hereafter be created pursuant to an act of Congress as an agency or instrumentality of the United States, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Mortgage Association, Student Loan Marketing Association, Farm Credit System, Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank and the Bank for Cooperatives.

“*Annual Budget*” means the annual budget for operation of the Project prepared by the College and approved by the Management Committee pursuant to the Facility Management Agreement.

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

“*Architect*” means Cannon Design, Inc., its successors and/or assigns.

“*Assignment of Agreements*” means the Assignment of Agreements dated as of June 1, 2011, by the Company to the Trustee, as amended or supplemented from time to time.

“*Assignment of Mortgage*” means the Assignment of Mortgage dated as of June 16, 2011, by the Issuer.

“*Assignment of Rents*” means Assignment of Rents and Leases dated as of June 1, 2011, from the Company to the Trustee, as amended or supplemented from time to time.

“*Association*” means the Buffalo State Alumni Association, Inc., a not-for-profit corporation incorporated under the laws of the State.

“*Authorized Denomination*” means \$5,000 or any integral multiple of \$5,000 in excess thereof, except that if as a result of redemption partially redeemed Bonds cannot be authenticated in such denominations, such partially redeemed Bonds shall be authenticated in such other denominations to the extent required to effect such redemption.

“*Authorized Representative*” or “*Authorized Officer*” means the Persons or Persons at the time designated to act on behalf of the Issuer or the Company, as the case may be, by written Certificate furnished to the Trustee containing the specimen signature of each such Person and signed on behalf of (A) the Issuer by its Chair, Vice Chair, Chief Executive Officer, Chief Operating Officer, Assistant Treasurer, Treasurer and/or Chief Financial Officer, or other officer designated by the Chair, and (B) the Company by its President, Treasurer or any Vice President, or such other Person as may be authorized by the President of the Company to act on behalf of the Company.

“*Bankruptcy Code*” means the United States Bankruptcy Code, as amended from time to time.

“*Bond*” or “*Bonds*” means the Series 2011A Bonds and the Series 2011B Bonds, together with any Additional Bonds.

“*Bond Counsel*” means the law firm of Hiscock & Barclay, LLP, or such other attorney or firm of attorneys located in the State whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and who is acceptable to the Issuer.

“*Bond Documents*” means the Bond Purchase Agreement, the Indenture, the Loan Agreement, the Tax Compliance Agreement, the Pledge and Assignment, the Guaranty, the Mortgage, the Assignment of Rents, the Assignment of Agreements, the Continuing Disclosure Agreement and the Official Statement.

“*Bond Fund*” means the fund so designated and created pursuant to Section 4.1 of this Indenture.

“*Bondowners*,” “*Bondholders*,” “*Owners*” or words of similar import means the registered owner of any Bond as indicated on the bond register maintained by the Bond Registrar.

“*Bond Payment Date*” means any date on which a Debt Service Payment shall be due on any of the Bonds so long as the Bonds shall be Outstanding.

“*Bond Proceeds*” means the proceeds of the sale of the Bonds, including any accrued interest, paid to the Trustee on behalf of the Issuer by the purchasers from time to time of the Bonds as the purchase price of the Bonds.

“*Bond Purchase Agreement*” means the Bond Purchase Agreement dated May 26, 2011, by and among the Issuer, the Company and the Underwriter.

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

“*Bond Resolution*” means the resolutions of the Issuer adopted on December 14, 2009 and March 21, 2011, authorizing the Issuer to issue and sell the Initial Bonds and to execute and deliver the Bond Documents to which the Issuer is a party.

“*Bond Year*” shall have the meaning assigned thereto in the Tax Compliance Agreement.

“*Book Entry Only System*” means the system of registration described in Section 2.3(c) of the Indenture.

“*Business Day*” means any day of the year, other than a Saturday or Sunday, on which commercial banks located in the city or cities in which are located the principal corporate trust offices of the Trustee and the New York Stock Exchange is not required or authorized to remain closed.

“*Capital Reserves*” means all necessary reserves for the capital repair, replacement, alteration or improvement of the Project.

“*Certificate*” means a certificate or report, in form and substance satisfactory to the Issuer and the Trustee, executed: (i) in the case of an Issuer Certificate, by an Authorized Representative of the Issuer; (ii) in the case of a Company Certificate, by an Authorized Representative of the Company; and (iii) in the case of a Certificate of any other Person, by such Person, if an individual, and otherwise by an officer, member, partner or other authorized representative of such Person; *provided that* in no event shall any individual be permitted to execute any Certificate in more than one capacity.

“*Certificate of Authentication of the Trustee*” and “*Trustee’s Certificate of Authentication*” means the certificate executed by an authorized officer of the Trustee certifying the due authentication of the Bonds in the aggregate principal amount of \$44,285,000.

“*Closing Date*” means June 16, 2011.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Treasury Department promulgated thereunder.

“*College*” means Buffalo State College.

“*College Expense*” means (i) all payroll costs for on-site staff, including wages, salary, incentive bonuses, holiday and vacation pay, insurance benefits, workers’ compensation premiums or allocable costs for self-insurance of such matters, pension and health and welfare payments, payroll taxes and other governmental assessments so long as such salary and wage costs and benefits conform to the approved Annual Budget or are otherwise approved in writing by the Company; (ii) any backcharge by the College for or with respect to any utilities supplied by the College to the Project; and (iii) costs of non-capital maintenance and repairs at the Project. To the extent that any on-site staff member devotes less than full time (*i.e.*, forty (40) hours per week) to the Project, the expenses identified in clause (i) in the immediately preceding sentence with respect to such employee shall be allocated pro rata based upon the amount of time such employee devotes exclusively to the Project.

“*Company*” means Buffalo State College Foundation Housing Corporation, a not-for-profit corporation incorporated under the laws of the State.

“*Company Documents*” means the Sublease, the Facility Management Agreement, the SUNY Agreement, the Loan Agreement, the Mortgage, the Guaranty, the Assignment of Rents, the Assignment of Agreements, the Bond Purchase Agreement, the Tax Compliance Agreement, the Environmental Compliance and Indemnification Agreement, the Acknowledgment and the other documents, certificates and instruments executed and delivered by the Company in connection with the issuance of the Bonds.

“*Computation Period*” means “Computation Period” as defined in the Tax Compliance Agreement.

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

“*Completion Certificate*” means the certificate executed by an Authorized Officer of the Company in accordance with Section 4.5 of the Indenture.

“*Construction Fund*” means the fund established under Section 4.1 of this Indenture.

“*Continuing Disclosure Agreement*” means the Continuing Disclosure Agreement dated as of June 1, 2011, by and between the Company and the Trustee, as amended or supplemented from time to time.

“*Cost*” or “*Costs*” means all those costs and items of expense relating to (i) the cost of preparing the Plans and Specifications (including any preliminary study or planning of the Project or any aspect thereof); (ii) all costs of constructing, reconstructing and equipping the Project (including architectural, engineering and supervisory services with respect to the Project); (iii) all fees, taxes, charges and other expenses for recording or filing, as the case may be, the Bond Documents, any other agreement contemplated thereby and any financing statements that the Issuer and the Trustee may deem desirable in order to perfect or protect the Issuer’s or the Company’s respective interest in the Project, and any security interests contemplated by the Bond Documents; (iv) all fees and expenses in connection with any actions or proceedings that the Issuer or the Trustee may deem desirable in order to perfect or protect the Issuer’s, the Trustee’s or the Company’s respective interest in the Project; (v) eligible working capital costs; (vi) all legal, accounting and any other fees, costs and expenses incurred in connection with the preparation, printing, reproduction, authorization, issuance, execution, sale and distribution of the Bonds and the Bond Documents and all other documents in connection herewith or therewith, with the acquisition of a leasehold or fee simple interest in the Project and with any other transaction contemplated by the Loan Agreement or the other Bond Documents; (vii) the administrative fee, if any, of the Issuer and the Trustee; (viii) all appraisal and survey costs; (ix) eligible or approved soft costs contemplated by the Bond Documents and all other documents in connection therewith; and (xi) reimbursement to the Company for any of the above-enumerated costs and expenses.

“*Costs of Issuance Fund*” means the fund so designated and created pursuant to Section 4.1 of this Indenture.

“Costs of the Project” means all those costs and items of expense relating to (i) the cost of preparing the Plans and Specifications (including any preliminary study or planning of the Project or any aspect thereof); (ii) all costs of constructing, reconstructing and equipping the Project (including architectural, engineering and supervisory services with respect to the Project); (iii) all fees, taxes, charges and other expenses for recording or filing, as the case may be, the Bond Documents or the documents relating to the Outstanding Prior Bonds, any other agreement contemplated thereby and any financing statements to perfect or protect the Issuer’s or the Company’s respective interest in the Project, and any security interests contemplated by the Bond Documents or the documents relating to the Outstanding Prior Bonds; (iv) all fees and expenses in connection with any actions or proceedings that the Issuer or the Trustee may deem desirable in order to perfect or protect the Issuer’s, the Trustee’s or the Company’s respective interest in the Project; (v) eligible working capital costs; (vi) all legal, accounting and any other fees, costs and expenses incurred in connection with the preparation, printing, reproduction, authorization, issuance, execution, sale and distribution of the Bonds and the Bond Documents and all other documents in connection herewith or therewith or of the Outstanding Prior Bonds and the documents relating thereto, with the acquisition of a leasehold or fee simple interest in the Project and with any other transaction contemplated by the Loan Agreement or the other Bond Documents or by the documents relating to the Outstanding Prior Bonds; (vii) the administrative fee, if any, of the Issuer and the Trustee; (viii) all appraisal and survey costs; (ix) eligible or approved soft costs contemplated by the Bond Documents, all other documents in connection therewith or the documents relating to the Outstanding Prior Bonds; and (xi) reimbursement to the Company for any of the above-enumerated costs and expenses.

“Debt Service Coverage Ratio” means, with respect to any Fiscal Year, the ratio of aggregate Project Revenues during such Fiscal Year to the sum of Debt Service Payments, Capital Reserves payments, Operating Expense payments, all non-deferred College Expense payments and all other payments required to be made pursuant to the Principal Agreements during such Fiscal Year.

“Debt Service Payment” means, with respect to any Bond Payment Date, (i) the interest payable on such Bond Payment Date on all Bonds then Outstanding, plus (ii) the principal of, or Redemption Price of, or Sinking Fund Installments payable on, all Bonds on such Bond Payment Date.

“Default” means any Event of Default under either this Indenture or the Loan Agreement or any event or condition which, with the giving of notice or the passage of time or both, would constitute an Event of Default under either this Indenture or the Loan Agreement.

“DTC” means Depository Trust Company.

“Environmental Compliance and Indemnification Agreement” means the Environmental Compliance and Indemnification Agreement dated as of June 1, 2011 by the Company in favor of the Issuer and the Trustee, as amended or supplemented from time to time.

“Equipment” means all furniture, furnishings, machinery and other tangible personal property in and around the Improvements and financed in whole or in part with proceeds of the Outstanding Prior Bonds.

“*Event of Bankruptcy*” means the filing of a petition in bankruptcy or the filing of a proceeding under the United States Bankruptcy Code or any other applicable insolvency, reorganization or bankruptcy law by or against the Company, any affiliates thereof, any guarantor of the Bonds or the Issuer, as debtor.

“*Event of Default*” with respect to the Loan Agreement, has the meaning given to such term in Section 30(a) thereof and with respect to this Indenture, Section 8.1 hereof.

“*Extraordinary Services*” and “*Extraordinary Expenses*” means all services rendered and all expenses incurred by the Trustee or any Paying Agent under the Indenture other than Ordinary Services and Ordinary Expenses, including reasonable fees and disbursements of Trustee’s counsel.

“*Facility Management Agreement*” means that certain Facility Management Agreement, dated as of July 1, 2009, by and between the Company and SUNY, as amended or supplemented from time to time.

“*Fiscal Year*” means the twelve (12) month period beginning on July 1 in any year or such other fiscal year as the Company may select from time to time.

“*Governmental Authority*” means the United States of America, the State, any other state or any political subdivision of any of them, and any agency, department, commission, board, bureau or instrumentality of any of them, having jurisdiction over the Issuer, the Trustee, the Company or the Project.

“*Government Obligations*” means (i) direct obligations of the United States of America or (ii) obligations, the full and timely payment of the principal and interest of which are guaranteed by the United States of America, which are not subject to redemption by the issuer thereof prior to their stated redemption.

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

“*Gross Proceeds*” means one hundred percent (100%) of the proceeds of the transaction with respect to which such term is used, including, but not limited to, the settlement of any insurance claim or Condemnation award.

“*Gross Revenues*” means all Project Revenues, issues, profits, revenues, income, receipts, moneys and royalties derived from all license, lease or rental arrangements for dormitory rooms in the Project, operating revenues and gains from or relating to the Project, determined in accordance with generally accepted accounting principles, including Federal or State grant or other programs, insurance and Condemnation payments and awards and amounts received under the SUNY Agreement and Facility Management Agreement, and also including investment income on all funds and accounts (except the Rebate Fund) held by the Trustee under the Indenture, and all proceeds

thereof and rights to receive the same, but excluding (i) any Restricted Gift, or (ii) any income derived from the investment of any such Restricted Gift.

“*Ground Lease*” means that certain Ground Lease dated as of July 1, 2009, by and between SUNY and the Association with respect to the Land, as amended or supplemented from time to time.

“*Guaranty*” means the Guaranty Agreement dated as of June 1, 2011, from the Company to the Trustee, as amended or supplemented from time to time.

“*Holder*” or “*Holder of Bonds*” means Bondowner.

“*Improvements*” means the approximately 225,000 square foot student housing complex consisting of approximately 507 beds, together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements.

“*Indebtedness*” means, for any Person, without duplication: (a) all indebtedness of such Person for borrowed money, for amounts drawn under a letter of credit (other than letters of credit collateralized by cash or cash equivalents, but only to the extent of the amount of such cash or cash equivalents), or for the deferred purchase price of property for which such Person or its assets is liable, (b) all outstanding amounts under a loan agreement, letter of credit (other than letters of credit collateralized by cash or cash equivalents, but only to the extent of the amount of such cash or cash equivalents), or other credit facility, (c) all amounts required to be paid by such Person as a guaranteed payment to partners, members (or other equity holders) or a preferred or special dividend, including any mandatory redemption of shares or interests, (d) all obligations under leases that constitute capital leases for which such Person is liable, (e) all obligations of such Person under interest rate swaps, caps, floors, collars and other interest hedge agreements, in each case whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss, and (f) all Indebtedness referred to in clauses (a), (b), (c), (d) or (e) above guaranteed directly or indirectly in any manner by such Person.

“*Indenture*” means the Trust Indenture dated as of June 1, 2011, by and between the Issuer and the Trustee, entered into in connection with the issuance, sale, delivery and payment of the Bonds and the security therefor as amended or supplemented from time to time.

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

“*Information Report*” means Form 8038 used by the issuers of certain tax-exempt bonds to provide the Internal Revenue Service with the information required.

“*Initial Bond*” or “*Initial Bonds*” means the Series 2011A Bonds and the Series 2011B Bonds.

“*Interest Account*” means the account established in the Bond Fund pursuant to Section 4.1 of this Indenture.

“Interest Payment Date” means April 1 and October 1 of each year, commencing April 1, 2012.

“Issuer” means the (i) Buffalo and Erie County Industrial Land Development Corporation, its successors and assigns, and (ii) any local development corporation resulting from or surviving any consolidation or merger to which the Issuer or its successors may be a party.

“Issuer Documents” means the Bond Purchase Agreement, the Bonds, the Indenture, the Loan Agreement, the Pledge and Assignment, the Assignment of Mortgage, the Tax Compliance Agreement and the Information Report.

“Issuer Fee” means the fee payable to the Issuer attributable to the issuance of the Bonds, as more particularly described in Schedule A attached to the Loan Agreement and made a part thereof.

“Land” means the approximately 3.9 acres of land located at the corner of Letchworth Street and Grant Street on the College’s campus located at Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York, as more particularly described in Exhibit A to the Mortgage.

“Lien” means any interest in Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including, but not limited to, the security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” includes reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions and other similar title exceptions and encumbrances, including, but not limited to, mechanics’, materialmen’s, warehousemen’s, carriers’ and other similar encumbrances, affecting real property. For the purposes of this definition, a Person shall be deemed to be the owner of any Property that 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 June 1, 2011, between the Issuer and the Company, as amended or supplemented from time to time.

“Loan Payments” means the loan payments payable by the Company pursuant to Section 7(a) of the Loan Agreement.

“Majority of Owners” means the Owners of more than fifty percent (50%) of the principal amount of all Outstanding Bonds as evidenced by an instrument or instruments executed by said Owners in accordance with the Indenture, and received by the Trustee. Unless an Event of Default has occurred and is continuing or the context requires otherwise, the Company shall be responsible for obtaining any such instruments from a Majority of Owners.

“Management Committee” has the meaning given to such term in the Facility Management Agreement.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the

functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated in writing by the Company.

“*Mortgage*” means the Leasehold Mortgage and Security Agreement dated as of June 1, 2011, granted by the Company to the Issuer, as amended or supplemented from time to time.

“*Mortgaged Property*” means the real and personal property described in Section 2.01 of the Mortgage and subject to the Lien created thereby.

“*Net Proceeds*” means so much of the Gross Proceeds with respect to which that term is used as remain after payment of all expenses, costs and taxes (including attorneys’ fees) incurred in obtaining such Gross Proceeds.

“*Office of the Trustee*” means the principal corporate trust office of the Trustee as specified in the Indenture or at such other address as Trustee shall designate.

“*Official Statement*” means the Official Statement dated May 26, 2011, delivered in connection with the offering and sale of the Initial Bonds.

“*Operating Account*” means the account established by the Company pursuant to Section 10(c) of the Loan Agreement.

“*Operating Expense*” means the aggregate of the following expenses incurred in connection with or arising from the ownership, operation, management, repair, maintenance and use or occupancy of the Project: (i) license and permit fees, real estate taxes, assessments and payments in lieu thereof, and any other charges of any kind or nature imposed or assessed against the Project by any Governmental Authority; (ii) legal, accounting, engineering and other professional and consulting fees and disbursements; (iii) accounts payable to third-party contractors and vendors providing labor, material, services and equipment to the Project; (iv) premiums for insurance paid with respect to the Project or the operations thereof; (v) costs of capital maintenance, repairs, reserves and replacements of any equipment dedicated to the Project; (vi) service contracts and public utility charges not supplied by the College to the Project; and (vii) costs of credit reports, bank charges and like matters. For purposes of the Bond Documents, Operating Expenses shall include College Expenses.

“*Operation and Maintenance Fund*” means the fund so designated and created pursuant to Section 4.1 of this Indenture.

“*Opinion of Bond Counsel*” means an approving legal opinion given by Bond Counsel with respect to the validity, binding nature and enforceability of the Bonds.

“*Opinion of Counsel*” means a written opinion of counsel who is acceptable to the Issuer and the Trustee. In rendering any such written opinion, counsel may rely upon certificates from appropriate individuals with respect to relevant factual matters, *provided that* nothing has come to their attention which would lead them to believe that any of the representations contained in any such Certificate are inaccurate in any respect.

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

“*Outstanding*” or “*Bonds Outstanding*” or “*Outstanding Bonds*” mean all Bonds that have been authenticated by the Trustee and delivered by the Issuer under the Indenture, or any Supplemental Indenture, except: (a) any Bond cancelled by the Trustee because of payment or redemption prior to maturity; (b) any Bond deemed paid in accordance with the provisions of Section 3.1 of the Indenture, except that any such Bond shall be considered Outstanding until the maturity date thereof only for the purposes of being exchanged or registered; (c) any Bond for the redemption of which there has been separately set aside and held in the Bond Fund moneys in an amount sufficient to effect payment of the principal and applicable Redemption Price thereof, together with accrued interest on such Bond to the Redemption Date, in accordance with Section 3.1(f) of the Indenture, (d) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Article II of the Indenture, unless proof satisfactory to the Trustee is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been authenticated and delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State as amended, in which case both the Bond so substituted and replaced and the Bond or Bonds so authenticated and delivered in lieu thereof or in substitution therefor shall be deemed Outstanding.

“*Outstanding Prior Bonds*” means the Prior Tax-Exempt Bonds and the Prior Taxable Bonds.

“*Owner*” means the registered owner of any Bond as shown on the registration books maintained by the Bond Registrar pursuant to the Indenture. For so long as the Bonds are held by DTC, the registered owner shall be Cede & Co.

“*Parity Bonds*” means the Initial Bonds and any series of Additional Bonds issued on parity with the Initial Bonds and any other series of Additional Bonds, if any, subsequently issued under this Indenture.

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

“*Permitted Encumbrances*” means when used in connection with the Project any of the following:

- (i) The Lien of taxes and assessments which are not delinquent;
- (ii) The Lien of taxes and assessments which are delinquent, but the validity of which is being contested in good faith in accordance with the Loan Agreement;
- (iii) Minor defects and irregularities in the title to such property which do not in the aggregate materially impair the use of such property for the purposes for which it is or may be reasonably be expected to be held;

(iv) Easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of such property for the purposes for which it is or may be reasonably be expected to be held;

(v) The Mortgage, the Assignment of Rents and the Assignment of Agreements;

(vi) Security interests, Liens and other encumbrances to secure the purchase price of any equipment or furnishings, and any other Liens, pledges, charges and encumbrances;

(vii) Any instrument recorded pursuant to Section 21 of the Loan Agreement; and

(viii) Such other encumbrances, defects, and irregularities to which the prior written consent of the Issuer and the Trustee has been obtained.

“Permitted Investments” has the meaning given to such term in Section 4.19 of the Indenture.

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

“Plans and Specifications” means the plans and specifications for the Improvements prepared for the Company, as revised from time to time.

“Pledge and Assignment” means the Pledge and Assignment with Acknowledgment dated as of June 1, 2011, from the Issuer to the Trustee with the Acknowledgment, as amended or supplemented from time to time.

“Pledged Revenue Fund” means the fund so designated and created pursuant to Section 4.1 of this Indenture

“Pledged Revenues” means (i) Gross Revenues and all amounts payable by, or on behalf of, the Company pursuant to the Company Documents, including all Loan Payments made or to be made under the Loan Agreement (except payments made with respect to the Unassigned Rights), (B) all payments received by the Trustee from or on behalf of the Company, (C) all other amounts pledged to the Trustee by the Issuer or the Company to secure the Bonds or performance of their respective obligations under the Loan Agreement and the Indenture, (D) the Net Proceeds (except proceeds with respect to the Unassigned Rights) of insurance and Condemnation awards with respect to the Project, (E) the Net Proceeds received by the Trustee with respect to any other collateral granted to the Trustee to secure the Bonds, (F) all moneys and investments held from time to time in each fund and account established under the Indenture, and investment income thereon, except (1) for moneys and investments held by the Rebate Fund, (2) moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of which has been duly given, and (3) as specifically otherwise provided, and (G) all other moneys received or held by the Trustee for the benefit of the Holders of Bonds pursuant to the Indenture. Notwithstanding anything to the contrary, amounts held in the

Rebate Fund shall **not** be considered Pledged Revenues and shall not be subject to the Lien of the Indenture, and amounts held therein shall not secure any amount payable on the Bonds.

“*Preliminary Official Statement*” means the Preliminary Official Statement dated May 18, 2011, delivered in connection with the offering and sale of the Initial Bonds.

“*Principal Account*” means the account established in the Bond Fund pursuant to Section 4.1 of this Indenture.

“*Principal Agreements*” means the Indenture, the Ground Lease, the Sublease and the Loan Agreement.

“*Principal User*” means a principal user as that term is defined in the Tax Compliance Agreement.

“*Prior Tax-Exempt Bonds*” means, collectively, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-2, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1, and the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2.

“*Prior Taxable Bonds*” means the Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-3 and the Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-4.

“*Prior Trustee*” means Manufacturers and Traders Trust Company, as trustee of the Outstanding Prior Bonds.

“*Project*” means the Land, the Improvements and the Equipment.

“*Project Bonds*” has the meaning given to such term in Section 2.12 of this Indenture.

“*Project Revenues*” means license fees and other charges to be paid by the occupants of the Project..

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

“*Rating Agency*” means Standard & Poor’s and any of its successors or assigns.

“*Rebate Amount*” means with respect to the Bonds, the amount computed as described in the Tax Compliance Agreement.

“*Rebate Fund*” means the Fund so designated pursuant to Section 4.1 of the Indenture.

“*Record Date*” means the close of business on the fifteenth (15th) day of the calendar month next preceding an Interest Payment Date.

“*Redemption Account*” means the account established in the Bond Fund pursuant to Section 4.1 of this Indenture.

“*Redemption Date*” means, when used with respect to a Bond, the date upon which a Bond is scheduled to be redeemed pursuant to the Indenture.

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

“*Refunding Bonds*” has the meaning given to such term in Section 2.12 of this Indenture.

“*Related Person*” means with respect to any Principal User, a Person who is a related person as determined in Section 144(a)(3) of the Code by reference to Sections 267, 707(b) and 1563(a) of the Code, except that fifty percent (50%) is substituted for eighty percent (80%) in Section 1563(a).

“*Repair and Replacement Fund*” means the Fund so designated pursuant to Section 4.8 of the Indenture.

“*Repair and Replacement Fund Requirement*” means \$4,600,000 and shall initially be funded in Fiscal Years ended June 30, 2012 through June 30, 2017 in the amounts set forth in Schedule B.

“*Restricted Gift*” means, when used in connection with the Project, any gift, grant or bequest of money or other property made or given by any person the use of which has been restricted by such person to paying any cost or expense of the Project.

“*Schedule of Definitions*” means the words and terms set forth in this Schedule of Definitions attached to this Indenture, as amended or supplemented from time to time.

“*Security Documents*” means the Guaranty, the Mortgage, the Assignments of Rents and the Assignment of Agreements.

“*Series 2011A Bonds*” means the Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000.

“*Series 2011B Bonds*” means the Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000.

“*Sinking Fund Installments*” means the mandatory sinking fund installments payable by the Company pursuant to Section 3.1(b) hereof.

“*Standard & Poor’s*” means Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc., its successors and assigns, and, if such rating agency shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally-recognized securities rating agency designated in writing by the Company.

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

“*Stated Maturity*” means, when used with respect to any Bond or any installment of interest thereon, the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest on such Bond is due and payable.

“*Sublease*” means that certain Sublease Agreement dated as of July 1, 2009, between the Association and the Company, as amended or supplemented from time to time in accordance with its terms.

“*Subordinate Bonds*” means any series of Additional Bonds issued pursuant to a Supplemental Indenture that provides that such series of Bonds is subordinate to the Parity Bonds and the Lien of the Indenture and Trust Estate securing any Parity Bonds.

“*Supplemental Indenture*” means any indenture amending or supplementing this Indenture which may be entered into in accordance with this Indenture.

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

“*SUNY Agreement*” means that certain Agreement dated as of June 1, 2011, by and between the Company and SUNY, as amended or supplemented from time to time.

“*Surplus Fund*” means the Fund so designated pursuant to Section 4.1 of the Indenture.

“*Tax Compliance Agreement*” means the Tax Compliance Agreement dated the Closing Date executed by the Company and the Issuer regarding, among other things, the restrictions prescribed by the Code in order for interest on the Series 2011A Bonds to remain excludable from gross income for federal income tax purposes.

“*Title Policy*” means leasehold mortgagee title policy issued by Stewart Title Company to the Issuer and the Trustee, as of the Closing Date.

“*Transfer Date*” means September 25 (or if not a Business Day, the next succeeding Business Day) and March 25 (or if not a Business Day, the next succeeding Business Day), commencing September 25, 2011.

“*Trustee*” means Manufacturers and Traders Trust Company, a banking corporation organized and existing under the laws of the State of New York, having an office for the transaction

of business located at One M&T Plaza, 7th Floor, Buffalo, New York 14203, or any successor trustee or co-trustee acting as trustee under this Indenture.

“*Trust Estate*” means all Property which may from time to time be subject to a Lien in favor of the Trustee created by the Indenture or any other Issuer Document.

“*UCC*” means the State Uniform Commercial Code as amended from time to time.

“*Unassigned Rights*” means:

(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 Company to complete the Project;

(iv) the right of the Issuer to enforce or otherwise exercise in its own behalf all agreements of the Company with respect to ensuring that the Project shall always constitute a qualified “project” as defined in and as contemplated by the Act;

(v) the right of the Issuer to require any indemnity from any Person;

(vi) 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 2, 3, 4, 5, 6, 7(a)(i), (vi), (vii), and (viii), 7(c), 15, 16, 17, 18, 20, 22, 23, 24, 25, 26, 27, 29, 30, 36, 37, 39, 40, 41 and 44 of the Loan Agreement; and

(vii) the right of the Issuer in its own behalf to declare an Event of Default under Section 30 of the Loan Agreement or with respect to any of the Issuer’s Unassigned Rights.

Notwithstanding the preceding sentence, to the extent the obligations of the Company under the Sections of the Loan Agreement listed above do not relate to the payment of moneys to the Issuer for its own account or to the members, officers, agents and employees of the Issuer for their own account, such obligations, upon assignment of the Loan Agreement by the Issuer to the Trustee pursuant to the Assignment, shall be deemed to and shall constitute obligations of the Company to the Issuer and the Trustee, jointly and severally, and either the Issuer or the Trustee may commence an action to enforce the Company’s obligations under the Loan Agreement.

“*Underwriter*” means M&T Securities, Inc., as original purchaser of the Initial Bonds on the Closing Date.

SCHEDULE B

ANNUAL REPAIR AND REPLACEMENT FUND REQUIREMENT

Fiscal Year Ended June 30,	Annual Amount	Cumulative Requirement
2012	\$600,000	\$600,000
2013	\$600,000	\$1,200,000
2014	\$700,000	\$1,900,000
2015	\$800,000	\$2,700,000
2016	\$900,000	\$3,600,000
2017	\$1,000,000	\$4,600,000

ERIE COUNTY CLERK'S OFFICE



County Clerk's Recording Page

Return to:

HISCOCK&BARCLAY LLP
ONE PARK PL
300 STATE ST
SYRACUSE, NY 13202

Book Type: D Book: 11204 Page: 7028
Page Count: 10
Doc Type: ASGN&PLEDGE
Rec Date: 06/17/2011
Rec Tim: 10:29:07 AM
Control #: 2011127281
UserID: Loretta
Receipt#: 11088579
Document Sequence Number

Party 1:

BUFFALO&ERIE COUNTY INDSUTRIAL
LAND DEVELOPMENT CORPORATION

Party 2:

MANUFACTURERS&TRADERS TRUST
COMPANY TR

Consideration Amount:

BASIC	0
SONYMA	0
ADDL	0
NFTA MT	\$0.00
TRANSFER	\$0.00
NFTA TT	\$0.00

Recording Fees:

Fee 1	\$70.00
Fee 2	\$1.00
COE STATE \$14.25 GEN	\$14.25
COE STATE \$4.75 RM	\$4.75

Total: \$90.00

STATE OF NEW YORK
ERIE COUNTY CLERK'S OFFICE

WARNING – THIS SHEET CONSTITUTES THE CLERK'S ENDORSEMENT REQUIRED BY SECTION 319&316-a (5) OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK. DO NOT DETACH. THIS IS NOT A BILL.

Interim John J. Crangle, Jr.
COUNTY CLERK

Record and Return to:
Susan R. Katzoff, Esq.
Hiscock & Barclay, LLP
One Park Place
300 South State Street
Syracuse, New York 13202

PLEDGE AND ASSIGNMENT

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION**

to

MANUFACTURERS AND TRADERS TRUST COMPANY
as Trustee

with acknowledgment thereof by

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION

Dated as of June 1, 2011

relating to

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION**

**\$43,875,000,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING
CORPORATION PROJECT), SERIES 2011A**

**\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING
CORPORATION PROJECT), SERIES 2011B**

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7/11-9

PLEDGE AND ASSIGNMENT

THIS PLEDGE AND ASSIGNMENT dated as of June 1, 2011 (as amended or supplemented from time to time, the "*Pledge and Assignment*") is from Buffalo and Erie County Industrial Land Development Corporation, a not-for-profit corporation constituting a local development corporation organized under the laws of the State of New York, having an office for the transaction of business located at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*") to Manufacturers and Traders Trust Company, a banking corporation organized under the laws of the State of New York having an office for the transaction of business located at One M&T Plaza, 7th Floor, Buffalo, New York 14203, as trustee (the "*Trustee*") for the holders of the Issuer's Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "*Series 2011A Bonds*") and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Bonds*") issued pursuant to a certain Trust Indenture dated as of June 1, 2011 (as amended and supplemented from time to time, the "*Indenture*"), by and between the Issuer and the Trustee.

All capitalized terms used herein, unless otherwise defined, shall have the meaning ascribed to such terms in Schedule "A" attached to the Indenture.

For value received, the receipt of which is hereby acknowledged, the Issuer hereby grants to the Trustee a security interest in and pledges, assigns, transfers and sets over to the Trustee any and all moneys due or to become due and any and all other rights and remedies of the Issuer under or arising out of a Loan Agreement, dated as of June 1, 2011 (as amended or modified from time to time, the "*Loan Agreement*"), between the Issuer and the Company, covering the Project located on the Land more fully described in Schedule A hereto (except for Unassigned Rights and except for moneys and investments from time to time in the Rebate Fund).

The Trustee shall not have any obligation, duty or liability under the Loan Agreement except as specifically set forth therein and accepted pursuant to the Acceptance herewith, nor shall the Trustee be required or obligated in any manner to fulfill or perform any obligation, covenant, term or condition of the Issuer thereunder or to make any inquiry as to the nature or sufficiency of any payment received by it, or to present or file any claim, or to take any other action to collect or enforce the payment of any amounts that may have been assigned to it or to which it may be entitled hereunder at any time or times.

The Issuer hereby irrevocably constitutes and appoints the Trustee, its true and lawful attorney, with power of substitution for the Issuer and in the name of the Issuer or in the name of the Trustee, as the case may be, or otherwise, for the use and benefit of the Trustee to ask, demand, require, receive, collect, compound and give discharges and releases of all claims for any and all moneys due or to become due under or arising out of the Loan Agreement (except for Unassigned Rights and except for moneys and investments from time to time in the Rebate Fund) and to endorse any checks and other instruments or orders in connection therewith, and, if any Event of Default specified in the Indenture shall occur, on and subject to the Indenture and

the Loan Agreement (a) to settle, compromise, compound and adjust any such claims, except for claims arising pursuant to the Unassigned Rights, (b) to exercise and enforce any and all claims, rights, powers and remedies of the Issuer under or arising out of the Loan Agreement (except for Unassigned Rights and except for moneys and investments from time to time in the Rebate Fund), (c) to file, commence and prosecute any suits, actions and proceedings at law or in equity in any court of competent jurisdiction to collect any such sums assigned to the Trustee hereunder and to enforce any rights in respect thereto and all other claims, rights, powers and remedies of the Issuer under or arising out of the Loan Agreement (except for Unassigned Rights and except for moneys and investments from time to time in the Rebate Fund), and (d) generally to sell, assign, transfer, pledge, make any agreement with respect to and otherwise deal with any of such claims, rights, powers and remedies as fully and completely as though the Trustee were the absolute owner thereof for all purposes, and at such times and in such manner as may seem to the Trustee to be necessary or advisable in its absolute discretion.

The Issuer further agrees that at any time and from time to time, upon the written request of the Trustee and at the sole cost and expense of the Company, the Issuer will promptly and duly execute and deliver any and all such further instruments and documents as the Trustee may deem desirable in order to obtain the full benefit of this Pledge and Assignment and all rights and powers herein granted.

The Issuer hereby ratifies and confirms the Loan Agreement and does hereby warrant and represent (a) that the Loan Agreement is in full force and effect, (b) that the Issuer is not in default under the Loan Agreement, and (c) that the Issuer has not assigned or pledged, and hereby covenants that it will not assign or pledge, so long as this Pledge and Assignment shall remain in effect, the whole or any part of the moneys, rights or remedies hereby assigned to anyone other than the Trustee.

All moneys due and to become due to the Trustee under or pursuant to the Loan Agreement shall be paid directly to the Trustee.

All covenants, stipulations, promises, agreements and obligations of the Issuer contained in this Pledge and Assignment, the Indenture, the Bonds, the Loan Agreement and the other Issuer Documents shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, agent, servant or employee of the Issuer in his individual capacity, and no recourse under or upon any covenant, stipulation, promise, agreement or obligation in the Issuer Documents contained or otherwise based upon or in respect of the Issuer Documents, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future member, director, officer, agent, servant or employee, as such, of the Issuer or of any successor local development company or political subdivision or any Person executing the Issuer Documents on behalf of the Issuer, either directly or through the Issuer or any successor local development company or political subdivision or any Person executing the Issuer Documents on behalf of the Issuer, it being expressly understood that the Issuer Documents are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, any such member, director, officer, agent, servant or employee of the Issuer or of any successor local development company or political subdivision or any person executing the Issuer Documents on behalf of the Issuer because of the

creation of the indebtedness thereby authorized, or under or by reason of the covenants, stipulations, promises, agreements or obligations contained in the Issuer Documents or implied therefrom; and that any and all such personal liability of, and any and all such rights and claims against, every such member, director, officer, agent, servant or employee because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in the Issuer Documents or implied therefrom, are, to the extent permitted by law, expressly waived and released as a condition of, and as a consideration for, the execution of the Issuer Documents and the issuance of the Bonds.

The obligations and agreements of the Issuer contained herein shall not constitute or give rise to an obligation of the State of New York, Erie County, New York, or any political subdivision thereof, and the State of New York, Erie County, New York, or any political subdivision thereof, shall not be liable thereon, and further such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited obligations of the Issuer payable solely from the Loan Payments (except for Loan Payments derived by the Issuer with respect to the Unassigned Rights).

Notwithstanding any provision of this Pledge and Assignment to the contrary, no order or decree of specific performance with respect to any of the obligations of the Issuer hereunder shall be sought or enforced against the Issuer unless (i) the party seeking such order or decree shall first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Issuer shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, and (ii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Issuer an amount or undertaking which, in the sole discretion of the Issuer, is sufficient to cover such reasonable fees and expenses, and (iii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its expectation that it or any of its members, directors, officers, agents or employees shall be subject to potential liability, the party seeking such order or decree shall (A) agree to indemnify and hold harmless the Issuer and its members, directors, officers, agents and employees against any liability incurred as a result of its compliance with such demand, and (B) if requested by the Issuer, furnish to the Issuer security, which in the sole discretion of the Issuer, is sufficient to protect the Issuer and its members, directors, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request.

This Pledge and Assignment shall be binding upon the Issuer and its successors and assigns and shall inure to the benefit of the Trustee and its successors and assigns as Trustee for the benefit of the Owners of the Bonds.

The Issuer agrees that this Pledge and Assignment shall be recorded at the sole cost and expense of the Company in the Erie County Clerk's Office.

IN WITNESS WHEREOF, the Issuer has duly executed this Pledge and Assignment as of June 1, 2011.

**BUFFALO AND ERIE COUNTY
INDUSTRIAL LAND DEVELOPMENT
CORPORATION**

By: 
David W. Kerchoff, Assistant Treasurer

STATE OF NEW YORK)
) ss.:
COUNTY OF ERIE)

On the 15th day of June in the year 2011, before me, the undersigned, personally appeared **David W. Kerchoff**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.


NOTARY PUBLIC

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 011105055591
Commission Expires on Feb. 12, 20 14


**ACKNOWLEDGMENT OF ASSIGNMENT OF
ISSUER'S RIGHTS UNDER LOAN AGREEMENT**

The undersigned hereby acknowledges receipt of notice of the Pledge and Assignment by Buffalo and Erie County Industrial Land Development Corporation (the "*Issuer*") to Manufacturers and Traders Trust Company, as trustee (the "*Trustee*"), of all its respective rights and remedies under a certain Loan Agreement, dated as of June 1, 2011 (as amended or modified from time to time, the "*Loan Agreement*"), between the Issuer and the undersigned, including the right to collect and receive all amounts payable by the undersigned thereunder (except for Unassigned Rights and except for moneys and investments from time to time in the Rebate Fund). The undersigned, intending to be legally bound, hereby agrees with the Trustee (i) to pay or cause to be paid directly to the Trustee all sums due and to become due to the Trustee from the undersigned under the Loan Agreement (except for moneys payable pursuant to Unassigned Rights, without setoff, counterclaim or deduction for any reason whatsoever, except as otherwise provided in the Loan Agreement, (ii) except as otherwise provided in the Loan Agreement, not to seek to recover from the Trustee any moneys paid to it pursuant to the Loan Agreement, (iii) to perform for the benefit of the Trustee all of the duties, undertakings and obligations of the undersigned under the Loan Agreement (except for duties, undertakings and obligations relating to the Unassigned Rights), and (iv) that the Trustee shall not be obligated by reason of such assignment or otherwise to perform or be responsible for the performance of any of the duties, undertakings or obligations of the Issuer under the Loan Agreement. The foregoing shall not be construed, however, as a waiver or release of any claims or rights that the undersigned may at any time have against the Trustee or the Issuer, and the undersigned expressly reserves any such claims or rights and the right to pursue the same at law or in equity.

IN WITNESS WHEREOF, the undersigned has caused this Acknowledgment to be duly executed as of June 1, 2011.

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

By:



Ross B. Kenzie, President

STATE OF NEW YORK)

COUNTY OF ERIE)

ss.:

On the 3rd day of June in the year 2011, before me, the undersigned, personally appeared, **Ross B. Kenzie**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Barbara A. Barringer
NOTARY PUBLIC

Barbara A. Barringer
Notary Public
State of New York
Qualified in Erie County
My Commission Expires 10/6/2013

SCHEDULE "A"

LEGAL DESCRIPTION OF PROJECT

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, and State of New York, being part of Lot No. 184 of the Stevens Survey, bounded and described as follows:

BEGINNING at a point that intersects with the north line of Letchworth Street, 40 foot wide R.O.W. and the east line of Grant Street, 60 foot R.O.W.; thence northerly along the east line of Grant Street a distance of 611.13 feet to a point; thence easterly at an interior angle of 95°-04'-44" a distance of 259.90 feet to a point; thence southerly at an interior angle of 85°-03'-50" a distance of 605.06' feet to a point on the north line of Letchworth Street; thence westerly along the north line of Letchworth Street a distance of 262.01' to the point or place of beginning more or less.



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

CESAR A. PERALES
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

July 5, 2011

HISCOCK & BARCLAY LLP
ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE NY 13202

Attached is the acknowledgment copy of your recently submitted filing. This filing consists of a total of 3 pages; however, only the first page of the filed document is returned as part of this acknowledgment. This document has been filed with the New York State Department of State, Uniform Commercial Code Division.

The Financing Statement has been assigned Filing Number: 201106300354352, Filing Date: 06/30/2011 and is currently reflected in our automated database as follows:

Debtor's Name & Address

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
143 GENESEE STREET
BUFFALO NY 14203

Secured Party's Name & Address

MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE
ONE M&T PLAZA, 7TH FLOOR
BUFFALO NY 14203

This filing will lapse on 06/30/2041, unless continued. We encourage filers to take full advantage of the six-month window of opportunity in which to file a Financing Statement Amendment (Continuation). Submission of your documents at the onset of the six-month window will allow ample time to rectify potential filing errors and help to assure timely recording of your filing.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 474-4763, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 019595

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

019595

2011 JUN 30 AM 9:00

A. NAME & PHONE CONTACT AT FILER [optional]
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGEMENT TO: (Name and Address)

Hiscock & Barclay, LLP
One Park Place
300 South State Street
Syracuse, New York 13202
Attn: Susan R. Katzoff, Esq.

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
Buffalo and Erie County Industrial Land Development Corporation

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
143 Genesee Street Buffalo NY 14203

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION Not for profit corp. 1f. JURISDICTION OF ORGANIZATION NY 1g. ORGANIZATIONAL ID #, if any NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
Manufacturers and Traders Trust Company, as trustee

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
One M&T Plaza, 7th Floor Buffalo NY 14203

4. This FINANCING STATEMENT covers the following collateral:

The right, title and interest of the Debtor in the personal property described on Schedule A attached hereto granted pursuant to the Trust Indenture dated as of June 1, 2011.

5. ALTERNATIVE DESIGNATION (if applicable) LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [if applicable] All Debtors Debtor 1 Debtor 2 [ADDITIONAL FEE] [optional]

8. OPTIONAL FILER REFERENCE DATA
Indenture

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME		
OR Buffalo and Erie County Industrial Land Development Corporation		
9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME					
OR					
11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX		
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
11d. SEE INSTRUCTIONS Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any	

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME					
OR					
12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX		
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.

14. Description of real estate:

16. Additional collateral description:

See Schedule A attached hereto

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box.

- Debtor is a TRANSMITTING UTILITY
- Filed in connection with a Manufactured-Home Transaction — effective 30 years
- Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"
TO UCC-1 FINANCING STATEMENT
FROM BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION
TO MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE
RELATING TO TRUST INDENTURE

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (the "*Issuer*") has entered into a Trust Indenture dated as of June 1, 2011 (as amended and supplemented from time to time, the "*Indenture*") with Manufacturers and Traders Trust Company, as trustee (the "*Trustee*") for the holders of the Issuer's Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Bonds*"). Capitalized terms used but not defined herein shall have the meanings assigned thereto in Schedule A attached to the Indenture.

Pursuant to the Indenture, the Issuer assigned and granted a security interest in the following to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Issuer set forth in the Indenture:

(A) All right, title and interest of the Issuer in and to the Loan Agreement (except for the Unassigned Rights expressly retained by the Issuer), the present and continuing right to make claim for, collect, receive and receipt for any of the Pledged Revenues and other sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable thereunder or under the Indenture (except for amounts payable to the Issuer with respect to Unassigned Rights), the exclusive right to bring actions and proceedings thereunder or for the enforcement thereof (except as otherwise specifically provided with respect to Unassigned Rights), the right to grant consents and waivers, and to enter into amendments and to do any and all things which the Issuer is or may become entitled to do thereunder; (B) all right, title and interest of the Issuer in and to all money and securities from time to time held by the Trustee under the terms of the Indenture or credited to any fund or account established thereunder (other than any moneys or securities in the Rebate Fund); (C) any and all other Property of every name and nature from time to time by delivery or by writing of any kind granted, sold, conveyed, mortgaged, pledged, assigned or transferred or to which a Lien is granted, as and for additional security under the Indenture by the Issuer or by anyone on its behalf or with the written consent of Buffalo State College Foundation Housing Corporation, subject to the Unassigned Rights, in favor of the Trustee; and (D) any and all proceeds (including real property) acquired by the Issuer or the Trustee as a result of its exercise of any remedies under the Security Documents or the Loan Agreement.



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

CESAR A. PERALES
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

July 5, 2011

HISCOCK & BARCLAY LLP
ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE NY 13202

Attached is the acknowledgment copy of your recently submitted filing. This filing consists of a total of 4 pages; however, only the first page of the filed document is returned as part of this acknowledgment. This document has been filed with the New York State Department of State, Uniform Commercial Code Division.

The Financing Statement has been assigned Filing Number: 201106300354390, Filing Date: 06/30/2011 and is currently reflected in our automated database as follows:

Debtor's Name & Address

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
143 GENESEE STREET
BUFFALO NY 14203

Secured Party's Name & Address

MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE
ONE M&T PLAZA, 7TH FLOOR
BUFFALO NY 14203

This filing will lapse on 06/30/2041, unless continued. We encourage filers to take full advantage of the six-month window of opportunity in which to file a Financing Statement Amendment (Continuation). Submission of your documents at the onset of the six-month window will allow ample time to rectify potential filing errors and help to assure timely recording of your filing.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 474-4763, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 019597

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

019597

2011 JUN 30 AM 9:00

A. NAME & PHONE CONTACT AT FILER [optional]
Lori McRobbie (315) 425-2798

B. SEND ACKNOWLEDGEMENT TO: (Name and Address)

Hiscock & Barclay, LLP
One Park Place
300 South State Street
Syracuse, New York 13202
Attn: Susan R. Katzoff, Esq.

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
Buffalo and Erie County Industrial Land Development Corporation

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
143 Genesee Street Buffalo NY 14203

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any
Not for profit corp. NY NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any
 NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
Manufacturers and Traders Trust Company, as trustee

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
One M&T Plaza, 7th Floor Buffalo NY 14203

4. This FINANCING STATEMENT covers the following collateral:

All right, title and interest of the Debtor in the personal property described on Schedule A attached hereto granted pursuant to the Pledge and Assignment dated as of June 1, 2011.

5. ALTERNATIVE DESIGNATION (if applicable) LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [if applicable] All Debtors Debtor 1 Debtor 2 [optional] [ADDITIONAL FEE]

8. OPTIONAL FILER REFERENCE DATA
Pledge and Assignment

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME		
OR Buffalo and Erie County Industrial Land Development Corporation		
9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME				
OR				
11b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
11d. <u>SEE INSTRUCTIONS</u> Not Applicable		ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION
				11g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME				
OR				
12b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE
				COUNTRY

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.

14. Description of real estate:

16. Additional collateral description:

See Schedule A attached hereto

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.

Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box.

- Debtor is a TRANSMITTING UTILITY
- Filed in connection with a Manufactured-Home Transaction — effective 30 years
- Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"
TO UCC-1 FINANCING STATEMENT
FROM BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION
TO MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE
RELATING TO PLEDGE AND ASSIGNMENT

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (the "*Issuer*") has entered into a Pledge and Assignment dated as of June 1, 2011 (as amended and supplemented from time to time, the "*Pledge and Assignment*") in favor of **MANUFACTURERS AND TRADERS TRUST COMPANY**, as trustee (the "*Trustee*") for the holders of the Issuer's Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000, the "*Series 2011A Bonds*") and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Bonds*"). Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Pledge and Assignment.

Pursuant to the Pledge and Assignment, Issuer granted to the Trustee a security interest in and pledged, assigned, transferred and set over to the Trustee any and all moneys due or to become due and any and all other rights and remedies of the Issuer under or arising out of a Loan Agreement dated as of June 1, 2011 (as amended or modified from time to time, the "*Loan Agreement*"), between the Issuer and the Company, covering the Project located on the Land more fully described in Schedule A hereto (except for Unassigned Rights and except for moneys and investments from time to time in the Rebate Fund).

SCHEDULE A

LEGAL DESCRIPTION OF LAND

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, and State of New York, being part of Lot No. 184 of the Stevens Survey, bounded and described as follows:

BEGINNING at a point that intersects with the north line of Letchworth Street, 40 foot wide R.O.W. and the east line of Grant Street, 60 foot R.O.W.; thence northerly along the east line of Grant Street a distance of 611.13 feet to a point; thence easterly at an interior angle of $95^{\circ}-04'-44''$ a distance of 259.90 feet to a point; thence southerly at an interior angle of $85^{\circ}-03'-50''$ a distance of 605.06' feet to a point on the north line of Letchworth Street; thence westerly along the north line of Letchworth Street a distance of 262.01' to the point or place of beginning more or less.

No. RA-1

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

Annual Interest Rate	Maturity Date	Bond Date	CUSIP
3.000%	October 1, 2012	June 16, 2011	11943K AL6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED SIXTY THOUSAND DOLLARS (\$260,000)

THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit corporation constituting a local development corporation existing under the laws of the State of New York, having an office for the transaction of business at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, but only from the sources hereafter named, in lawful money of the United States of America to the Registered Owner named above (or registered assigns) on the Maturity Date set forth above, unless this Bond shall have been duly called for prior redemption and payment of the Redemption Price shall have been made or provided for, upon surrender hereof at the Office of Trustee (as defined in the Indenture referred to below) of Manufacturers and Traders Trust Company, Buffalo, New York, the Principal Amount stated above, and to pay interest thereon at the rate stated hereon from the date hereof, semiannually on each April 1 and October 1 after the date hereof, beginning April 1, 2012 (each, an "*Interest Payment Date*"), until payment of said Principal Amount has been made or provided for. The interest so payable on any applicable Interest Payment Date will be paid to the person in whose name this Bond is registered on the bond register maintained by the Trustee (the "*Owner*") at the close of business on the fifteenth (15th) calendar day of the month (regardless of whether such day is a Business Day) (the "*Record Date*") immediately preceding the relevant Interest Payment Date. Any such interest which is not deposited with the Trustee on or before any such Interest Payment Date shall forthwith cease to be payable to the Owner hereof on the Record Date, and shall be paid to the Owner hereof on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee as provided in the Indenture (as hereinafter defined). Notice of such Special Record Date shall be given to registered Owners not less than fifteen (15) days prior to such Special Record Date.

No. RA-2

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

Annual Interest Rate	Maturity Date	Bond Date	CUSIP
3.000%	October 1, 2013	June 16, 2011	11943K AM4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SIX HUNDRED EIGHTY-FIVE THOUSAND DOLLARS
(\$685,000)

THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit corporation constituting a local development corporation existing under the laws of the State of New York, having an office for the transaction of business at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, but only from the sources hereafter named, in lawful money of the United States of America to the Registered Owner named above (or registered assigns) on the Maturity Date set forth above, unless this Bond shall have been duly called for prior redemption and payment of the Redemption Price shall have been made or provided for, upon surrender hereof at the Office of Trustee (as defined in the Indenture referred to below) of Manufacturers and Traders Trust Company, Buffalo, New York, the Principal Amount stated above, and to pay interest thereon at the rate stated hereon from the date hereof, semiannually on each April 1 and October 1 after the date hereof, beginning April 1, 2012 (each, an "*Interest Payment Date*"), until payment of said Principal Amount has been made or provided for. The interest so payable on any applicable Interest Payment Date will be paid to the person in whose name this Bond is registered on the bond register maintained by the Trustee (the "*Owner*") at the close of business on the fifteenth (15th) calendar day of the month (regardless of whether such day is a Business Day) (the "*Record Date*") immediately preceding the relevant Interest Payment Date. Any such interest which is not deposited with the Trustee on or before any such Interest Payment Date shall forthwith cease to be payable to the Owner hereof on the Record Date, and shall be paid to the Owner hereof on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee as provided in the Indenture (as hereinafter defined). Notice of such Special Record Date shall be given to registered Owners not less than fifteen (15) days prior to such Special Record Date.

No. RA-3

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

Annual Interest Rate	Maturity Date	Bond Date	CUSIP
3.000%	October 1, 2014	June 16, 2011	11943K AN2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVEN HUNDRED FIVE THOUSAND DOLLARS (\$705,000)

THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit corporation constituting a local development corporation existing under the laws of the State of New York, having an office for the transaction of business at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, but only from the sources hereafter named, in lawful money of the United States of America to the Registered Owner named above (or registered assigns) on the Maturity Date set forth above, unless this Bond shall have been duly called for prior redemption and payment of the Redemption Price shall have been made or provided for, upon surrender hereof at the Office of Trustee (as defined in the Indenture referred to below) of Manufacturers and Traders Trust Company, Buffalo, New York, the Principal Amount stated above, and to pay interest thereon at the rate stated hereon from the date hereof, semiannually on each April 1 and October 1 after the date hereof, beginning April 1, 2012 (each, an "*Interest Payment Date*"), until payment of said Principal Amount has been made or provided for. The interest so payable on any applicable Interest Payment Date will be paid to the person in whose name this Bond is registered on the bond register maintained by the Trustee (the "*Owner*") at the close of business on the fifteenth (15th) calendar day of the month (regardless of whether such day is a Business Day) (the "*Record Date*") immediately preceding the relevant Interest Payment Date. Any such interest which is not deposited with the Trustee on or before any such Interest Payment Date shall forthwith cease to be payable to the Owner hereof on the Record Date, and shall be paid to the Owner hereof on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee as provided in the Indenture (as hereinafter defined). Notice of such Special Record Date shall be given to registered Owners not less than fifteen (15) days prior to such Special Record Date.

No. RA-4

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A

Annual Interest Rate	Maturity Date	Bond Date	CUSIP
3.000%	October 1, 2015	June 16, 2011	11943K AP7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVEN HUNDRED TWENTY-FIVE THOUSAND DOLLARS
(\$725,000)

THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit corporation constituting a local development corporation existing under the laws of the State of New York, having an office for the transaction of business at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, but only from the sources hereafter named, in lawful money of the United States of America to the Registered Owner named above (or registered assigns) on the Maturity Date set forth above, unless this Bond shall have been duly called for prior redemption and payment of the Redemption Price shall have been made or provided for, upon surrender hereof at the Office of Trustee (as defined in the Indenture referred to below) of Manufacturers and Traders Trust Company, Buffalo, New York, the Principal Amount stated above, and to pay interest thereon at the rate stated hereon from the date hereof, semiannually on each April 1 and October 1 after the date hereof, beginning April 1, 2012 (each, an "*Interest Payment Date*"), until payment of said Principal Amount has been made or provided for. The interest so payable on any applicable Interest Payment Date will be paid to the person in whose name this Bond is registered on the bond register maintained by the Trustee (the "*Owner*") at the close of business on the fifteenth (15th) calendar day of the month (regardless of whether such day is a Business Day) (the "*Record Date*") immediately preceding the relevant Interest Payment Date. Any such interest which is not deposited with the Trustee on or before any such Interest Payment Date shall forthwith cease to be payable to the Owner hereof on the Record Date, and shall be paid to the Owner hereof on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee as provided in the Indenture (as hereinafter defined). Notice of such Special Record Date shall be given to registered Owners not less than fifteen (15) days prior to such Special Record Date.

No. RA-5

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

Annual Interest Rate	Maturity Date	Bond Date	CUSIP
4.000%	October 1, 2016	June 16, 2011	11943K AQ5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVEN HUNDRED FIFTY THOUSAND DOLLARS (\$750,000)

THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit corporation constituting a local development corporation existing under the laws of the State of New York, having an office for the transaction of business at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, but only from the sources hereafter named, in lawful money of the United States of America to the Registered Owner named above (or registered assigns) on the Maturity Date set forth above, unless this Bond shall have been duly called for prior redemption and payment of the Redemption Price shall have been made or provided for, upon surrender hereof at the Office of Trustee (as defined in the Indenture referred to below) of Manufacturers and Traders Trust Company, Buffalo, New York, the Principal Amount stated above, and to pay interest thereon at the rate stated hereon from the date hereof, semiannually on each April 1 and October 1 after the date hereof, beginning April 1, 2012 (each, an "*Interest Payment Date*"), until payment of said Principal Amount has been made or provided for. The interest so payable on any applicable Interest Payment Date will be paid to the person in whose name this Bond is registered on the bond register maintained by the Trustee (the "*Owner*") at the close of business on the fifteenth (15th) calendar day of the month (regardless of whether such day is a Business Day) (the "*Record Date*") immediately preceding the relevant Interest Payment Date. Any such interest which is not deposited with the Trustee on or before any such Interest Payment Date shall forthwith cease to be payable to the Owner hereof on the Record Date, and shall be paid to the Owner hereof on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee as provided in the Indenture (as hereinafter defined). Notice of such Special Record Date shall be given to registered Owners not less than fifteen (15) days prior to such Special Record Date.

No. RA-6

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

Annual Interest Rate	Maturity Date	Bond Date	CUSIP
4.000%	October 1, 2017	June 16, 2011	11943K AR3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVEN HUNDRED EIGHTY THOUSAND DOLLARS
(\$780,000)

THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit corporation constituting a local development corporation existing under the laws of the State of New York, having an office for the transaction of business at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, but only from the sources hereafter named, in lawful money of the United States of America to the Registered Owner named above (or registered assigns) on the Maturity Date set forth above, unless this Bond shall have been duly called for prior redemption and payment of the Redemption Price shall have been made or provided for, upon surrender hereof at the Office of Trustee (as defined in the Indenture referred to below) of Manufacturers and Traders Trust Company, Buffalo, New York, the Principal Amount stated above, and to pay interest thereon at the rate stated hereon from the date hereof, semiannually on each April 1 and October 1 after the date hereof, beginning April 1, 2012 (each, an "*Interest Payment Date*"), until payment of said Principal Amount has been made or provided for. The interest so payable on any applicable Interest Payment Date will be paid to the person in whose name this Bond is registered on the bond register maintained by the Trustee (the "*Owner*") at the close of business on the fifteenth (15th) calendar day of the month (regardless of whether such day is a Business Day) (the "*Record Date*") immediately preceding the relevant Interest Payment Date. Any such interest which is not deposited with the Trustee on or before any such Interest Payment Date shall forthwith cease to be payable to the Owner hereof on the Record Date, and shall be paid to the Owner hereof on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee as provided in the Indenture (as hereinafter defined). Notice of such Special Record Date shall be given to registered Owners not less than fifteen (15) days prior to such Special Record Date.

No. RA-7

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

Annual Interest Rate	Maturity Date	Bond Date	CUSIP
5.000%	October 1, 2018	June 16, 2011	11943K AS1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: EIGHT HUNDRED TWENTY THOUSAND DOLLARS
(\$820,000)

THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit corporation constituting a local development corporation existing under the laws of the State of New York, having an office for the transaction of business at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, but only from the sources hereafter named, in lawful money of the United States of America to the Registered Owner named above (or registered assigns) on the Maturity Date set forth above, unless this Bond shall have been duly called for prior redemption and payment of the Redemption Price shall have been made or provided for, upon surrender hereof at the Office of Trustee (as defined in the Indenture referred to below) of Manufacturers and Traders Trust Company, Buffalo, New York, the Principal Amount stated above, and to pay interest thereon at the rate stated hereon from the date hereof, semiannually on each April 1 and October 1 after the date hereof, beginning April 1, 2012 (each, an "*Interest Payment Date*"), until payment of said Principal Amount has been made or provided for. The interest so payable on any applicable Interest Payment Date will be paid to the person in whose name this Bond is registered on the bond register maintained by the Trustee (the "*Owner*") at the close of business on the fifteenth (15th) calendar day of the month (regardless of whether such day is a Business Day) (the "*Record Date*") immediately preceding the relevant Interest Payment Date. Any such interest which is not deposited with the Trustee on or before any such Interest Payment Date shall forthwith cease to be payable to the Owner hereof on the Record Date, and shall be paid to the Owner hereof on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee as provided in the Indenture (as hereinafter defined). Notice of such Special Record Date shall be given to registered Owners not less than fifteen (15) days prior to such Special Record Date.

No. RA-8

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

Annual Interest Rate	Maturity Date	Bond Date	CUSIP
5.000%	October 1, 2019	June 16, 2011	11943K AT9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: EIGHT HUNDRED SIXTY THOUSAND DOLLARS (\$860,000)

THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit corporation constituting a local development corporation existing under the laws of the State of New York, having an office for the transaction of business at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, but only from the sources hereafter named, in lawful money of the United States of America to the Registered Owner named above (or registered assigns) on the Maturity Date set forth above, unless this Bond shall have been duly called for prior redemption and payment of the Redemption Price shall have been made or provided for, upon surrender hereof at the Office of Trustee (as defined in the Indenture referred to below) of Manufacturers and Traders Trust Company, Buffalo, New York, the Principal Amount stated above, and to pay interest thereon at the rate stated hereon from the date hereof, semiannually on each April 1 and October 1 after the date hereof, beginning April 1, 2012 (each, an "*Interest Payment Date*"), until payment of said Principal Amount has been made or provided for. The interest so payable on any applicable Interest Payment Date will be paid to the person in whose name this Bond is registered on the bond register maintained by the Trustee (the "*Owner*") at the close of business on the fifteenth (15th) calendar day of the month (regardless of whether such day is a Business Day) (the "*Record Date*") immediately preceding the relevant Interest Payment Date. Any such interest which is not deposited with the Trustee on or before any such Interest Payment Date shall forthwith cease to be payable to the Owner hereof on the Record Date, and shall be paid to the Owner hereof on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee as provided in the Indenture (as hereinafter defined). Notice of such Special Record Date shall be given to registered Owners not less than fifteen (15) days prior to such Special Record Date.

No. RA-9

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

Annual Interest Rate	Maturity Date	Bond Date	CUSIP
5.000%	October 1, 2020	June 16, 2011	11943K AU6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: NINE HUNDRED FIVE THOUSAND DOLLARS (\$905,000)

THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit corporation constituting a local development corporation existing under the laws of the State of New York, having an office for the transaction of business at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, but only from the sources hereafter named, in lawful money of the United States of America to the Registered Owner named above (or registered assigns) on the Maturity Date set forth above, unless this Bond shall have been duly called for prior redemption and payment of the Redemption Price shall have been made or provided for, upon surrender hereof at the Office of Trustee (as defined in the Indenture referred to below) of Manufacturers and Traders Trust Company, Buffalo, New York, the Principal Amount stated above, and to pay interest thereon at the rate stated hereon from the date hereof, semiannually on each April 1 and October 1 after the date hereof, beginning April 1, 2012 (each, an "*Interest Payment Date*"), until payment of said Principal Amount has been made or provided for. The interest so payable on any applicable Interest Payment Date will be paid to the person in whose name this Bond is registered on the bond register maintained by the Trustee (the "*Owner*") at the close of business on the fifteenth (15th) calendar day of the month (regardless of whether such day is a Business Day) (the "*Record Date*") immediately preceding the relevant Interest Payment Date. Any such interest which is not deposited with the Trustee on or before any such Interest Payment Date shall forthwith cease to be payable to the Owner hereof on the Record Date, and shall be paid to the Owner hereof on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee as provided in the Indenture (as hereinafter defined). Notice of such Special Record Date shall be given to registered Owners not less than fifteen (15) days prior to such Special Record Date.

No. RA-10

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

Annual Interest Rate	Maturity Date	Bond Date	CUSIP
5.000%	October 1, 2021	June 16, 2011	11943K AV4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: NINE HUNDRED FIFTY THOUSAND DOLLARS (\$950,000)

THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit corporation constituting a local development corporation existing under the laws of the State of New York, having an office for the transaction of business at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, but only from the sources hereafter named, in lawful money of the United States of America to the Registered Owner named above (or registered assigns) on the Maturity Date set forth above, unless this Bond shall have been duly called for prior redemption and payment of the Redemption Price shall have been made or provided for, upon surrender hereof at the Office of Trustee (as defined in the Indenture referred to below) of Manufacturers and Traders Trust Company, Buffalo, New York, the Principal Amount stated above, and to pay interest thereon at the rate stated hereon from the date hereof, semiannually on each April 1 and October 1 after the date hereof, beginning April 1, 2012 (each, an "*Interest Payment Date*"), until payment of said Principal Amount has been made or provided for. The interest so payable on any applicable Interest Payment Date will be paid to the person in whose name this Bond is registered on the bond register maintained by the Trustee (the "*Owner*") at the close of business on the fifteenth (15th) calendar day of the month (regardless of whether such day is a Business Day) (the "*Record Date*") immediately preceding the relevant Interest Payment Date. Any such interest which is not deposited with the Trustee on or before any such Interest Payment Date shall forthwith cease to be payable to the Owner hereof on the Record Date, and shall be paid to the Owner hereof on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee as provided in the Indenture (as hereinafter defined). Notice of such Special Record Date shall be given to registered Owners not less than fifteen (15) days prior to such Special Record Date.

No. RA-11

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

Annual Interest Rate	Maturity Date	Bond Date	CUSIP
5.750%	October 1, 2026	June 16, 2011	11943K AW2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FIVE MILLION SIX HUNDRED FORTY-FIVE THOUSAND DOLLARS (\$5,645,000)

THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit corporation constituting a local development corporation existing under the laws of the State of New York, having an office for the transaction of business at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, but only from the sources hereafter named, in lawful money of the United States of America to the Registered Owner named above (or registered assigns) on the Maturity Date set forth above, unless this Bond shall have been duly called for prior redemption and payment of the Redemption Price shall have been made or provided for, upon surrender hereof at the Office of Trustee (as defined in the Indenture referred to below) of Manufacturers and Traders Trust Company, Buffalo, New York, the Principal Amount stated above, and to pay interest thereon at the rate stated hereon from the date hereof, semiannually on each April 1 and October 1 after the date hereof, beginning April 1, 2012 (each, an "*Interest Payment Date*"), until payment of said Principal Amount has been made or provided for. The interest so payable on any applicable Interest Payment Date will be paid to the person in whose name this Bond is registered on the bond register maintained by the Trustee (the "*Owner*") at the close of business on the fifteenth (15th) calendar day of the month (regardless of whether such day is a Business Day) (the "*Record Date*") immediately preceding the relevant Interest Payment Date. Any such interest which is not deposited with the Trustee on or before any such Interest Payment Date shall forthwith cease to be payable to the Owner hereof on the Record Date, and shall be paid to the Owner hereof on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee as provided in the Indenture (as hereinafter defined). Notice of such Special Record Date shall be given to registered Owners not less than fifteen (15) days prior to such Special Record Date.

No. RA-12

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

Annual Interest Rate	Maturity Date	Bond Date	CUSIP
6.000%	October 1, 2031	June 16, 2011	11943K AX0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SEVEN MILLION FIVE HUNDRED SEVENTY-FIVE THOUSAND DOLLARS (\$7,575,000)

THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit corporation constituting a local development corporation existing under the laws of the State of New York, having an office for the transaction of business at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, but only from the sources hereafter named, in lawful money of the United States of America to the Registered Owner named above (or registered assigns) on the Maturity Date set forth above, unless this Bond shall have been duly called for prior redemption and payment of the Redemption Price shall have been made or provided for, upon surrender hereof at the Office of Trustee (as defined in the Indenture referred to below) of Manufacturers and Traders Trust Company, Buffalo, New York, the Principal Amount stated above, and to pay interest thereon at the rate stated hereon from the date hereof, semiannually on each April 1 and October 1 after the date hereof, beginning April 1, 2012 (each, an "*Interest Payment Date*"), until payment of said Principal Amount has been made or provided for. The interest so payable on any applicable Interest Payment Date will be paid to the person in whose name this Bond is registered on the bond register maintained by the Trustee (the "*Owner*") at the close of business on the fifteenth (15th) calendar day of the month (regardless of whether such day is a Business Day) (the "*Record Date*") immediately preceding the relevant Interest Payment Date. Any such interest which is not deposited with the Trustee on or before any such Interest Payment Date shall forthwith cease to be payable to the Owner hereof on the Record Date, and shall be paid to the Owner hereof on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee as provided in the Indenture (as hereinafter defined). Notice of such Special Record Date shall be given to registered Owners not less than fifteen (15) days prior to such Special Record Date.

No. RA-13

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

Annual Interest Rate	Maturity Date	Bond Date	CUSIP
5.375%	October 1, 2041	June 16, 2011	11943K AY8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWENTY-THREE MILLION TWO HUNDRED FIFTEEN THOUSAND DOLLARS (\$23,215,000)

THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit corporation constituting a local development corporation existing under the laws of the State of New York, having an office for the transaction of business at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, but only from the sources hereafter named, in lawful money of the United States of America to the Registered Owner named above (or registered assigns) on the Maturity Date set forth above, unless this Bond shall have been duly called for prior redemption and payment of the Redemption Price shall have been made or provided for, upon surrender hereof at the Office of Trustee (as defined in the Indenture referred to below) of Manufacturers and Traders Trust Company, Buffalo, New York, the Principal Amount stated above, and to pay interest thereon at the rate stated hereon from the date hereof, semiannually on each April 1 and October 1 after the date hereof, beginning April 1, 2012 (each, an "*Interest Payment Date*"), until payment of said Principal Amount has been made or provided for. The interest so payable on any applicable Interest Payment Date will be paid to the person in whose name this Bond is registered on the bond register maintained by the Trustee (the "*Owner*") at the close of business on the fifteenth (15th) calendar day of the month (regardless of whether such day is a Business Day) (the "*Record Date*") immediately preceding the relevant Interest Payment Date. Any such interest which is not deposited with the Trustee on or before any such Interest Payment Date shall forthwith cease to be payable to the Owner hereof on the Record Date, and shall be paid to the Owner hereof on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee as provided in the Indenture (as hereinafter defined). Notice of such Special Record Date shall be given to registered Owners not less than fifteen (15) days prior to such Special Record Date.

Interest will be paid on each Interest Payment Date, and the Redemption Price of Bonds with respect to any Sinking Fund Redemption will be paid on any Redemption Date (as hereinafter provided), by check mailed by the Trustee to the Owners at the addresses shown on the bond register maintained by the Trustee or, in lieu of a check and: (i) if so requested before a Record Date by an Owner of at least \$1,000,000 in principal amount of the Bonds (as hereinafter defined) as determined under the terms of the Indenture, or (ii) for any Bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), by wire transfer to an account in a bank located in the United States of America designated by such Owner.

This Bond is a special, limited obligation of the Issuer payable as to principal or Redemption Price and interest solely from, and enforceable only against, the Loan Payments (as hereinafter defined) (other than the Issuer’s Unassigned Rights (as hereinafter defined)) payable by Buffalo State College Foundation Housing Corporation, a New York not-for-profit corporation (the “Company”), under the Loan Agreement (as hereinafter defined), and certain other moneys available therefor as provided in the Indenture, and there shall be no recourse against the Issuer or any other property now or hereafter owned by it.

NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, IS OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE, IF ANY, OF OR INTEREST ON, THE BONDS. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE ISSUER PLEDGED UNDER THE INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE INDENTURE FOR THE PAYMENT OF THE BONDS. THE BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

This Bond is one of the Issuer’s \$43,875,000 Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A (the “Series 2011A Bonds”) issued under the Trust Indenture dated as of June 1, 2011 (which Indenture as from time to time amended and supplemented is herein referred to as the “Indenture”), duly executed and delivered by the Issuer to Manufacturers and Traders Trust Company, as trustee (said Trustee and any successor thereto under the Indenture being herein called the “Trustee”). The Series 2011A Bonds are issued together with the Issuer’s \$410,000 Taxable Revenue Bonds (Buffalo State College Housing Corporation Project), Series 2011B (the “Series 2011B Bonds” and, together with the Series 2011A Bonds, the “Bonds”). Capitalized terms used but not defined herein are defined in the Indenture and the definitions used in the Indenture are incorporated herein by reference.

The Bonds are being issued in connection with a loan by the Issuer to the Company to defease Outstanding Prior Bonds originally issued to finance a project undertaken by the Company consisting of the construction and equipping of the approximately 225,000 square foot student housing complex consisting of approximately 507 beds, together with related infrastructure improvements located at Letchworth Street and Grant Street on the campus of Buffalo State College located at Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York.

The Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Indenture. The Bonds are further secured by (i) a Pledge and Assignment dated as of June 1, 2011, from the Issuer to the Trustee with the acknowledgment of the Company, which Pledge and Assignment assigns to the Trustee certain of the Issuer's rights under the Loan Agreement; (ii) a Guaranty Agreement dated as of June 1, 2011, from the Company to the Trustee; and (iii) a Leasehold Mortgage and Security Agreement dated as of June 1, 2011, from the Company to the Issuer and assigned to the Trustee, secured by the Company's interest in the Project. Reference is hereby made to the Indenture, the Loan Agreement, the Pledge and Assignment, the Guaranty and the Mortgage, and to all amendments and supplements thereto (copies of which are and will be on file at the principal corporate trust office of the Trustee) for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Trustee and the Owners of the Bonds and the terms upon which the Bonds are issued and secured.

Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months. If any payment on this Bond is due on a non-Business Day, it will be made on the next Business Day, and no additional interest will accrue as a result.

REDEMPTION OF BONDS

Extraordinary Redemption Without Premium. The Bonds are subject to redemption prior to maturity (1) as a whole, without premium, in the event of (a) a taking in Condemnation of, or failure of title to, all or substantially all of the Project, (b) damage to or destruction of part or all of the Project and the election by the Company to redeem the Bonds, or (c) a taking in Condemnation of part of the Project and election by the Company to redeem the Bonds; (2) as a whole, without premium, in the event that any court or administrative body shall enter a judgment or decree requiring the Company to cease all or any substantial part of its operations at the Project; or (3) in part, without premium, in the event that (i) excess moneys remain in the Insurance and Condemnation Fund following damage or Condemnation of a portion of the Project and completion of the repair, rebuilding or restoration of the Project by the Company, and (ii) such excess moneys are not paid to the Company. In any such event, the Bonds shall be redeemed, as a whole or in part, as the case may be, in the manner provided in the Indenture, on the earliest practicable date for which the Trustee can give notice of redemption at a Redemption Price equal to the principal amount thereof, plus accrued interest to the Redemption Date, without premium.

Optional Redemption. The Series 2011A Bonds maturing on or prior to October 1, 2021, will not be subject to optional redemption. The Series 2011A Bonds maturing on or after October 1, 2021, will be subject to redemption at the option of the Company, in whole or in part on any date on or after April 1, 2021, at a Redemption Price equal to the par amount of Series 2011A Bonds to be redeemed without premium, plus unpaid accrued interest to the Redemption Date.

Mandatory Sinking Fund Redemption.

(i) The Series 2011A Bonds maturing on October 1, 2026, are subject to scheduled mandatory sinking fund redemption, on October 1 of each year set forth below at a Redemption Price equal to the principal amounts set forth below plus accrued interest to the Redemption Date:

Year	Sinking Fund Payment
2022	\$1,005,000
2023	1,060,000
2024	1,125,000
2025	1,190,000
2026*	1,265,000

*Maturity

(ii) The Series 2011A Bonds maturing on October 1, 2031, are subject to scheduled mandatory sinking fund redemption, on October 1 of each year set forth below at a Redemption Price equal to the principal amounts set forth below plus accrued interest to the Redemption Date:

Year	Sinking Fund Payment
2027	\$1,340,000
2028	1,420,000
2029	1,510,000
2030	1,605,000
2031*	1,700,000

*Maturity

(iii) The Series 2011A Bonds maturing on October 1, 2041, are subject to scheduled mandatory sinking fund redemption, on October 1 of each year set forth below at a Redemption Price equal to the principal amounts set forth below plus accrued interest to the Redemption Date:

Year	Sinking Fund Payment
2032	\$1,800,000
2033	1,900,000
2034	2,005,000
2035	2,115,000
2036	2,235,000
2037	2,355,000
2038	2,485,000
2039	2,625,000
2040	2,770,000
2041*	2,925,000*

*Maturity

Procedures for Redemption. In the event of any partial redemption, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee not more than sixty (60) days prior to the Redemption Date in inverse order of maturity, and within each maturity by lot or by such other method as the Trustee shall deem fair and appropriate. The Trustee shall apply any partial redemption payments made with respect to any Bonds subject to mandatory Sinking Fund Installments (other than scheduled mandatory sinking fund redemption) to the schedule of mandatory Sinking Fund Installments for such Bonds in inverse order of maturity. Further, the Trustee may provide for the selection of redemption of portions (equal to \$5,000 or any integral multiple of \$5,000 in excess thereof) of Bonds. In no event shall the principal amount of Bonds subject to any partial redemption be other than a whole multiple of \$5,000.

When Bonds are to be redeemed, the Trustee shall give written notice to the Bondowners in the name of the Issuer, which notice shall identify the Bonds to be redeemed, state the date fixed for redemption and specify the Office of the Trustee at which such Bonds will be redeemed. The notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof together with interest accrued to the Redemption Date, and that moneys therefor having been deposited with the Trustee, from and after such date, interest thereon shall cease to accrue and that the Bonds or portions thereof called for redemption shall cease to be entitled to any benefit under the Indenture except the right to receive payment of the Redemption Price, together with interest accrued to the Redemption Date. If at the time of mailing of notice of any optional redemption there shall not have been deposited moneys in the Bond Fund available for payment sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of the redemption moneys in the Bond Fund available for payment not later than the opening of business on the Redemption Date, in which case such notice shall be of no effect unless moneys are so deposited.

All such notices shall be given not less than thirty (30) days prior nor more than sixty (60) days prior to the date fixed for redemption. Failure to mail notice to a particular Bondowner, or any defect in the notice to such Bondowner, shall not affect the redemption of any other Bond.

Authorized Denominations; Transfer; Exchange. The Bonds are in registered form in minimum denominations of \$5,000 and integral multiples of \$5,000 in excess thereof ("*Authorized Denominations*"). An Owner may transfer or exchange Bonds in accordance with the Indenture. In connection with such transfer or exchange, the Trustee may require an Owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law (but no other charges). The Trustee need not transfer or exchange any Bond during the period beginning fifteen (15) days before mailing a notice of redemption of such Bond and ending on the Redemption Date.

Discharge Before Redemption or Maturity. If the Company at any time deposits with the Trustee money or Government Obligations as described and on the conditions set forth in the Indenture sufficient to pay at redemption or maturity principal of and interest on all Outstanding Bonds, and if the Company also pays all other sums then payable by the Company under the Indenture and the Loan Agreement with respect to the Bonds, the Indenture will be discharged

with respect to the Bonds. After discharge, Owners must look only to the deposited money and securities for payment.

Amendment, Supplement, Waiver. Subject to certain exceptions set forth in the Indenture, the Bonds may be amended or supplemented, and any past default may be waived, only with the consent of the Majority of Owners of the Bonds. Notwithstanding the foregoing, only with the consent of the Owners of all the Bonds may the Indenture and the Bonds be amended to (i) change the terms of redemption or maturity of the principal of or the time of payment of interest on any Outstanding Bond or a reduction in the principal amount or Redemption Price of any Outstanding Bond or the rate of interest thereon, without the consent of the Owner of such Bond, or (ii) create a Lien upon the Trust Estate ranking prior to the Lien created by the Indenture, or (iii) permit a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) permit a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Indenture.

Defaults and Remedies. The Indenture provides that the occurrence of certain events constitute Events of Default. If an Event of Default occurs and is continuing, to the extent provided in the Indenture, the Trustee in certain instances must, and in other instances may (and at the direction of the Majority of Owners of the Bonds Outstanding shall), declare the principal of all the Bonds, as set forth in the Indenture, to be due and payable immediately. Any Event of Default and its consequences may be waived as provided in the Indenture. Owners may not enforce the Indenture or the Bonds except as provided in the Indenture. The Trustee may, in certain circumstances provided for in the Indenture, refuse to enforce the Indenture or the Bonds unless it receives indemnity satisfactory to it. Subject to certain limitations set forth in the Indenture, (a) the Majority of Owners may direct the Trustee in its exercise of any trust or power, and (b) the Majority of Owners may take all actions to enforce the provisions of the Indenture, the Loan Agreement, the Pledge and Assignment and the Guaranty.

Miscellaneous. If money for the payment of principal, premium or interest with respect to this Bond remains unclaimed for three years, and notice has been given as provided in the Indenture, the Trustee will pay the money to or for the account of the Company. Thereafter, the Owner must look only to the Company, and not to the Trustee or the Issuer, for payment, *provided, however*, that before being required to make any such payment to the Company, the Trustee shall (1) at least sixty (60) days prior to the payment of such unclaimed moneys to the Company give notice to any Owner who has not presented a Bond for payment on the date upon which unclaimed money will be paid to the Company, and (2) at the expense of the Company, cause to be published at least twice, at an interval of not less than seven days between publications, in an Authorized Newspaper in Schenectady, New York, and New York, New York, notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than ten (10) nor more than twenty (20) days after the date of first publication of such notice, the balance of such moneys then unclaimed will be returned to the Company. The Trustee shall, by first class mail, also send copies of any such notice to at least two registered securities depositories and the S&P Called Bond Index.

Reference is hereby made to the Bond Documents, copies of which are on file with the Trustee, for the provisions, among others, under which additional series of Bonds may be issued under the Indenture and with respect to the nature and extent of the rights, duties and obligations

of the Issuer, the Trustee, the Company, and the Owners. The Owner, by its acceptance of this Bond, is deemed to have agreed and consented to the terms and provisions of the foregoing documents. The abbreviated statement in this Bond of the provisions governing interest, redemption, security and all other matters is subject in all respects to the complete statement of such terms in the foregoing documents.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by New York law and that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Issuer, do not exceed or violate any constitutional or statutory limitations of the State of New York.

This Bond shall not be valid or obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the authentication certificate endorsed hereon.

SPECIMEN

IN WITNESS WHEREOF, BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION has caused this Bond to be executed in its name by the manual or facsimile signature of its Authorized Representative.

**BUFFALO AND ERIE COUNTY
INDUSTRIAL LAND DEVELOPMENT
CORPORATION**

By: _____
Authorized Representative

STIPULATED

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture.

**MANUFACTURERS AND TRADERS, TRUST
COMPANY, as Trustee**

By: _____
Authorized Officer

Date of Authentication

SPICED

ASSIGNMENT FOR TRANSFER

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto:

(Name and Address of Assignee)

Social Security or Other Identifying Number of Assignee

the within Bond and does hereby irrevocably constitute and appoint to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

NOTICE: The signature(s) on this assignment must correspond with the names as it (they) appear(s) on the face of the within Bond in every particular.

In the presence of:

No. RB-1

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011B**

Annual Interest Rate	Maturity Date	Bond Date	CUSIP
1.250%	October 1, 2012	June 16, 2011	11943K AZ5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FOUR HUNDRED TEN THOUSAND DOLLARS (\$410,000)

THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit corporation constituting a local development corporation existing under the laws of the State of New York, having an office for the transaction of business at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*"), for value received, hereby promises to pay, but only from the sources hereafter named, in lawful money of the United States of America to the Registered Owner named above (or registered assigns) on the Maturity Date set forth above, unless this Bond shall have been duly called for prior redemption and payment of the Redemption Price shall have been made or provided for, upon surrender hereof at the Office of Trustee (as defined in the Indenture referred to below) of Manufacturers and Traders Trust Company, Buffalo, New York, the Principal Amount stated above, and to pay interest thereon at the rate stated hereon from the date hereof, semiannually on each April 1 and October 1 after the date hereof, beginning April 1, 2012 (each, an "*Interest Payment Date*"), until payment of said Principal Amount has been made or provided for. The interest so payable on any applicable Interest Payment Date will be paid to the person in whose name this Bond is registered on the bond register maintained by the Trustee (the "*Owner*") at the close of business on the fifteenth (15th) calendar day of the month (regardless of whether such day is a Business Day) (the "*Record Date*") immediately preceding the relevant Interest Payment Date. Any such interest which is not deposited with the Trustee on or before any such Interest Payment Date shall forthwith cease to be payable to the Owner hereof on the Record Date, and shall be paid to the Owner hereof on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee as provided in the Indenture (as hereinafter defined). Notice of such Special Record Date shall be given to registered Owners not less than fifteen (15) days prior to such Special Record Date.

Interest will be paid on each Interest Payment Date, and the Redemption Price of Bonds with respect to any Sinking Fund Redemption will be paid on any Redemption Date (as hereinafter provided), by check mailed by the Trustee to the Owners at the addresses shown on the bond register maintained by the Trustee or, in lieu of a check and: (i) if so requested before a Record Date by an Owner of at least \$1,000,000 in principal amount of the Bonds (as hereinafter

defined) as determined under the terms of the Indenture, or (ii) for any Bonds registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), by wire transfer to an account in a bank located in the United States of America designated by such Owner.

This Bond is a special, limited obligation of the Issuer payable as to principal or Redemption Price and interest solely from, and enforceable only against, the Loan Payments (as hereinafter defined) (other than the Issuer’s Unassigned Rights (as hereinafter defined)) payable by Buffalo State College Foundation Housing Corporation, a New York not-for-profit corporation (the “Company”), under the Loan Agreement (as hereinafter defined), and certain other moneys available therefor as provided in the Indenture, and there shall be no recourse against the Issuer or any other property now or hereafter owned by it.

NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, IS OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE, IF ANY, OF OR INTEREST ON, THE BONDS. THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE ISSUER PLEDGED UNDER THE INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE INDENTURE FOR THE PAYMENT OF THE BONDS. THE BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

This Bond is one of the Issuer’s \$410,000 Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B (the “Series 2011B Bonds”) issued under the Trust Indenture dated as of June 1, 2011 (which Indenture as from time to time amended and supplemented is herein referred to as the “Indenture”), duly executed and delivered by the Issuer to Manufacturers and Traders Trust Company, as trustee (said Trustee and any successor thereto under the Indenture being herein collectively called the “Trustee”). The Series 2011B Bonds are issued together with the Issuer’s \$43,875,000 Revenue Bonds (Buffalo State College Housing Corporation Project), Series 2011A (the “Series 2011A Bonds” and, together with the Series 2011B Bonds, the “Bonds”). Capitalized terms used but not defined herein are defined in the Indenture and the definitions used in the Indenture are incorporated herein by reference.

The Bonds are being issued in connection with a loan by the Issuer to the Company to defease Outstanding Prior Bonds originally issued to finance a project undertaken by the Company consisting of the construction and equipping of the approximately 225,000 square foot student housing complex consisting of approximately 507 beds, together with related infrastructure improvements located at Letchworth Street and Grant Street on the campus of Buffalo State College located at Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York.

The Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Indenture. The Bonds are further secured by (i) a pledge and assignment dated as of June 1, 2011, from the Issuer to the Trustee with the acknowledgment of the Company, which Pledge and Assignment assigns to the Trustee certain of the Issuer’s rights under the Loan Agreement; (ii) a Guaranty Agreement dated as of June 1, 2011, from the Company to the

Trustee; and (iii) a Leasehold Mortgage and Security Agreement dated as of June 1, 2011, from the Company to the Issuer and assigned to the Trustee, secured by the Company's interest in the Project. Reference is hereby made to the Indenture, the Loan Agreement, the Pledge and Assignment, the Guaranty and the Mortgage, and to all amendments and supplements thereto (copies of which are and will be on file at the principal corporate trust office of the Trustee) for a description of the property pledged and assigned, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Issuer, the Trustee and the Owners of the Bonds and the terms upon which the Bonds are issued and secured.

Interest on this Bond will be computed on the basis of a 360-day year of twelve 30-day months. If any payment on this Bond is due on a non-Business Day, it will be made on the next Business Day, and no additional interest will accrue as a result.

REDEMPTION OF BONDS

Extraordinary Redemption Without Premium. The Bonds are subject to redemption prior to maturity (1) as a whole, without premium, in the event of (a) a taking in Condemnation of, or failure of title to, all or substantially all of the Project, (b) damage to or destruction of part or all of the Project and the election by the Company to redeem the Bonds, or (c) a taking in Condemnation of part of the Project and election by the Company to redeem the Bonds; (2) as a whole, without premium, in the event that any court or administrative body shall enter a judgment or decree requiring the Company to cease all or any substantial part of its operations at the Project; or (3) in part, without premium, in the event that (i) excess moneys remain in the Insurance and Condemnation Fund following damage or Condemnation of a portion of the Project and completion of the repair, rebuilding or restoration of the Project by the Company, and (ii) such excess moneys are not paid to the Company. In any such event, the Bonds shall be redeemed, as a whole or in part, as the case may be, in the manner provided in the Indenture, on the earliest practicable date for which the Trustee can give notice of redemption at a Redemption Price equal to the principal amount thereof, plus accrued interest to the Redemption Date, without premium.

Procedures for Redemption. In the event of any partial redemption, the particular Bonds or portions thereof to be redeemed shall be selected by the Trustee not more than sixty (60) days prior to the Redemption Date in inverse order of maturity, and within each maturity by lot or by such other method as the Trustee shall deem fair and appropriate. The Trustee shall apply any partial redemption payments made with respect to any Bonds subject to mandatory Sinking Fund Installments (other than scheduled mandatory sinking fund redemption) to the schedule of mandatory Sinking Fund Installments for such Bonds in inverse order of maturity. Further, the Trustee may provide for the selection of redemption of portions (equal to \$5,000 or any integral multiple of \$5,000 in excess thereof) of Bonds. In no event shall the principal amount of Bonds subject to any partial redemption be other than a whole multiple of \$5,000.

When Bonds are to be redeemed, the Trustee shall give written notice to the Bondowners in the name of the Issuer, which notice shall identify the Bonds to be redeemed, state the date fixed for redemption and specify the Office of the Trustee at which such Bonds will be redeemed. The notice shall further state that on such date there shall become due and payable upon each Bond to be redeemed the Redemption Price thereof together with interest accrued to

the Redemption Date, and that moneys therefor having been deposited with the Trustee, from and after such date, interest thereon shall cease to accrue and that the Bonds or portions thereof called for redemption shall cease to be entitled to any benefit under the Indenture except the right to receive payment of the Redemption Price, together with interest accrued to the Redemption Date. If at the time of mailing of notice of any optional redemption there shall not have been deposited moneys in the Bond Fund available for payment sufficient to redeem all the Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of the redemption moneys in the Bond Fund available for payment not later than the opening of business on the Redemption Date, in which case such notice shall be of no effect unless moneys are so deposited.

All such notices shall be given not less than thirty (30) days prior nor more than sixty (60) days prior to the date fixed for redemption. Failure to mail notice to a particular Bondowner, or any defect in the notice to such Bondowner, shall not affect the redemption of any other Bond.

Authorized Denominations; Transfer; Exchange. The Bonds are in registered form in minimum denominations of \$5,000 and integral multiples of \$5,000 in excess thereof ("*Authorized Denominations*"). An Owner may transfer or exchange Bonds in accordance with the Indenture. In connection with such transfer or exchange, the Trustee may require an Owner, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law (but no other charges). The Trustee need not transfer or exchange any Bond during the period beginning fifteen (15) days before mailing a notice of redemption of such Bond and ending on the Redemption Date.

Discharge Before Redemption or Maturity. If the Company at any time deposits with the Trustee money or Government Obligations as described and on the conditions set forth in the Indenture sufficient to pay at redemption or maturity principal of and interest on all Outstanding Bonds, and if the Company also pays all other sums then payable by the Company under the Indenture and the Loan Agreement with respect to the Bonds, the Indenture will be discharged with respect to the Bonds. After discharge, Owners must look only to the deposited money and securities for payment.

Amendment, Supplement, Waiver. Subject to certain exceptions set forth in the Indenture, the Bonds may be amended or supplemented, and any past default may be waived, only with the consent of the Majority of Owners of the Bonds. Notwithstanding the foregoing, only with the consent of the Owners of all the Bonds may the Indenture and the Bonds be amended to (i) change the terms of redemption or maturity of the principal of or the time of payment of interest on any Outstanding Bond or a reduction in the principal amount or Redemption Price of any Outstanding Bond or the rate of interest thereon, without the consent of the Owner of such Bond, or (ii) create a Lien upon the Trust Estate ranking prior to the Lien created by the Indenture, or (iii) permit a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) permit a reduction in the aggregate principal amount of the Bonds required for consent to a Supplemental Indenture.

Defaults and Remedies. The Indenture provides that the occurrence of certain events constitute Events of Default. If an Event of Default occurs and is continuing, to the extent

provided in the Indenture, the Trustee in certain instances must, and in other instances may (and at the direction of the Majority of Owners of the Bonds Outstanding shall), declare the principal of all the Bonds, as set forth in the Indenture, to be due and payable immediately. Any Event of Default and its consequences may be waived as provided in the Indenture. Owners may not enforce the Indenture or the Bonds except as provided in the Indenture. The Trustee may, in certain circumstances provided for in the Indenture, refuse to enforce the Indenture or the Bonds unless it receives indemnity satisfactory to it. Subject to certain limitations set forth in the Indenture, (a) the Majority of Owners may direct the Trustee in its exercise of any trust or power, and (b) the Majority of Owners may take all actions to enforce the provisions of the Indenture, the Loan Agreement, the Pledge and Assignment and the Guaranty.

Miscellaneous. If money for the payment of principal, premium or interest with respect to this Bond remains unclaimed for three years, and notice has been given as provided in the Indenture, the Trustee will pay the money to or for the account of the Company. Thereafter, the Owner must look only to the Company, and not to the Trustee or the Issuer, for payment, *provided, however*, that before being required to make any such payment to the Company, the Trustee shall (1) at least sixty (60) days prior to the payment of such unclaimed moneys to the Company give notice to any Owner who has not presented a Bond for payment on the date upon which unclaimed money will be paid to the Company, and (2) at the expense of the Company, cause to be published at least twice, at an interval of not less than seven days between publications, in an Authorized Newspaper in Schenectady, New York, and New York, New York, notice that said moneys remain unclaimed and that, after a date named in said notice, which date shall be not less than ten (10) nor more than twenty (20) days after the date of first publication of such notice, the balance of such moneys then unclaimed will be returned to the Company. The Trustee shall, by first class mail, also send copies of any such notice to at least two registered securities depositories and the S&P Called Bond Index.

Reference is hereby made to the Bond Documents, copies of which are on file with the Trustee, for the provisions, among others, under which additional series of Bonds may be issued under the Indenture and with respect to the nature and extent of the rights, duties and obligations of the Issuer, the Trustee, the Company, and the Owners. The Owner, by its acceptance of this Bond, is deemed to have agreed and consented to the terms and provisions of the foregoing documents. The abbreviated statement in this Bond of the provisions governing interest, redemption, security and all other matters is subject in all respects to the complete statement of such terms in the foregoing documents.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by New York law and that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Issuer, do not exceed or violate any constitutional or statutory limitations of the State of New York.

This Bond shall not be valid or obligatory for any purpose until this Bond shall have been authenticated by the execution by the Trustee of the authentication certificate endorsed hereon.

IN WITNESS WHEREOF, BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION has caused this Bond to be executed in its name by the manual or facsimile signature of its Authorized Representative.

**BUFFALO AND ERIE COUNTY
INDUSTRIAL LAND DEVELOPMENT
CORPORATION**

By: _____
Authorized Representative

SPECIMEN

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture.

**MANUFACTURERS AND TRADERS, TRUST
COMPANY, as Trustee**

By: _____
Authorized Officer

Date of Authentication

SPICED

ASSIGNMENT FOR TRANSFER

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto:

(Name and Address of Assignee)

Social Security or Other Identifying Number of Assignee

the within Bond and does hereby irrevocably constitute and appoint to transfer the said Bond on the books kept for registration thereof, with full power of substitution in the premises.

NOTICE: The signature(s) on this assignment must correspond with the names as it (they) appear(s) on the face of the within Bond in every particular.

In the presence of:

GUARANTY AGREEMENT

from

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION

to

**MANUFACTURERS AND TRADERS TRUST COMPANY,
as Trustee**

Dated as of June 1, 2011

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION**

**\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING
CORPORATION PROJECT), SERIES 2011A**

**\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING
CORPORATION PROJECT), SERIES 2011B**

GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT made and entered into as of June 1, 2011 (this "*Guaranty Agreement*") from **BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION**, a not-for-profit corporation organized and existing under and by virtue of the laws of the State of New York (the "*Company*"), having an office at 1300 Elmwood Avenue, Buffalo, New York 14222, party of the first part, to **MANUFACTURERS AND TRADERS TRUST COMPANY**, a banking corporation duly organized and existing under the laws of the State of New York, having its principal corporate trust office at One M&T Plaza, 7th Floor, Buffalo, New York 14203, as trustee (together with any successor trustee, the "*Trustee*"), party of the second part:

RECITALS:

Buffalo and Erie County Industrial Land Development Corporation (the "*Issuer*") intends to issue at the request of the Company its Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "*Series 2011A Bonds*") to redeem and defease the Issuer's Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1, its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-2, its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1, its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2 and its Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B (collectively, the "*Tax-Exempt Bonds*") and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Bonds*") to redeem and defease the Issuer's Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-3 and Series 2009A-4 (together the "*Taxable Bonds*" and together with the Tax-Exempt Bonds, the "*Outstanding Prior Bonds*").

The Outstanding Prior Bonds were issued by the Issuer at the request of the Company to finance the costs of a Project undertaken by the Company.

The Bonds are to be issued pursuant to resolutions adopted by the Issuer on December 14, 2009 and March 14, 2011 (the "*Resolution*") and under and pursuant to a Trust Indenture dated as of June 1, 2011 (as amended and supplemented from time to time, the "*Indenture*"), between the Issuer and the Trustee; capitalized terms used herein and not defined shall have the meaning given to them in the Indenture.

Pursuant to a Loan Agreement, the Issuer has agreed to issue the Bonds to redeem and defease the Outstanding Prior Bonds and the Company has agreed, among other things, to make loan payments in an amount sufficient to pay principal and Redemption Price of, and interest on, the Bonds.

The Company is desirous that the Issuer issue, sell and deliver the Bonds and apply the proceeds as aforesaid and enter into the Loan Agreement with the Company and is willing to enter into this Guaranty Agreement in order to enhance the marketability of the Bonds and thereby achieve interest cost and other savings to the Company as an inducement to the purchase of the Bonds by all who shall at any time become the Owners of the Bonds.

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration received, the receipt and sufficiency of which are hereby acknowledged, the Company does hereby represent, warrant, covenant and agree with the Trustee as follows:

ARTICLE I

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

Section 1.1 Company Representations and Warranties. The Company does hereby represent and warrant as follows:

(a) The Company is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of New York, has the corporate power and authority to enter into and perform this Guaranty Agreement and to own its corporate property and assets, has duly authorized the execution and delivery of this Guaranty Agreement by proper corporate action, and this Guaranty Agreement, the authorization, execution, delivery and performance hereof, the performance of the agreements herein contained and the consummation of the transactions herein contemplated do not and will not violate any provision of law, any order of any court or Governmental Authority or any agreement, indenture or other instrument to which the Company is a party or by which it or its Property is subject to or bound, or are not and will not be in conflict with and do not and will not result in a breach of or constitute (with due notice and/or lapse of time) a default under any indenture, agreement or other instrument or any provision of its certificate of incorporation or by-laws or any other requirement of law, and do not and will not result in the imposition of any Lien, charge or encumbrance of any nature whatsoever. This Guaranty Agreement constitutes the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(b) The assumption by the Company of its obligations hereunder will result in a direct financial benefit to the Company.

ARTICLE II

AGREEMENT TO GUARANTEE

Section 2.1 Obligations Guaranteed.

(a) The Company hereby unconditionally guarantees to the Trustee for the benefit of the Owners from time to time of the Bonds (1) the full and prompt payment of the principal of the Bonds and the indebtedness represented thereby, and the Redemption Price, if any, on the Bonds when and as the same shall become due and payable, whether at the stated maturity thereof, by acceleration, call for redemption or otherwise; (2) the full and prompt payment of interest on the Bonds when and as the same shall become due and payable; and (3) all other

amounts due and payable under the Bonds (the payments referred to in clauses (1), (2) and (3) hereof together with other amounts due and payable under the Indenture being collectively referred to as the “*Guaranteed Obligations*”). The Company further hereby irrevocably and unconditionally agrees that upon any default in any of the *Guaranteed Obligations*, the Company will promptly pay the same. All payments by the Company shall be paid in lawful money of the United States of America. Each and every default in any of the *Guaranteed Obligations* shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises.

(b) The Company further agrees that this Guaranty Agreement constitutes an absolute, unconditional, present and continuing guarantee of payment and not of collection, and waives any right to require that any resort be had by the Trustee or the Owners of the Bonds to (1) any security held by or for the benefit of the Owners of the Bonds for any of the *Guaranteed Obligations*, (2) the Trustee’s or any Bondholder’s rights against any other Person, or (3) any other right or remedy available to the Trustee or any Holder of the Bonds by contract, applicable law or otherwise. The obligations of the Company under this Guaranty Agreement are direct, unconditional and completely independent of the obligations of any other Person, and a separate cause of action or separate causes of action may be brought and prosecuted against the Company without the necessity of joining the Issuer or any other party or previously proceeding with or exhausting any other remedy against any other Person who might have become liable for any of the *Guaranteed Obligations* or of realizing upon any security held by or for the benefit of the Owners of the Bonds.

Section 2.2 Obligations Unconditional. The obligations of the Company under this Guaranty Agreement shall be absolute and unconditional, and shall remain in full force and effect until the *Guaranteed Obligations* shall have been indefeasibly paid in full or provided for, and all costs, Trustee’s fees and expenses, if any, referred to in Section 2.5 hereof shall have been paid in full, and, to the extent permitted by law, such obligations shall not be affected, modified, released or impaired by any state of facts or the happening from time to time of any event, including, without limitation, any of the following, whether or not with notice to, or the consent of, the Company:

(a) the invalidity, irregularity, illegality or unenforceability of, or any defect in, any of the Bond Documents, the Bonds or any collateral security for any thereof;

(b) any present or future law or order of any government (*de jure* or *de facto*) or of any agency thereof purporting to reduce, amend or otherwise affect the Bonds or any other obligation of the Issuer or any other obligor or to vary any terms of payment;

(c) any claim of immunity on behalf of the Issuer or any other obligor or with respect to any Property of the Issuer or any other obligor;

(d) the compromise, settlement, release, extension, indulgence, change, modification or termination of any or all of the obligations, covenants or agreements of any obligor under any of the Bond Documents;

(e) the failure to give notice to any obligor under any of the Bond Documents of the occurrence of any default or Event of Default under the terms and provisions of any of the Bond Documents (except as may be specifically provided in any such Bond Document);

(f) the actual or purported assignment, subleasing or mortgaging of all or any part of the interest of the Issuer or the Company in the Loan Agreement or in the Project or any failure of title with respect to the Company's interest in the Project;

(g) the actual or purported assignment of any of the obligations, covenants and agreements contained in this Guaranty Agreement or in any other Bond Document;

(h) the waiver of the payment, performance or observance by the Issuer or the Company or any other obligor under any of the Bond Documents of any of the obligations, conditions, covenants or agreements of any or all of them contained in any such Bond Document;

(i) the receipt and acceptance by the Trustee or the Issuer of notes, checks or other instruments for the payment of money made by the Company or any other obligor under any of the Bond Documents and any extensions and renewals thereof;

(j) the extension of the time for payment of the principal of, redemption premium, if any, for, or interest on the Bonds or any other amounts that are due or may become due under any of the Bond Documents, or of the time for performance of any other obligations, covenants or agreements under or arising out of the Bonds or any of the Bond Documents or any extension or renewal thereof;

(k) the modification or amendment (whether material or otherwise) of any duty, obligation, covenant or agreement set forth in the Bonds or in any of the Bond Documents;

(l) the taking of or the omission to take any action referred to in the Bonds or in any of the Bond Documents;

(m) any failure, omission, delay or lack on the part of the Issuer, the Trustee, or any other Person to enforce, assert or exercise any right, power or remedy conferred on the Issuer, the Trustee or such other Person in this Guaranty Agreement or in any of the Bond Documents or any other act or acts on the part of the Issuer, the Trustee or the Owners from time to time of the Bonds;

(n) the voluntary or involuntary liquidation, dissolution, merger, consolidation, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment of, or other similar proceedings affecting the Company or the Issuer or any other obligor under any of the Bond Documents or any or all of the assets of any of them, or any allegation or contest of the validity of this Guaranty Agreement or any other Bond Document in any such proceeding; it is specifically understood, consented and agreed to that this Guaranty

Agreement shall remain and continue in full force and effect and shall be enforceable against the Company to the same extent and with the same force and effect as if such proceedings had not been instituted; and it is the intent and purpose of this Guaranty Agreement that the Company shall and does hereby waive all rights and benefits which might accrue to the Company by reason of any such proceedings to the extent permitted by law;

(o) to the extent permitted by law, the release or discharge of the Company from the performance or observance of any obligation, covenant or agreement contained in this Guaranty Agreement by operation of law;

(p) the default or failure of the Company fully to perform any of its obligations set forth in this Guaranty Agreement;

(q) any release or impairment of the security pledged under the Indenture or under any other Security Document;

(r) any limitation on the liability or obligations of the Trustee, the Issuer or the Company or any other obligor under any of the Bond Documents, or any termination, cancellation, frustration, invalidity or unenforceability, in whole or in part, of the Loan Agreement, the Indenture or any other Bond Document or any term thereof, or the Bonds;

(s) any failure of the Issuer or the Trustee to mitigate damages resulting from any default by any obligor under any of the Bond Documents;

(t) the merger or consolidation of any obligor under any of the Bond Documents into or with any other person, or any sale, lease or transfer of any or all of the assets of any such obligor to any person;

(u) any other circumstances which might otherwise constitute a legal or equitable discharge or defense of a surety or a guarantor; or

(v) any other occurrence whatsoever, whether similar or dissimilar to the foregoing.

Section 2.3 No Waiver or Set-Off. No act of commission or omission of any kind or at any time upon the part of the Issuer or the Trustee in respect of any matter whatsoever shall in any way impair the rights of the Trustee to enforce any right, power or benefit under this Guaranty Agreement and no set-off, counterclaim, reduction, or diminution of any obligation, or any defense of any kind or nature (other than performance by the Company of its obligations hereunder), which the Company has or may have against the Issuer or the Trustee shall be available hereunder to the Company.

Section 2.4 Events of Default. An “Event of Default” shall exist if any of the following occurs and is continuing:

(a) the Company defaults in the timely payment of any Guaranteed Obligations referred to in Section 2.1(a) hereof and such default continues for more than ten (10) days;

(b) the Company fails to observe and perform any covenant, condition or agreement (other than such referred to in Section 2.4(a) above) of this Guaranty Agreement and (i) continuance of such default or failure for more than thirty (30) days after written notice of such default or failure has been given to the Company by the Trustee, or (ii) if by reason of the nature of such default or failure the same can be remedied, but not within the said thirty (30) days, the Company fails to commence within said thirty (30) days to cure the same and to diligently pursue the cure thereof;

(c) any warranty, representation or other statement made or given by or on behalf of the Company to the Issuer, the Trustee or the initial purchaser(s) of the Bonds contained in this Guaranty Agreement or in any of the other Bond Documents is false, misleading or incorrect in any material respect as of the date made;

(d) an Event of Bankruptcy with respect to the Company; or

(e) an Event of Default under the Indenture or under any other Bond Document shall occur and be continuing.

Upon an Event of Default, the Trustee shall have the right to proceed first and directly against the Company under this Guaranty Agreement without proceeding against or exhausting any other remedies which it may have and without resorting to any security held by the Trustee or by any obligor under any of the Bond Documents. All moneys recovered by the Trustee pursuant to this Guaranty Agreement shall be deposited, used and applied in accordance with Section 8.5 of the Indenture.

The Trustee shall be under no obligation to institute any suit or to take any remedial action under this Guaranty Agreement, or to enter any appearance or in any way defend in any suit in which it may be made defendant, or to take any steps in the enforcement of any rights and powers under this Guaranty Agreement, until it shall be indemnified to its reasonable satisfaction against any and all liability (including, without limitation, reasonable compensation for services, costs and expenses, outlays and attorneys' fees and other disbursements) not due to its gross negligence or willful misconduct.

Section 2.5 Waiver of Notice; Expenses. The Company hereby expressly waives notice from the Trustee or the Owners from time to time of the Bonds of their acceptance and reliance on this Guaranty Agreement or of any action taken or omitted in reliance hereon. The Company further expressly waives diligence, presentment, demand for payment, protest, any requirement that any right or power be exhausted or any action be taken against the Issuer or the Company or against any collateral security for the Guaranteed Obligations. The Company agrees to pay all costs, Trustee's fees and commissions and expenses (including, without limitation, all court costs and reasonable attorneys' fees) which may be incurred by the Trustee in enforcing or attempting to enforce this Guaranty Agreement following any default on the part of the Company hereunder, whether the same shall be enforced by suit or otherwise.

Section 2.6 Benefit and Enforcement. This Guaranty Agreement is entered into by the Company for the benefit of the Trustee, the Issuer and the Owners from time to time of the Bonds.

Section 2.7 Survival of Guaranteed Obligation. If the Trustee receives any payment on account of the Guaranteed Obligations, which payment or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be transferred or repaid to a trustee, receiver, assignee for the benefit of creditors or any other party under the Bankruptcy Code, state or federal law or common law or equitable doctrine or for any other reason whatsoever, then to the extent of any sum not finally retained by the Trustee, this Guaranty Agreement shall remain in full force and effect until the Company shall have made payment to the Trustee of such sum, which payment shall be due on demand. If the Trustee chooses to contest any such matter, the Company agrees to indemnify and hold harmless the Trustee with respect to all costs (including, without limitation, court costs and reasonable attorneys' fees) of such litigation.

Section 2.8 Waiver of Rights of Trustee. No payment hereunder by the Company shall entitle the Company by subrogation to the rights of the Trustee to any payment by any other obligor or out of the Property of any other obligor, except after payment and performance in full of the Guaranteed Obligations. The Company waives any benefit of, or any right to participation in, any security whatsoever now or hereafter held by the Trustee.

ARTICLE III

NOTICE OF SERVICE OF PROCESS, PLEADINGS AND OTHER PAPERS

Section 3.1 Service of Process. The Company represents that it is subject to service of process in the State of New York and covenants that it will remain so subject so long as any of the Guaranteed Obligations are outstanding. If for any reason the Company should cease to be so subject to service of process in the State of New York, the Company hereby designates and appoints, without power of revocation, the President of the Company and his successor(s) as its agent for service of process, and if such agent shall cease to act or otherwise cease to be subject to service of process in the State of New York, the Secretary of State of the State of New York, as the respective agents of the Company upon whom may be served all process, pleadings, notices or other papers which may be served upon the Company as a result of any of its obligations under this Guaranty Agreement, *provided, however*, that the serving of such process, pleadings, notices or other papers shall not constitute a condition to the Company's obligations hereunder.

Section 3.2 Notices. All notices, requests, consents, demands and other communications to any party hereunder or any other Person specified herein shall be in writing (including facsimile or similar writing) and shall be given to such party or other Person, addressed to it, at its address or facsimile number set forth below or such other address or facsimile number as such party or other Person may hereafter specify for the purpose by notice to the other parties or such other Persons. Each such notice, request, consent or demand or other communication shall be effective (i) if given by facsimile, when such facsimile is transmitted to the facsimile number specified below and the appropriate answer back or confirmation of receipt

is received; (ii) if given by mail, three (3) Business Days after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid; or (iii) if given by any other means, when delivered at the address specified below.

To the Company:

Buffalo State College Foundation Housing Corporation
1300 Elmwood Avenue
Cleveland Hall, Room 505
Buffalo, New York 14222
Attention: President
Telephone: (716) 878-4311
Facsimile: (716) 878-4350

with a copy to:

Hodgson Russ LLP
140 Pearl Street, Suite 100
Buffalo, New York 14202
Attention: Terrence Gilbride, Esq.
Telephone: (716) 856-4000
Facsimile: (716) 849-0349

To the Trustee:

Manufacturers and Traders Trust Company
One M&T Plaza, 7th Floor
Buffalo, New York 14203
Attention: Corporate Trust Department
Telephone: (716) 842-5935
Facsimile: (716) 842-4474

with a copy to:

Bond Schoeneck & King, PLLC
One Lincoln Center
Syracuse, New York 13202
Attention: Matthew N. Wells, Esq.
Telephone: (315) 218-8174
Facsimile: (315) 218-8100

Section 3.3 Consent to Jurisdiction. The Company irrevocably and unconditionally (a) agrees that any suit, action or other legal proceeding arising out of this Guaranty Agreement may be brought in the courts of record of the State of New York in Erie County or the courts of the United States, Western District of New York; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; and (c) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts. For such time as

any of the Guaranteed Obligations shall be unpaid in whole, or in part, the Company's agents designated in Section 3.1 hereof shall accept and acknowledge in the Company's behalf service of any and all process in any such suit, action or proceeding brought in any such court. The Company agrees and consents that any such service of process upon such agents and written notice of such service to the Company in the manner set forth in Section 3.2 hereof shall be taken and held to be valid personal service upon the Company whether or not the Company shall then be doing, or at any time shall have done, business within the State of New York and that any such service of process shall be of the same force and validity as if service were made upon the Company according to the laws governing the validity and requirements of such service in the State of New York, and waives all claim of error by reason of any such service. Such agents shall not have any power or authority to enter into any appearance or to file any pleadings in connection with any suit, action or other legal proceedings against the Company or to conduct the defense of any such suit, action or any other legal proceeding except as expressly authorized by the Company.

ARTICLE IV

MISCELLANEOUS

Section 4.1 No Alteration Without Consent. No amendment, change, modification, alteration or termination of the Indenture, the Loan Agreement or the Bonds shall be made which would in any way increase any or all of the Company's obligations under this Guaranty Agreement without obtaining the prior written consent of the Company. Neither the acts or omissions recited in Section 2.2 hereof, nor any partial redemption of the Bonds, shall constitute any such amendment, change, modification, alteration or termination within the meaning of this Section 4.1.

Section 4.2 Guaranty Agreement to Become Effective. The obligations of the Company hereunder shall arise absolutely and unconditionally when the Bonds shall have been issued, sold and delivered by the Issuer.

Section 4.3 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee 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 this Guaranty Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default, default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Trustee to exercise any remedy reserved to it in this Guaranty Agreement, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Guaranty Agreement. In the event any provision contained in this Guaranty Agreement should 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 hereunder. No waiver, amendment, release or modification of this Guaranty Agreement shall be established by conduct, custom or course of dealing, but solely by an instrument in writing duly executed by the parties thereunto duly authorized by this Guaranty Agreement.

Section 4.4 Entire Agreement; Counterparts. This Guaranty Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof and may be executed simultaneously in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

Section 4.5 Severability. The invalidity or unenforceability of any one or more phrases, sentences, clauses or Sections in this Guaranty Agreement contained, shall not affect the validity or enforceability of the remaining portions of this Guaranty Agreement, or any part thereof.

Section 4.6 Release. Upon the indefeasible payment and satisfaction of all Guaranteed Obligations and, if applicable, upon payment of the costs, fees, commissions and expenses required by Section 2.5 hereof, the Trustee shall release in writing the Company from its obligations hereunder except as provided in Section 2.7 hereof.

Section 4.7 Right of Set-Off. The Company hereby grants to the Trustee and each Bondholder for the equal and ratable benefit of all Bondholders a Lien and right to set-off for all of its liabilities and obligations under this Guaranty Agreement against all the deposits, credits and Property of the Company and any collateral of the Company now or hereafter in the possession, under the control of the Trustee and/or any Bondholder, and agrees that the same may be applied against such liabilities and obligations then due, at any time after an Event of Default has occurred under this Guaranty Agreement.

Section 4.8 Applicable Law. This Guaranty Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York without regard to conflicts of laws principles.

Section 4.9 Successors and Assigns. This Guaranty Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

Section 4.10 Date of Guaranty Agreement for Reference Purposes Only. The date of this Guaranty Agreement shall be for reference purposes only and shall not be construed to imply that this Guaranty Agreement was executed on the date first above written. This Guaranty Agreement was executed and delivered on June 16, 2011.

Section 4.11 Incorporation of Certain Indenture Provisions. All provisions of Article IX of the Indenture shall be construed as extending to and including all of the rights, duties and obligations imposed upon the Trustee under this Guaranty Agreement as fully and for all purposes as if said Article IX were contained in this Guaranty Agreement.

IN WITNESS WHEREOF, the Company has duly authorized the execution of this Guaranty Agreement as of the date first above written.

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

By:

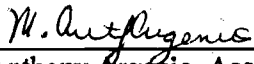


Ross B. Kenzie, President

Accepted this 16th day of June, 2011 by:

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

By:



M. Anthony Argenio, Assistant Vice President



County Clerk's Recording Page

Return to:

HISCOCK&BARCLAY LLP
ONE PARK PL
300 STATE ST
SYRACUSE, NY 13202

Book Type: M Book: 13538 Page: 2455
Page Count: 29
Doc Type: MORTGAGE
Rec Date: 06/17/2011
Rec Tim: 10:29:07 AM
Control #: 2011127277
UserID: Loretta
Receipt#: 11088579
Document Sequence Number
MTDC2011005796

Party 1:

BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION

Party 2:

BUFFALO&ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION

Consideration Amount: 44285000.00

Recording Fees:

Fee 1	\$165.00
Fee 2	\$1.00
COE STATE \$14.25 GEN	\$14.25
COE STATE \$4.75 RM	\$4.75
MTG AFF \$5	\$5.00

BASIC	0
SONYMA	0
ADDL	0
NFTA MT	\$0.00
TRANSFER	\$0.00
NFTA TT	\$0.00

Total: \$190.00

STATE OF NEW YORK
ERIE COUNTY CLERK'S OFFICE

WARNING – THIS SHEET CONSTITUTES THE CLERK'S ENDORSEMENT REQUIRED BY SECTION 319&316-a (5) OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK. DO NOT DETACH. THIS IS NOT A BILL.

Interim John J. Crangle, Jr.
COUNTY CLERK

Record and Return to:
Susan R. Katzoff, Esq.
Hiscock & Barclay, LLP
One Park Place
300 State Street
Syracuse, New York 13202

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION

to

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION**

**LEASEHOLD MORTGAGE
AND SECURITY AGREEMENT**

Dated as of June 1, 2011

relating to

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION**

**\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
PROJECT), SERIES 2011A**

**\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
PROJECT), SERIES 2011B**

**THIS MORTGAGE (A) AFFECTS TANGIBLE AND INTANGIBLE PERSONAL
PROPERTY AS WELL AS REAL PROPERTY, (B) CONTAINS AFTER-ACQUIRED
PROPERTY PROVISIONS, AND (C) IS INTENDED TO CONSTITUTE A SECURITY
AGREEMENT UNDER THE UNIFORM COMMERCIAL CODE OF THE STATE OF
NEW YORK.**

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and is for convenience of reference only.)

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LEASEHOLD MORTGAGE AND SECURITY AGREEMENT

THIS LEASEHOLD MORTGAGE AND SECURITY AGREEMENT dated as of June 1, 2011 (the "*Mortgage*") from **BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION**, a not-for-profit corporation organized under the laws of the State of New York having an office at c/o Buffalo State College Foundation, 1300 Elmwood Avenue, Cleveland Hall, Room 511, Buffalo, New York 14222 (the "*Company*") to **BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION**, not-for-profit corporation constituting a local development corporation organized under the laws of the State of New York having an office for the transaction of business located at 143 Genesee Street, Buffalo, New York 14203 (the "*Issuer*").

RECITALS

State University of New York ("*SUNY*") is the owner of the Land (as hereinafter defined) and has granted a leasehold interest in the Land to the Buffalo State Alumni Association, Inc., a New York not-for-profit corporation (the "*Association*"), pursuant to a certain Ground Lease dated as of July 1, 2009 (as amended or supplemented from time to time, the "*Ground Lease*"), a memorandum of which has been recorded in the Office of the Erie County Clerk in Book 11175 at page 8865.

The Association has granted a subleasehold interest in the Land to the Company pursuant to a certain Sublease Agreement dated as of July 1, 2009 (as amended or supplemented from time to time, the "*Sublease*"), a memorandum of which has been recorded in the Office of the Erie County Clerk in Book 11175 at page 8872.

The Issuer determined at the request of the Company to make a loan to finance a portion of the costs of a certain project to be undertaken by the Company consisting of (a) the acquisition by the Company of subleasehold title to certain parcels of land containing in the aggregate approximately 3.9 acres of land, as more fully described in Exhibit A attached hereto, located on Letchworth Street on the campus of Buffalo State College (the "*College*") located at the corner of Letchworth Street and Grant Street on the campus of Buffalo State College located at the corner of Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York (the "*Land*"); (b) construction thereon by the Company of an approximately 225,000 square foot student housing complex consisting of approximately 507 beds, together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements (collectively, the "*Improvements*"); and (c) the acquisition and installation in and around the Improvements of certain items of furniture, furnishings, equipment, machinery and other tangible personal property (collectively, the "*Equipment*" and, collectively with the Land and the Improvements, the "*Project*").

In order to fund the loan by the Issuer, the Issuer issued its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1 and Series 2009A-2 in the aggregate principal amount of up to \$25,000,000 (the "*Tax-Exempt Series 2009A Bonds*"), Taxable Revenue Bonds (Buffalo State College Foundation Housing

Corporation Project), Series 2009A-3 and Series 2009A-4 in the aggregate principal amount of up to \$17,755,000 (the "*Taxable Series 2009 Bonds*" and together with the Tax-Exempt Series 2009 Bonds, the "*Series 2009A Bonds*") and its Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B in the aggregate principal amount of up to \$5,000,000 (the "*Series 2009B Bonds*"), pursuant to that certain Indenture of Trust dated as of December 1, 2009 (the "*2009 Indenture*"), between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "*Trustee*").

The Company and the Issuer entered into that certain Loan Agreement dated as of December 1, 2009, pursuant to which the Issuer agreed to make the loan and the Company agreed, among other things, to make loan payments in an amount sufficient to pay principal of, and interest on, the Series 2009A Bonds, the Series 2009B Bonds and any additional bonds issued under the 2009 Indenture.

The Issuer, at the direction of the Company given pursuant to the 2009 Indenture, elected to reissue a portion of the Taxable Series 2009 Bonds as its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1 in the original aggregate principal amount of up to \$10,135,000 (the "*Series 2010A-1 Bonds*") and its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2 in the original aggregate principal amount of up to \$7,220,000 (the "*Series 2010A-2 Bonds*" and together with the Series 2010A-1 Bonds, the "*Series 2010 Bonds*") pursuant to that certain First Supplemental Indenture dated as of May 1, 2010 (the "*Supplemental Indenture*" and the 2009 Indenture as supplemented by the Supplemental Indenture, the "*Prior Indenture*").

At the request of the Company, the Issuer now proposes to issue, pursuant to that certain Trust Indenture dated as of June 1, 2011 (as amended and supplemented from time to time, the "*Indenture*"), between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "*Trustee*"), its Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "*Series 2011A Bonds*") to redeem and defease the Tax-Exempt Series 2009A Bonds, the Series 2009B Bonds and the Series 2010 Bonds, to pay or reimburse the Company for certain Costs of the Project (as defined in the Indenture) and to pay certain costs of issuance of the Series 2011A Bonds and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Initial Bonds*") to redeem and defease the Taxable Series 2009 Bonds and to pay costs of issuance of the Initial Bonds.

The Issuer and the Company entered into a certain Loan Agreement dated as of June 1, 2011 (as amended or supplemented from time to time, the "*Loan Agreement*"), pursuant to which, among other things, the Company will agree to make Loan Payments (as defined in the Indenture) in an amount sufficient to pay principal and the Redemption Price (as defined in the Indenture) of, and interest on, the Initial Bonds.

All things necessary to constitute this Mortgage a valid first priority Lien (as defined in the Indenture) on and pledge of the Mortgaged Property herein described in accordance with the terms hereof have been done and performed, and the creation, execution and delivery of this

Mortgage, as security for the payment of the principal of, and premium, if any, and interest on, the Initial Bonds, the payment of all other sums required to be paid hereunder and under the Indenture, the Loan Agreement and the other Bond Documents (as defined in the Indenture) and the performance and observance by the Company under the Loan Agreement and the other Bond Documents (as defined in the Indenture) have in all respects been duly authorized.

NOW, THEREFORE, THIS MORTGAGE FURTHER WITNESSETH:

KNOW BY THESE PRESENTS, that the Company, in order to secure payment of the aggregate principal amount of \$44,285,000 to be paid with interest, under the Initial Bonds, the payment of all other sums required to be paid hereunder and under the Indenture and the performance and observance by the Company under the Loan Agreement and the other Bond Documents, does hereby covenant and agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. All of the capitalized terms used in this Mortgage and not otherwise defined shall have the meanings assigned thereto in the Indenture.

Section 1.02 Interpretation. In this Mortgage, unless the context otherwise requires:

(a) The terms “*hereby*,” “*hereof*,” “*herein*,” “*hereunder*” and any similar terms as used in this Mortgage refer to this Mortgage, and the term “*heretofore*” shall mean before the date of this Mortgage, and the term “*hereafter*” shall mean after the date of this Mortgage;

(b) Words of masculine gender shall mean and include correlative words of feminine and neuter genders;

(c) Words importing the singular number shall mean and include the plural number, and vice versa; and

(d) Any certificates, notices, letters or opinions required to be given pursuant to this Mortgage shall mean a signed document attesting to or acknowledging the circumstances, representations, opinions of law or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Mortgage.

ARTICLE II

GRANTING CLAUSES; SECURITY AGREEMENT; GENERAL COVENANTS

Section 2.01 Granting Clauses. The Company, in consideration of the issuance of Initial Bonds, the execution and delivery by the Issuer of the Loan Agreement and for other good and valuable consideration, receipt of which is hereby acknowledged, and in order to secure (1) the payment of \$44,285,000, being the aggregate principal amount of the Initial Bonds, together with interest thereon, according to their tenor and effect, (2) the payment of all other sums required to

be paid hereunder and under the Loan Agreement and the other Bond Documents, and (3) the performance and observance by the Company of all of the covenants, agreements, representations and warranties herein and in the Loan Agreement and the other Bond Documents (all of the above in (1) through (3) being collectively referred to herein as the “*Mortgage Indebtedness*”), and in order to secure the Mortgage Indebtedness, hereby warrant, assign, mortgage, hypothecate, pledge, grant a Lien on and security interest in, set over and confirm unto the Issuer, and its respective successors and assigns forever, all of the estate, right, title and interest of the Company in, to and under any and all of the following described property (the “*Mortgaged Property*”), whether now owned or held or hereafter acquired:

(a) (i) the entire right, title, interest and estate of the Company in and to the Land including the interest of the Company arising under the Ground Lease and the Sublease, respectively, each of which encumbers the Land (as more fully described on Exhibit A attached hereto), and (ii) all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed, reconstructed or placed, upon the Land or any part thereof, including all right, title and interest of the Company in and to all building materials and fixtures of every kind and nature whatsoever on the Land or in any building now or hereafter standing on the Land or any part thereof, including, without limitation, the Improvements;

(b) the Equipment (as more particularly described in Exhibit B attached hereto), together with all repairs, replacements, improvements, substitutions and renewals thereof and therefor, and all parts, accessories and additions incorporated therein or affixed thereon;

(c) all leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the use, operation or occupancy of all or any portion of the Improvements or the Land now or hereafter entered into, and the right to receive and apply the rents, issues and profits of the Mortgaged Property or the other real property described above to the payment of the Mortgage Indebtedness, *provided, however*, that so long as there exists no Event of Default or event which with the passage of time or giving of notice would constitute an Event of Default, the Company shall have a revocable license to collect and receive rents, issues and profits and to retain, use and enjoy such rents, issues and profits;

(d) all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property or the other real property described above, including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Company’s right to use such insurance proceeds or Condemnation award for restoration of the Mortgaged Property as provided in the Loan Agreement;

(e) all right, title and interest of the Company in and to the Facility Management Agreement, the SUNY Agreement and all other contracts from time to time executed by the Company or any manager or agent on its behalf relating to the ownership, management, construction, equipping, reconstruction, maintenance, repair, operation, occupancy, sale or financing of the Mortgaged Property, or any part thereof, and all agreements relating to the purchase or lease of any portion of the Mortgaged Property, together with the right to exercise such options and all leases of Equipment, all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, reconstruction, equipping,

completion, occupancy, use or operation of the Mortgaged Property or any part thereof, and all drawings, plans, specifications and similar or related items relating to the Mortgaged Property (all, collectively, the “*Contract Rights*”);

(f) all Gross Revenues;

(g) the respective leasehold estate as defined and more fully described in the Ground Lease and/or the Sublease, together with all credits, deposits, option(s) to extend or renew the initial term and/or any renewal term of the Ground Lease and/or the Sublease (and any extensions of the term resulting from the exercise of option(s)), privileges, rights (including rights of possession and occupancy and loss proceeds), benefits, estate, title, and interest of the Company as subtenant under the Sublease, claims of the Company against the Association under the Sublease, rights to give the landlord under the Ground Lease any notices under the Ground Lease, rights of the Company to give the Association any notices under the Sublease, and all rights, recognitions and benefits granted to or for the benefit of the Company under the Ground Lease, including, without limitation, any and all Company’s rights and remedies under any nondisturbance, attornment, or recognition agreements or provisions thereunder (all, collectively, the “*Leasehold Rights*”);

(h) to the exclusion of the Company, all of the Company’s rights and remedies arising at any time under, or pursuant to, Bankruptcy Code § 365(h), including the Company’s right to elect to treat the Sublease as terminated, and the Company’s right to remain in possession under the Sublease if the County rejects or disaffirms it under Bankruptcy Code § 365(h) or any other bankruptcy law, or any comparable right under any other bankruptcy law, together with all claims, suits, actions, proceedings, rights, remedies, and privileges related thereto or arising therefrom, including the Company’s right to claim any offsets against rent under the Sublease together with the right to file and prosecute, to the exclusion of the Company, any proofs of claim, complaints, motions, applications, notices, and other documents in any case relating to the Company under the Bankruptcy Code (collectively the “*Lease 365(h) Rights*”);

(i) all of the Company’s claims and rights to the payment of damages that may arise from the Association’s failure to perform under the Sublease, rejection or disaffirmance of the Sublease under any bankruptcy law, or violation or breach by the Association under the Sublease, and all damages and other sums payable pursuant thereto (collectively, the “*Lease Damage Claims*”);

(j) all extensions, additions, substitutions and accessions with respect to any of the foregoing; and

(k) all other proceeds of the conversion, whether voluntary or involuntary, of the Mortgaged Property or any other Property or rights encumbered or conveyed hereby into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, Condemnation and other awards.

The Company’s assignment of the Lease Damage Claims and of the Lease 365(h) Rights: (i) is a present, irrevocable, and unconditional assignment (not an assignment as security or in

future); and (ii) shall continue in effect until all the Debt has been satisfied and discharged in full.

TO HAVE AND TO HOLD the foregoing Mortgaged Property unto the Issuer and its successors and assigns forever;

SUBJECT, HOWEVER, to the Permitted Encumbrances;

EXCEPTING, THEREFROM, the Unassigned Rights;

PROVIDED, HOWEVER, that, if (A) there shall be no Event of Default under the Loan Agreement, (B) the Company shall perform and observe all the covenants to be performed and observed hereunder and perform all obligations under the Loan Agreement, the Ground Lease, the Sublease and the other Bond Documents to which its is a party, and (C) the Company has paid or caused to be paid to the Issuer all sums of money due or to become due to it in accordance with the terms and provisions hereof, the Loan Agreement and of the other Bond Documents to which it is a party, including, without limitation, all amounts owed under all indemnification provisions, then upon such final payments and such performance and observance, this Mortgage and the rights hereby granted shall cease, terminate and be void; otherwise, this Mortgage to be and remain in full force and effect.

Section 2.02 Security Agreement. The Mortgaged Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of the Company in the Mortgaged Property, including personal property used by the Company in connection with the Mortgaged Property. This Mortgage shall also constitute a security agreement under the UCC so that the Issuer shall have and may enforce a security interest in any or all of the Mortgaged Property, in addition to (but not in limitation of) the Lien upon that portion of the Mortgaged Property constituting part of the realty imposed by the foregoing provisions hereof, such security interest to attach at the earliest moment permitted by law and also to include and attach to all additions and accessions thereto, all substitutions and replacements therefor, all proceeds thereof, including insurance and Condemnation proceeds, and all contract rights, rental or lease payments and general intangibles of the Company obtained in connection with or relating to the Mortgaged Property (except for the Unassigned Rights and moneys received pursuant thereto) as well as any and all items of property in the foregoing classifications which are hereafter acquired. Pursuant to the UCC, the Company hereby authorizes the Issuer to file continuation statements as shall be necessary or advisable in order to perfect or continue the perfection of Issuer's security interests in any of the Mortgaged Property covered by this Mortgage, and the Company shall pay to the Issuer, on demand, any expenses incurred by the Issuer in connection with the preparation and filing of such statements and any continuation statements that may be filed by the Issuer. Notwithstanding anything herein to the contrary, the Company, and not the Issuer, shall be responsible for taking any and all action as shall be required by law to fully protect and perfect the security interest of the Issuer in the Mortgaged Property, including, but not limited to, recording of this Mortgage and filing of all UCC financing and continuation statements with respect to the security interests granted by this Mortgage.

Section 2.03 Information Under the UCC. The following information is stated in order to facilitate filings under the UCC: The Secured Party is Buffalo and Erie County Industrial Land Development Corporation, having offices located at 143 Genesee Street, Buffalo, New York 14203. The Debtor is Buffalo State College Foundation Housing Corporation, a New York not-for-profit corporation, having offices for the transaction of business located at 1300 Elmwood Avenue, Cleveland Hall, Room 511, Buffalo, New York 14222.

Section 2.04 Performance of Covenants. The Company hereby covenants that it will faithfully observe and perform, or cause to be observed and performed, at all times, any and all covenants, undertakings, stipulations and provisions on its part to be observed or performed contained in this Mortgage, the Loan Agreement and the other Bond Documents executed by it.

Section 2.05 Priority of Lien of Mortgage; Discharge of Liens and Encumbrances.

(a) The Company hereby represents and warrants that, except for Permitted Encumbrances, the Company is lawfully seized of the subleasehold estate conveyed hereby, and the Company has the right to grant and convey the Mortgaged Property, and it will warrant and defend title to the Mortgaged Property against all claims and demands, excepting the Permitted Encumbrances.

(b) The Company shall not create nor permit or suffer to be permitted or created any Lien, except for Permitted Encumbrances, upon the Mortgaged Property or any part thereof, without the prior written consent of the Issuer, which consent shall not be unreasonably withheld, and the Trustee.

(c) Notwithstanding the provisions of Section 2.05(b), the Company may in good faith contest any such Lien, *provided that* (1) the Company first shall have notified the Issuer of such contest, (2) there is no default under any of the Bond Documents, (3) the Company shall have set aside adequate reserves for the discharge of any such Lien and furnished evidence thereof satisfactory to the Issuer, (4) the contest of any such Lien is not an event of default under the Sublease, and (5) the Company demonstrates to the reasonable satisfaction of the Issuer that the failure to discharge any such Lien will not impair or adversely affect the Lien of this Mortgage or the Mortgaged Property.

Section 2.06 Payment of Principal and Interest on the Initial Bonds and Payment of Amounts Due under the Loan Agreement and other Bond Documents. The Company hereby covenants that it will promptly pay, or cause to be paid, payments pursuant to the Loan Agreement in an amount sufficient to pay the principal of, and premium, if any, and interest on, the Initial Bonds at the place, on the dates and in the manner provided therein, and will promptly pay all other amounts due under the Loan Agreement and other Bond Documents.

Section 2.07 Delegation to Issuer. The Company irrevocably delegates to the Issuer the nonexclusive authority from and after an Event of Default hereunder to exercise any or all Leasehold Rights and Contract Rights, whether or not the Company has failed to exercise them. The Company irrevocably designates the Issuer as the Company's agent and attorney-in-fact, in accordance with this Mortgage, and irrevocably authorizes the Issuer to perform or observe on the Company's behalf from and after an Event of Default hereunder any obligation that the

Company fails to perform under the Sublease, the SUNY Agreement or the Facility Management Agreement and exercise any Leasehold Rights and Contract Rights. Such appointment of the Issuer as the Company's attorney-in-fact is coupled with an interest and hence irrevocable. The Company shall reimburse the Issuer for any advances or expenditures that the Issuer makes or incurs in performing any such obligation or exercising any such right of the Company, with interest at the per annum rate of interest equal to the highest rate earned on any investment in the Bond Fund, plus four percent (4%), and such advances, expenditures and interest thereon shall be secured hereunder. In performing any such obligation or right, the Issuer may enter the Mortgaged Property. If the Issuer receives notice or obtains knowledge of any default under the Ground Lease, the Sublease, the SUNY Agreement or the Facility Management Agreement, the Issuer may rely on the same and take any action that this Mortgage (or the Ground Lease, the Sublease, the SUNY Agreement or the Facility Management Agreement or applicable law) allows to remedy such default even if the Company disputes its existence or nature. Nothing in this paragraph imposes any obligation or duty on the Issuer.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Section 3.01 Representations, Warranties and Covenants of the Company. The Company represents, warrants and covenants to the Issuer as follows:

(a) The Sublease is a valid and subsisting sublease of the Land demised for the term set forth therein, is in full force and effect in accordance with its terms, and has not been modified. There are no existing or anticipated defaults by the Association under the Sublease and the Company has not received notice of any default or any event which with the passage of time will constitute an event of default under the Sublease. The Company is the subtenant under the Sublease and of the leasehold estate created thereby, all sub-sublease(s) in effect affecting the Land, if any, are subordinate to this Mortgage. The Company owns or will own all fixtures and articles of personal property now or hereafter constituting the Equipment, including any substitutions or replacements thereof, free and clear of all Liens and claims, and this Mortgage is and will remain a valid and enforceable Lien on the Mortgaged Property.

(b) The Company is a not-for-profit corporation organized and existing under the laws of the State and has the power to enter into and perform this Mortgage and the other Bond Documents executed by the Company and to mortgage and pledge the Mortgaged Property in the manner and to the extent herein set forth.

(c) This Mortgage and the other Bond Documents executed by the Company constitute valid and enforceable obligations according to their respective terms.

(d) Neither the execution and delivery of this Mortgage or the other Bond Documents executed by the Company, the consummation of the transactions contemplated hereby or thereby, nor the fulfillment of or compliance with the provisions hereof or thereof will violate any provision of the Company's Certificate of Incorporation, or conflict with or result in a breach of or default under any of the terms, conditions or provisions of any order, judgment, Governmental Requirement, restriction, agreement or instrument to which the Company is a

party to or by which the Company or any of its Property is or may be bound, or result in the creation or imposition of any Lien of any nature upon any of the Property of the Company under the terms of any such instrument or agreement.

(e) The execution and delivery of this Mortgage by the Company does not constitute a "fraudulent conveyance" within the meaning of Title 11 of the United States Code as now constituted or under any other applicable statute, and no bankruptcy or insolvency proceedings are pending or contemplated by or against the Company.

(f) The Mortgaged Property and the operation thereof currently complies and will continue to comply in all material respects with all Governmental Requirements.

(g) The Land is not located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards pursuant to the terms of the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as same may have been amended to date.

(h) The Company has all necessary certificates, licenses, authorizations, registrations, permits and approvals necessary for the commencement of any construction on and the operation of the Mortgaged Property, including, but not limited to, all required environmental permits, all of which are in full force and effect and are not (and will not be), to the knowledge of the Company, subject to any revocation, amendment, release, suspension, forfeiture or the like; and the present and contemplated use and occupancy of the Land do not conflict with or violate any such certificate, license, authorization, registration, permit or approval.

(i) The representations and warranties of the Company set forth in the Loan Agreement are true and correct, and such representations and warranties are incorporated herein by reference and made a part hereof.

ARTICLE IV

MAINTENANCE AND MODIFICATION, TAXES, AND INSURANCE

Section 4.01 Maintenance of and Modifications to the Mortgaged Property by the Company. The Company shall, at all times during the term of this Mortgage, (A) keep the Mortgaged Property or cause the Mortgaged Property to be kept in good condition and repair and preserve the same against waste, loss, damage, ordinary wear and tear excepted; (B) make or cause to be made all necessary repairs and replacements to the Mortgaged Property or any part thereof (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); (C) not remove or demolish any portion of the Mortgaged Property or alter in any material respect the character of any improvement or permit the same without the prior written consent of the Issuer, except as permitted in the Loan Agreement; (D) not permit the Mortgaged Property to become deserted or abandoned; and (E) operate the Mortgaged Property or cause the Mortgaged Property to be operated in a sound and economic manner.

Section 4.02 Insurance Required. At all times throughout the term of this Mortgage, including, without limitation, during any period of construction or reconstruction of the

Mortgaged Property, the Company shall maintain or cause to be maintained the insurance described in Section 24 of the Loan Agreement, regardless of whether the Loan Agreement shall be terminated or shall be for any reason not in full force and effect, and shall within ten (10) days of request therefor by the Issuer deliver proof to the Issuer that such insurance has been and is being maintained.

Section 4.03 Real Estate Taxes and Impositions.

(a) The Company shall pay or cause to be paid, as the same respectively become due, all taxes (including, but not limited to, *ad valorem* taxes), assessments, water and sewer rents and charges and all license or permit fees, levies and governmental charges, payments in lieu of any of the foregoing, several or special, ordinary or extraordinary, foreseen or unforeseen, of any kind or nature whatsoever, which are or may be charged, assessed, levied, confirmed or imposed upon, against or with respect to the Mortgaged Property ("*Real Estate Taxes and Impositions*"), *provided that*, with respect to any such Real Estate Taxes and Impositions that may lawfully be paid in installments over a period of years, the Company shall be obligated under this Mortgage to pay or cause to be paid only such installments as are required to be paid during the term of this Mortgage.

(b) None of the foregoing shall prevent the Company from contesting in good faith the validity, existence or applicability of any Real Estate Taxes and Impositions if (1) such contest shall not result in the Mortgaged Property or any part thereof or interest therein being in any danger of being sold, forfeited or lost; (2) such contest shall not result in the Company or the Issuer being in any danger of any civil or any criminal liability other than normal accrual of interest, for failure to comply therewith; and (3) the Company shall have furnished such security, if any, as may be requested by the Issuer to protect the security intended to be offered by this Mortgage.

ARTICLE V

SPECIAL COVENANTS

Section 5.01 Right of Access to the Mortgaged Property. The Company agrees that the Issuer, and its duly authorized agents shall have the right at all reasonable times to enter upon and to examine and inspect the Mortgaged Property, subject to all Governmental Requirements.

Section 5.02 Inspection of Books. The Company hereby covenants that all books and documents in its possession relating to the Mortgaged Property and the revenues derived from the Mortgaged Property shall at all reasonable times be open to inspection by such accountants or other agents as the Issuer may from time to time designate.

Section 5.03 Agreement to Provide Information. The Company agrees, whenever requested by the Issuer, to provide and certify, or cause to be provided and certified, such information concerning the Company, as the case may be, its finances and other topics as the Issuer from time to time reasonably considers necessary or appropriate, including, but not limited to, such information as to enable the Issuer to make any reports required by applicable law.

Section 5.04 Books of Record and Account. The Company agrees to maintain proper accounts, records and books in which full and correct entries shall be made, in accordance with generally accepted accounting principles, of all business and affairs of the Company.

Section 5.05 Compliance with Governmental Requirements.

(a) The Company agrees that it will, at all times prior to the termination of this Mortgage, promptly and fully comply in all material respects with all (1) Governmental Requirements, (2) the Sublease and any covenants, conditions and restrictions of record relating to the ownership, use, operation or leasing of the Mortgaged Property, as applicable, (3) covenants, conditions and restrictions set forth in any document or instrument creating a Lien or charge upon all or any portion of the Mortgaged Property, and (4) policies of insurance at any time in force with respect to the Mortgaged Property.

(b) None of the foregoing shall prevent the Company from contesting in good faith the validity, existence or applicability of any of the foregoing if (1) such contest shall not result in the Mortgaged Property or any part thereof or interest therein being in any danger of being sold, forfeited or lost; (2) such contest shall not result in the Company or the Issuer being in any danger of any civil or any criminal liability other than normal accrual of interest, for failure to comply therewith; and (3) the Company shall have furnished such security, if any, as may be requested by the Issuer to protect the security intended to be offered by this Mortgage. This Section 5.05(b) shall not be deemed to apply to the payment of Real Estate Taxes and Impositions, as to which Section 4.03 of this Mortgage shall govern or to Liens, as to which Section 2.05 of this Mortgage shall govern.

Section 5.06 Recordation of Mortgage and Filing of Security Instruments.

(a) The Company hereby covenants that it will, at the sole cost and expense of the Company, cause this Mortgage, the Pledge and Assignment, the Indenture, the other Security Documents and all supplements hereto and thereto, together with all other security instruments and financing statements, to be recorded and filed, as the case may be, in such manner and in such places as maybe requested by the Issuer in order to perfect the Liens created by the Bond Documents. The Company covenants that it will cause to be filed all documents, including, without limitation, continuation statements under the UCC, in such manner and in such places as may be required by law in order to protect and maintain in force the Liens of the Bond Documents.

(b) Without limiting the foregoing, the Company hereby irrevocably appoints the Issuer as attorney-in-fact for the Company to execute, deliver and file such instruments for and on behalf of the Company without the necessity of the signature of the Company or anyone claiming under or through the Company.

Section 5.07 Sublease Covenants. The Company covenants and agrees that:

(a) The Company will pay or cause to be paid, not later than the day when the same becomes due and payable, all rent, additional rent and other payments required to be paid by the Company under the Sublease, and will perform all other obligations which the Company has under the Sublease in a timely and effective manner.

(b) In no event shall the Company do or permit to be done, or omit to be done, an act which would impair the security of this Mortgage, or would constitute grounds for the termination of the Sublease; or would entitle the sublandlord under the Sublease to declare a forfeiture of said Sublease or to re-enter the Mortgaged Property.

(c) The Company will not release, surrender, terminate or modify the Sublease in any manner which would decrease the term, increase the rent or otherwise amend the Company's obligations thereunder in any material way without the prior written consent of the Issuer.

(d) The Company shall not, without the prior written consent of the Issuer, permit the fee title to the Land and the leasehold estate created by the Sublease to merge, but shall always keep such interests separate and distinct. If the Company acquires the fee title or any other interest in the Land, this Mortgage shall attach to, cover, spread to and be a lien upon such interest, and such interest shall be considered as mortgaged to the Issuer as fully and to the same effect as if specifically herein mortgaged.

(e) The Company shall (1) promptly notify the Issuer in writing of any default by the sublandlord under the Sublease in the performance of any of the terms, covenants or conditions under the Sublease on the part of the sublandlord under the Sublease to be performed; (2) promptly (i) advise the Issuer in writing of the delivery of any notice by the sublandlord under the Sublease to the Company of any default by the Company, in the performance of any terms, covenants, or conditions of the Sublease on the part of the Company to be performed, and (ii) deliver to the Issuer a true copy of each such notice; (3) promptly after the execution and delivery of this Mortgage or of any instrument or agreement supplemental thereto, notify the sublandlord under the Sublease in writing of the execution and delivery thereof; (4) within ten (10) days after written demand by the Issuer, furnish to Issuer a written estoppel certified to be true, which shall state (i) whether or not there are any defaults, anticipated defaults or offsets on or to the Sublease and set forth such defaults, anticipated defaults or offsets, (ii) the date to which the Sublease is in effect, and (iii) the fact that the Issuer or a third party intends to rely on such statement in the granting of consideration; (5) not, without the written consent of the Issuer, exercise any right to terminate or cancel the Sublease, or waive its right to renew the Sublease for any renewal term provided in the Sublease; and (6) keep the Sublease in full force in effect while this Mortgage is in effect and the Mortgage Indebtedness is outstanding.

(f) If the Company shall fail to pay any installment of rent or additional rent, or to pay any Real Estate Taxes and Impositions, or any other payment required to be paid by the Company, at the time and in the manner provided in the Sublease, or if the Company shall fail to perform or observe any other term or obligation required to be performed by the Company under said Sublease, then, without limiting the generality of any other provision of this Mortgage and without waiving or releasing the Company from any of its obligations hereunder or thereunder, the Issuer shall have the right to pay, but shall be under no obligation to pay, any such installment of rent or additional rent and/or any such Real Estate Taxes and Impositions, or other payment, and may perform any other act or take such action as may be appropriate to cause such other term or obligation to be promptly performed on behalf of the Company, such that the Company's rights in, to, and under the Sublease shall be kept unimpaired and free from default.

(g) The Company shall not, without the Issuer's prior written consent, elect to treat the Sublease as terminated under Section 365(h)(1) of the Bankruptcy Code, or any comparable or replacement provision, or such election shall be void. The Company hereby presently and unconditionally assigns to the Issuer all of the Company's claims and rights to the payment of damages resulting from a rejection under the Bankruptcy Code by the sublandlord of the Sublease.

Section 5.08 Covenants with respect to SUNY Agreement and Facility Management Agreement. The Company covenants and agrees that:

(a) The Company will perform all obligations which the Company has under the SUNY Agreement and the Facility Management Agreement in a timely and effective manner.

(b) In no event shall the Company do or permit to be done, or omit to be done, an act which would impair the security of this Mortgage, or would constitute grounds for the termination of the SUNY Agreement or Facility Management Agreement; or would entitle SUNY to terminate the SUNY Agreement or Facility Management Agreement.

(c) The Company will not release, surrender, terminate or modify the SUNY Agreement or the Facility Management Agreement in any manner which would decrease the term, decrease the amounts payable by SUNY thereunder or otherwise amend SUNY's obligations or the Company's rights thereunder in any material way without the prior written consent of the Issuer.

(d) The Company shall (1) promptly notify the Issuer in writing of any default by SUNY under the SUNY Agreement or Facility Management Agreement in the performance of any of the terms, covenants or conditions thereunder on the part of the SUNY to be performed; (2) promptly (i) advise the Issuer in writing of the delivery of any notice by SUNY under the SUNY Agreement or Facility Management Agreement to the Company of any default by the Company, in the performance of any terms, covenants, or conditions thereunder on the part of the Company to be performed, and (ii) deliver to the Issuer a true copy of each such notice; (3) promptly after the execution and delivery of this Mortgage or of any instrument or agreement supplemental thereto, notify SUNY in writing of the execution and delivery thereof; (4) within ten (10) days after written demand by the Issuer, furnish to Issuer a written estoppel certified to be true, which shall state (i) whether or not there are any defaults, anticipated defaults or offsets on or to the SUNY Agreement or Facility Management Agreement and set forth such defaults, anticipated defaults or offsets, (ii) the date to which the SUNY Agreement or Facility Management Agreement is in effect, and (iii) the fact that the Issuer or a third party intends to rely on such statement in the granting of consideration; and (5) keep the SUNY Agreement or Facility Management Agreement in full force in effect while this Mortgage is in effect and the Mortgage Indebtedness is outstanding.

(e) If the Company shall fail to perform or observe any other term or obligation required to be performed by the Company under the SUNY Agreement or Facility Management Agreement, then, without limiting the generality of any other provision of this Mortgage and without waiving or releasing the Company from any of its obligations hereunder or thereunder, the Issuer may perform any act or take such action as may be appropriate to cause such other

term or obligation to be promptly performed on behalf of the Company, such that the Company's rights in, to, and under the SUNY Agreement and Facility Management Agreement shall be kept unimpaired and free from default.

Section 5.09 Indemnification Provisions. The Company shall, and does hereby agree to, indemnify and hold the Issuer harmless of and from any and all liability, loss or damage which it may or might incur under the Ground Lease or Sublease or under or by reason of this Mortgage and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained herein. Should the Issuer incur any such liability, loss or damage hereunder or under the Ground Lease or the Sublease or under or by reason of this Mortgage, or in the defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby, and the Company shall reimburse the Issuer therefor immediately upon demand.

ARTICLE VI

EVENTS OF DEFAULT AND REMEDIES

Section 6.01 Events of Default Defined. The following shall each be an "*Event of Default*" under this Mortgage and the terms "Event of Default" or "default" shall mean, whenever they are used in or with respect to this Mortgage, any one or more of the following events:

(a) a default in the due and punctual payment of principal of and premium, if any, and interest on, the Initial Bonds;

(b) a default in any amount required to be paid by Company under the Loan Agreement, and the continuation of such default for a period in excess of ten (10) days;

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

(d) the occurrence of an Event of Default under any of the Initial Bonds, the Loan Agreement or any other Bond Document;

(e) if any warranty, representation, certification, financial statement or other information made or furnished to induce the Issuer to issue the Initial Bonds, or made or furnished, at any time, in or pursuant to the terms of this Mortgage or otherwise by the Company, shall prove to have been false or misleading in any material respect when made;

(f) an Event of Bankruptcy with respect to the Company;

(g) the Company shall conceal, remove or permit to be concealed or removed any part of its Property with intent to hinder, delay or defraud its creditors, or any one of them, or shall make or suffer a transfer of any of its Property which is fraudulent under any bankruptcy, fraudulent conveyance or similar law, or make any transfer of its Property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid, or shall suffer or permit, while insolvent, any creditor to obtain a Lien upon any of its Property through legal proceedings or distraint which is not vacated within thirty (30) days from the date thereof;

(h) except as permitted herein or in the Loan Agreement, the Mortgaged Property, or any part thereof, is in any manner, whether voluntarily or involuntarily, encumbered, assigned, leased, subleased, sold, transferred or conveyed, or the Company threatens to encumber, assign, lease, sublease, sell, transfer or convey, the Mortgaged Property, or any part thereof, to any person;

(i) the imposition of a Lien on the Mortgaged Property other than a Lien being contested as provided herein or a Permitted Encumbrance; or

(j) the termination of the Ground Lease, the Sublease, the SUNY Agreement or the Facility Management Agreement.

Section 6.02 Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default hereunder, the Issuer may, by notice in writing delivered to the Company, declare the whole of the Mortgage Indebtedness immediately due and payable, whereupon the same shall become and be immediately due and payable, anything in this Mortgage or any other Bond Document to the contrary notwithstanding. In such event, there shall be due and payable the total amount of the Mortgage Indebtedness plus all accrued but unpaid interest thereon and all interest which will accrue thereon to the date of payment, together with any premium payable thereon.

(b) At any time after the principal of the Initial Bonds shall have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under this Mortgage, the Issuer may annul such declaration and its consequences. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

Section 6.03 Enforcement of Remedies.

(a) Upon the occurrence of any Event of Default, the Issuer may proceed forthwith to protect and enforce its rights under this Mortgage and the other Bond Documents by such suits, actions or proceedings as the Issuer shall deem appropriate, including, without limitation, an action to foreclose the Lien of this Mortgage, in which case the Mortgaged Property or any interest therein may be sold for cash or credit in one or more interests and in any order or manner, including sale under Article 14 of the New York State Real Property Actions and Proceeding Law (or any successor statute).

(b) The Issuer may sue for, enforce payment of and receive any amounts due or becoming due from the Company for principal, premium, interest or otherwise under any of the provisions of this Mortgage, or the other Bond Documents, without prejudice to any other right or remedy of the Issuer. The Issuer may also declare the entire indebtedness secured hereby immediately due and payable without presentment, demand protect or notice of any kind and the Issuer may take any action permitted at law or in equity, without notice or demand, as it deems advisable to protect and enforce its rights against the Company and the Mortgaged Property.

(c) Regardless of the happening of an Event of Default, the Issuer may institute and maintain such suits and proceedings as the Issuer may be advised shall be necessary or expedient to prevent any impairment of the security under this Mortgage by any acts which may be unlawful or in violation of this Mortgage, or to preserve or protect the interests of the Issuer.

(d) The Issuer shall have the right to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to bring any action or proceeding, in the name and on behalf of the Company, which the Issuer, in its discretion, feels should be brought to protect its interests in the Mortgaged Property.

(e) Upon the occurrence of any Event of Default hereunder, the Company, upon demand of the Issuer, shall forthwith surrender the possession of, and it shall be lawful for the Issuer, by such officer or agent as it may appoint, to take possession of, all or any part of the Mortgaged Property, together with the books, papers and accounts of the Company pertaining thereto, and to hold, operate and manage the same, and from time to time to make all needed repairs and improvements as the Issuer shall deem wise, the Issuer may sell the Company's interest in the Mortgaged Property or any part thereof, or lease the Mortgaged Property or any part thereof in the name and for the account of the Company, collect, receive and sequester the rents, revenues, earnings, income, products and profits therefrom, and pay out of the same all proper costs and expenses of taking, holding, leasing, selling and managing the Mortgaged Property, including reasonable compensation to the Issuer and its agents and counsel, and any charges of the Issuer hereunder, and any taxes and other charges prior to the Lien of this Mortgage which the Issuer may deem it wise to pay, and all expenses of such repairs and improvements, and apply the remainder of the moneys so received in accordance with the provisions of the Loan Agreement and Section 8.5 of the Indenture.

Upon the occurrence of an Event of Default, the Issuer may exercise any or all of the rights and remedies of a leasehold mortgagee under the Ground Lease and any or all of the rights and remedies of a secured party under the UCC. Nothing in this Section 6.03 shall be construed to grant to the Issuer any rights or remedies with respect to the Leased Premises (as defined in the Ground Lease) that are inconsistent with the rights and remedies of a leasehold mortgagee under the Ground Lease.

Whenever all that is due under the Initial Bonds and the other Bond Documents, including any amounts which may have been accelerated pursuant to Section 6.02 herein, shall have been paid and all defaults made good, the Issuer shall surrender possession to the Company, the same right of entry, however, to exist upon any subsequent Event of Default.

(f) Notwithstanding anything herein contained to the contrary, to the extent permitted by law, the Company and anyone claiming through or under the Company (1) will not (i) at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Mortgage, (ii) claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision hereof, or pursuant to the decree, judgment or order of any court of competent jurisdiction, or (iii) after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the Property so sold or any part thereof; (2) hereby expressly waive all benefit or advantage of any such law or laws; and (3) covenant not to hinder, delay or impede the execution of any power herein granted or delegated to the Issuer, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. The Company, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property marshaled upon any foreclosure hereof.

Section 6.04 Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, the Issuer shall be entitled, as a matter of right, without notice and without regard to the adequacy of any security for the debt secured hereby, to the appointment of a receiver or receivers of the Mortgaged Property and of the revenues and receipts thereof, pending the conclusion of such proceedings and any appeal therefrom, with such powers as the court making such appointment shall confer. The receiver shall be entitled to occupational rent from an owner/occupant and may upon non-payment of said rent evict the owner/occupant, and the proceeds derived by the receiver shall be applied in accordance with Section 8.5 of the Indenture.

Section 6.05 Application of Moneys. The net proceeds received by the Issuer pursuant to any right given or action taken under the provisions of this Article VI shall, during the continuance of an Event of Default hereunder, be applied in accordance with Section 8.5 of the Indenture.

Section 6.06 Remedies Cumulative. No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive of any other available remedy, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Mortgage or under any other Bond Document or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power, or shall be construed to be a waiver thereof or an acquiescence therein, and every right or remedy given by this Mortgage to the Issuer may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article VI, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Mortgage.

Section 6.07 Termination of Proceedings. In case any proceeding taken by the Issuer on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Issuer, then the Issuer and the Company shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Issuer shall continue as if no such proceeding had been taken.

Section 6.08 Waiver and Non-Waiver of Event of Default.

(a) The Issuer may, in its discretion, agree to waive any Event of Default hereunder and its consequences and annul any acceleration in accordance with Section 6.02 hereof. No such waiver shall extend to or affect any other existing or any subsequent Event of Default.

(b) The failure of the Issuer to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Mortgage. The Company shall not be relieved of its obligations hereunder by reason of (1) failure of the Issuer to comply with any request of the Company to take any action to foreclose this Mortgage or otherwise enforce any of the provisions hereof; (2) the release, regardless of consideration, of the whole or any part of the Mortgaged Property; or (3) any agreement or stipulation by the Issuer extending the time of payment or otherwise modifying or supplementing the terms of this Mortgage or any of the other Bond Documents. The Issuer may resort for the payment of the Mortgage Indebtedness to any other security held by the Issuer pursuant the Security Documents in such order and manner as the Issuer, in its discretion, may elect. The Issuer may take action to recover the Mortgage Indebtedness, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of the Issuer thereafter to foreclose this Mortgage. The rights of the Issuer under this Mortgage shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of the Issuer shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. No waiver of any right of the Issuer shall be effective unless it is in a writing signed by an officer of the Issuer.

Section 6.09 Repayment and Securing of Expenses Paid by the Issuer. In the event the Issuer shall pay any premiums on any policies of insurance required to be maintained or procured by Section 4.02 hereof, or in the event the Issuer shall expend any funds for the payment of any unpaid Real Estate Taxes and Impositions upon the Mortgaged Property or payment of rent, additional rent or charges under the Ground Lease or the Sublease, or expend any funds in payment of any unpaid installments under any applicable agreement for payments in lieu of taxes with any taxing entity, or pay or perform any other obligation of the Company under any of the Bond Documents, then in any such event such payment shall be deemed to be secured by this Mortgage and shall be payable in accordance with Section 8.5 of the Indenture to the Issuer in the manner provided and with interest as provided herein in effect from time to time.

Section 6.10 Other Actions by the Issuer. Regardless of the happening of an Event of Default, the Issuer may institute and maintain such suits and proceedings as it shall deem necessary or expedient to prevent any impairment of the security under this Mortgage by any acts which may be unlawful or in violation of this Mortgage or to preserve or protect the interests of the Issuer.

Section 6.11 Repayment and Securing of Collection Costs Incurred by the Issuer.

(a) In the event this Mortgage or the Initial Bonds or any of the other Bond Documents or all of the foregoing are placed in the hands of an attorney (1) for collection of any sum payable hereunder or thereunder, (2) for the foreclosure of this Mortgage, or (3) for the enforcement of any of the terms, conditions and obligations of this Mortgage, the Company agrees to pay all costs of collection (including reasonable attorneys' fees and expenses) incurred

by the Issuer, together with interest thereon as provided herein. All such costs as incurred shall be deemed to be secured by this Mortgage and collectible out of the proceeds of this Mortgage in any manner permitted by law or by this Mortgage.

(b) In addition to and not in limitation of the foregoing, in any action or proceeding to foreclose this Mortgage, or to recover or collect the debt secured hereby, the provisions of law respecting the recovery of costs, disbursements and allowances shall also apply. The expenses of pursuing, searching for, retaking, receiving, holding, storing, safe-guarding, any environmental testing and cleanup, insuring, accounting for, advertising, preparing for sale or lease, selling, leasing and the like, plus attorneys' fees, fees for certified public accountants, fees for auctioneers, fees for brokers and/or appraisers, fees for security guards, fees for environmental auditors and engineers, fees for hazard insurance premiums or any other costs or disbursements whatsoever incurred by or contracted for by the Issuer in connection with the disposition of the Mortgaged Property (including any of the foregoing incurred or contracted for by the Issuer in connection with any bankruptcy or insolvency proceedings involving the Association or the Company) shall all be chargeable to the Company and shall be secured by this Mortgage, and the Company will also be responsible for any deficiency.

ARTICLE VII

MISCELLANEOUS

Section 7.01 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Mortgage or the other Bond Documents is intended or shall be construed to give to any Person, other than the parties hereto or thereto, the Trustee and the Owners of the Initial Bonds, and their successors and assigns, any right, remedy or claim under or with respect to this Mortgage or any covenants, conditions and provisions herein contained. This Mortgage and all of the covenants, conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto, the Owners of the Initial Bonds and their successors and assigns as provided herein and in the Indenture. The Issuer intends to assign its rights under this Mortgage to the Trustee, and the Company agrees that the Trustee, as assignee of the Issuer, may exercise all rights and remedies of the Issuer under this Mortgage and shall possess all privileges and benefits of the Issuer under this Mortgage.

Section 7.02 Notices.

All notices, approvals, requests, consents, demands and directions required or authorized to be given by either party pursuant to this Mortgage or in respect hereof shall be in writing and shall be sent by registered or certified mail, in the case of the Issuer, addressed to it to the attention of the Issuer's President, at 143 Genesee Street, Buffalo, New York 14203; in the case of the Company, addressed to it to the attention of the Company's President, at Buffalo State College, 1300 Elmwood Avenue, Suite 505, Buffalo, New York 14222 (with a copy at the same time and in the same manner to Hodgson Russ LLP, The Guaranty Building, 140 Pearl Street, Suite 100, Buffalo, New York 14202, Attention: Terrence M. Gilbride, Esq.); and, in the case of the Trustee, addressed to it at the Office of the Trustee at the address of such Office of the Trustee (with a copy at the same time and in the same manner to Bond, Schoeneck & King,

PLLC, One Lincoln Center, Syracuse, New York 13202, Attention: Matthew Wells, Esq.); or at such other address as the Person to be notified shall have specified by notice to the other Persons. The Company agrees to give to the Issuer all notices sent by it to the Trustee and to the Trustee all notices sent by it to the Issuer and the Issuer agrees to give to the Company all notices sent by it to the Trustee. Whenever in this Mortgage the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person or Persons entitled to receive such notice.

Section 7.03 Counterparts. This Mortgage may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 7.04 Applicable Law. This Mortgage shall be governed exclusively by the laws of the State.

Section 7.05 Table of Contents and Section Headings not Controlling. The table of contents and the headings of the several articles and sections of this Mortgage have been prepared for convenience of reference only and shall not control, affect the meaning of or be taken as an interpretation of any provision of this Mortgage.

Section 7.06 Severability.

(a) If any provision of this Mortgage shall, for any reason, be held or shall, in fact, be inoperative or unenforceable in any particular case, such circumstance shall not render the provision in question inoperative or unenforceable in any other case or circumstance or render any other provision herein contained inoperative or unenforceable.

(b) The invalidity of any one or more phrases, sentences, clauses, paragraphs or sections in this Mortgage shall not affect the remaining portions of this Mortgage or any part thereof.

Section 7.07 Covenants Run with the Land. All of the grants, covenants, terms, provisions and conditions herein shall run with the Land and shall apply to, bind and inure to the benefit of the parties hereto, the Trustee, the Owners of the Initial Bonds and their successors and assigns.

Section 7.08 Amendment. Neither this Mortgage nor any provisions hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Issuer, the Trustee and the Company upon compliance with the Indenture.

Section 7.09 Usury. Notwithstanding anything to the contrary contained herein, in no event shall the total of all charges payable hereunder or under any of the Bond Documents which are or could be held to be in the nature of interest exceed the maximum rate permitted to be charged under applicable law. Should the Issuer receive any payment which is or would be in excess of that permitted to be charged under any applicable law, such payment shall have been, and shall be deemed to have been, made in error and shall automatically be applied to reduce the Mortgage Indebtedness.

Section 7.10 Special Obligation. Notwithstanding any other term or condition contained in this Mortgage:

(a) No order or decree of specific performance with respect to any of the obligations of the Issuer hereunder shall be sought or enforced against the Issuer unless (i) the party seeking such order or decree shall first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days shall have elapsed from the date of receipt of such request, and the Issuer shall have refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, shall have failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, and (ii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree shall have placed in an account with the Issuer an amount or undertaking which, in the sole discretion of the Issuer, is sufficient to cover such reasonable fees and expenses, and (iii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its expectation that it or any of its directors, members, officers, agents or employees shall be subject to potential liability, the party seeking such order or decree shall (A) agree to indemnify and hold harmless the Issuer and its members, directors, officers, agents and employees against any liability incurred as a result of its compliance with such demand, and (B) if requested by the Issuer, furnish to the Issuer security which, in the sole discretion of the Issuer, is sufficient to protect the Issuer and its members, directors, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request. If the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, officers, directors, servants, agents (other than the Company) or employees shall be subject to potential liability, the party seeking such order or decree may, at its option, (i) agree to protect, defend, indemnify and hold harmless the Issuer and its members, officers, directors, servants, agents (other than the Company) and employees against any liability incurred as a result of its compliance with such request, and (ii) if requested by the Issuer, furnish to the Issuer reasonably satisfactory security to protect the Issuer and its members, officers, directors, servants, agents (other than the Company) and employees against all liability reasonably expected to be incurred as a result of compliance with such request, whereupon the Issuer shall agree to comply with such request. This agreement on the part of the Issuer shall not be construed in any way so as to affect or impair the lien of this Mortgage or the Issuer's right to foreclose hereunder as provided by law or construed in any way so as to limit or restrict any of the rights or remedies of the Issuer in any foreclosure proceedings.

Section 7.11 Tax Laws. If any law or ordinance is enacted or adopted which imposes a tax, either directly or indirectly, on this Mortgage, the Company will pay, or cause to be paid, such tax, with interest and penalties thereon, if any.

Section 7.12 Revenue Stamps. If at any time any Governmental Authority shall require revenue or other stamps to be affixed to this Mortgage, the Company will pay, or cause to be paid, the same, with interest and penalties thereon, if any.

Section 7.13 Further Assurance. The Company will execute and the Company will procure for the Issuer and cause to be done any further conveyances, instruments or acts of further assurance as the Issuer shall reasonably require to perfect the security of the Issuer in the

Mortgaged Property intended now or hereafter to be covered by this Mortgage or otherwise for carrying out the intention of facilitating the performance of the terms of this Mortgage.

Section 7.14 Satisfaction of Mortgage. Upon the payment in full of all of the amounts due under the Initial Bonds and discharge of the Indenture, if (a) there is no Event of Default under the Loan Agreement, (b) the Company have performed and observed all the covenants to be performed and observed hereunder and have performed all obligations under the Indenture and the other Bond Documents to which it is a party, and (c) the Company has paid or caused to be paid to the Issuer all sums of money due or to become due to it in accordance with the terms and provisions hereof and of the other Bond Documents to which it is a party, including, without limitation, all amounts owed under all indemnification provisions, the Issuer, by acceptance of this Mortgage, agrees to execute and deliver any and all instruments necessary and/or appropriate to discharge the Lien of this Mortgage of record and to terminate the UCC-1 Financing Statements filed in connection with this Mortgage and the other Bond Documents.

Section 7.15 Lien Law. Pursuant to Section 13 of the Lien Law of New York, the Company shall receive the funds secured hereby and shall hold the right to receive such funds as a trust fund to be applied first for the purpose of paying the cost of any improvement and shall apply such funds first to the payment of the cost of any such improvement on the Mortgaged Property before using any part of the total of the same for any other purpose.

EXHIBIT A

Legal Description of the Project

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, and State of New York, being part of Lot No. 184 of the Stevens Survey, bounded and described as follows:

BEGINNING at a point that intersects with the north line of Letchworth Street, 40 foot wide R.O.W. and the east line of Grant Street, 60 foot R.O.W.; thence northerly along the east line of Grant Street a distance of 611.13 feet to a point; thence easterly at an interior angle of $95^{\circ}-04'-44''$ a distance of 259.90 feet to a point; thence southerly at an interior angle of $85^{\circ}-03'-50''$ a distance of 605.06' feet to a point on the north line of Letchworth Street; thence westerly along the north line of Letchworth Street a distance of 262.01' to the point or place of beginning more or less.

EXHIBIT B

DESCRIPTION OF EQUIPMENT

All equipment, fixtures, machinery, building materials and other items of tangible personal property and all appurtenances now or hereafter attached to, contained in or used in connection with the Land and/or buildings and structures on the Land or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and other accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, and, together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor.

MORTGAGE RECORDING TAX EXEMPTION AFFIDAVIT

ROBERT G. MURRAY, being duly sworn, deposes and says:

1. That he resides in Erie County, New York, and is a member of Harris Beach PLLC, counsel to the BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (the "Corporation").

2. That the Corporation is a not-for-profit local development corporation formed pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, with offices at 143 Genesee Street, Suite 150, Buffalo, New York 14203.

3. That the Corporation has entered into certain agreements with the BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION (the "Company") relating to a certain project to be developed in the City of Buffalo, Erie County, New York (the "Project"), as is more specifically described on Exhibit A, attached hereto.

4. That the Corporation has, pursuant to that certain Trust Indenture, dated as of June 1, 2011 (the "Indenture") by and between the Corporation and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), issued its Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A (the "Series 2011A Bonds") in the aggregate principal amount of \$43,875,000 and its Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B (the "Series 2011B Bonds"; and, together with the Series 2011A Bonds, the "Bonds") in the aggregate principal amount of \$410,000 to pay for a portion of the Project costs.

5. That the Corporation has loaned to the Company the proceeds of the Bonds issued in connection with the Project pursuant to the terms and conditions of that certain Loan Agreement, dated as of June 1, 2011 (the "Loan Agreement"), by and between the Corporation and the Company.

6. That the Corporation has assigned substantially all of its rights (other than Unassigned Rights, as such term is defined in the Indenture) to the Trustee pursuant to the terms and conditions of that certain Pledge and Assignment, dated as of June 1, 2011 (the "Pledge and Assignment"), by and between the Corporation and the Trustee, with an acknowledgment by the Company, which such Pledge and Assignment will be recorded in the Office of the Erie County Clerk.

7. That as collateral for said loan, the Company has executed a certain Leasehold Mortgage and Security Agreement dated as of June 1, 2011 (the "Mortgage") in favor of the Corporation, as mortgagee, in the principal sum of Forty-Four Million Two Hundred Eighty-Five Thousand and 00/100 Dollars (\$44,285,000).

8. That the Corporation has covenanted that it will cause the Mortgage to be recorded in all offices where recordation thereof is necessary.

9. That the Corporation has assigned the Mortgage to the Trustee pursuant to the terms and conditions of that certain Assignment of Leasehold Mortgage and Security Agreement, dated as of June 1, 2011 (the "Assignment of Mortgage").

10. That, additionally, the Mortgage will be recorded in the Office of the Erie County Clerk following recordation of the Pledge and Assignment and after the Mortgage is recorded as hereinbefore described, the Assignment of Mortgage will be recorded in the Office of the Erie County Clerk followed by a certain Assignment of Rents and Leases, dated as of June 1, 2011 (the "Assignment of Rents and Leases"), from the Company to the Trustee, all of which will be recorded in the Erie County Clerk's Office exempt from mortgage recording tax under Section 255 of the Tax Law.

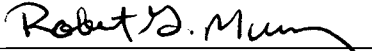
11. That, in the opinion of your deponent, while the Corporation would ordinarily pay the mortgage recording tax with respect to the Mortgage, the Assignment of Mortgage, and the Assignment of Rents and Leases, deponent respectfully submits that no mortgage recording tax should be imposed with respect to the Mortgage, the Assignment of Mortgage, and the Assignment of Rents and Leases because: (1) the Mortgage, the Assignment of Mortgage, and the Assignment of Rents and Leases are being executed and delivered by a local not-for-profit corporation incorporated under Section 1411 of Not-For-Profit Corporation Law of the State of New York; (2) the use by the Corporation of its powers is deemed by Section 1411 of Not-For-Profit Corporation Law of the State of New York to be a public purpose essential to the public interest; (3) based on Section 1411(f) of Not-For-Profit Corporation Law of the State of New York, the Commissioner of the Tax Department has indicated in several advisory opinions that the involvement of a local not-for-profit development corporation in the construction and/or finance aspects of a qualifying project may allow for an exemption from mortgage recording tax imposed by Article 11 of the Tax Law of the State of New York. (See, TSB-A-09-R, TSB-A-93(13)-R, TSB-A-95(16)-R, TSB-A-97(7)-R, and TSB-A-97(54)-S).

12. That, the Mortgage will be recorded in the Office of the Erie County Clerk following the recordation of the Pledge and Assignment and before the Assignment of Mortgage, and the Assignment of Rents and Leases are recorded in the Office of the Erie County Clerk.

13. That, therefore, I request that the Erie County Clerk record the Pledge and Assignment, and the Mortgage as exempt from mortgage recording tax, and that the Erie County Clerk record the Assignment of Mortgage and the Assignment of Rents and Leases as exempt from mortgage recording tax.


14. That this affidavit exempts the Pledge and Assignment, the Mortgage, the Assignment of Mortgage and the Assignment of Rents and Leases from mortgage recording tax.

[Signature Page to the Mortgage Recording Tax Exemption Affidavit]


Robert G. Murray

Subscribed and sworn to before me

this 15 day of June, 2011.


Notary Public

KATHLEEN A. DRUMM
Notary Public State of New York
Qualified in Erie County
My Commission Expires: June 30, 20 14.

EXHIBIT A

Legal Description of the Project

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, and State of New York, being part of Lot No. 184 of the Stevens Survey, bounded and described as follows:

BEGINNING at a point that intersects with the north line of Letchworth Street, 40 foot wide R.O.W. and the east line of Grant Street, 60 foot R.O.W.; thence northerly along the east line of Grant Street a distance of 611.13 feet to a point; thence easterly at an interior angle of $95^{\circ}-04'-44''$ a distance of 259.90 feet to a point; thence southerly at an interior angle of $85^{\circ}-03'-50''$ a distance of 605.06' feet to a point on the north line of Letchworth Street; thence westerly along the north line of Letchworth Street a distance of 262.01' to the point or place of beginning more or less.

ACKNOWLEDGMENT AND CONSENT

THIS ACKNOWLEDGMENT AND CONSENT (this "*Acknowledgment and Consent*") is made as of the 1st day of June, 2011 by **STATE UNIVERSITY OF NEW YORK**, a corporation established pursuant to the Education Law of the State of New York, having an office and place of business at State University Plaza, Albany, New York 12246 ("*SUNY*"), **BUFFALO STATE ALUMNI ASSOCIATION, INC.**, a corporation organized under the New York Not-For-Profit Corporation Law, with an office and place of business at 1300 Elmwood Avenue, Cleveland Hall, Room 305, Buffalo, New York 14222 (the "*Association*"), **BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION**, a not-for-profit corporation constituting a local development corporation duly organized and existing under the laws of the State of New York, having an office for the transaction of business at 275 Oak Street, Buffalo, New York 14203 (the "*Issuer*"), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a banking corporation, duly organized and existing under the laws of the New York, having a designated corporate trust office at One M&T Plaza, 7th Floor, Buffalo, New York 14203, as trustee (together with any successor trustee, the "*Trustee*").

RECITALS:

SUNY entered into a certain Ground Lease dated as of July 1, 2009 (as amended or supplemented from time to time, the "*Ground Lease*"), with the Association whereby SUNY leased to the Association certain premises containing in the aggregate approximately 3.9 acres of land and located at the corner of Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York, all as more fully described therein and in Schedule A attached hereto and made a part hereof (the "*Premises*"), a memorandum of which Ground Lease has been recorded in the Office of the Erie County Clerk in Book 11175 at page 8865; and

The Association subleased the Premises to Buffalo State College Foundation Housing Corporation, a New York not-for-profit corporation (the "*Company*"), pursuant to a certain Sublease Agreement dated as of July 1, 2009 (as amended or supplemented from time to time, the "*Sublease*"), a memorandum of which Sublease has been recorded in the Office of the Erie County Clerk in Book 11175 at page 8872; and

Pursuant to the Sublease, the Company covenants to undertake the obligations of the Association set forth in the Ground Lease to develop, construct and/or operate an approximately 245,000 square foot seven (7) story student housing complex consisting of approximately 507 beds, to serve students of Buffalo State College (the "*College*") together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements (collectively, the "*Improvements*") and the acquisition and installation in and around the Improvements of certain items of furniture, furnishings, equipment, machinery and other tangible personal property (collectively, the "*Project*"); and

The Issuer was created to undertake the providing of projects of a character such as the Project for the public purposes of the State; and

At the request of the Company, the Issuer issued its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1 and Series 2009A-2 in the aggregate principal amount of \$25,000,000 (the "*Tax-Exempt Series 2009A Bonds*"), Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-3 and Series 2009A-4 in the aggregate principal amount of \$17,755,000 (the "*Taxable Series 2009A Bonds*" and together with the Tax-Exempt Series 2009A Bonds the "*Series 2009A Bonds*") and its Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B in the aggregate principal amount of \$5,000,000 (the "*Series 2009B Bonds*" and together with the Series 2009A Bonds, the "*Series 2009 Bonds*") pursuant to a certain Indenture of Trust dated as of December 1, 2009 (as amended or supplemented from time to time, the "*Original Indenture*") between the Issuer and the Trustee, for the purpose of providing funds for the acquisition, construction and equipping of the Project; and

Pursuant to the Original Indenture, the Issuer, at the direction of the Company, elected to convert \$10,135,000 of the Series 2009A-3 Bonds and \$7,220,000 of the Series 2009A-4 Bonds to its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1 in the original aggregate principal amount of up to \$10,135,000 (the "*Series 2010A-1 Bonds*") and its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2 in the original aggregate principal amount of up to \$7,220,000 (the "*Series 2010A-2 Bonds*" and together with the Series 2010A-1 Bonds, the "*Series 2010 Bonds*" and together with the Series 2009 Bonds, the "*Outstanding Prior Bonds*"); and

The Issuer now proposes to loan the proceeds of the Issuer's Refunding Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "*Series 2011A Bonds*") to redeem and defease the Series 2009A Bonds, the Series 2009B Bonds and the Series 2010 Bonds and its Taxable Refunding Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Bonds*") to redeem and defease the Taxable Series 2009A Bonds, which are to be issued under and secured by a certain Trust Indenture dated as of June 1, 2011 (as the same may be amended or supplemented from time to time, the "*2011 Indenture*") between the Issuer and the Trustee; and

Contemporaneously with the execution of the 2011 Indenture, the Issuer and the Company will enter into a Loan Agreement of even date herewith (as amended or supplemented from time to time, the "*Loan Agreement*") whereby the Issuer agrees to issue the Bonds and the Company agrees, among other things, to make certain payments to the Issuer sufficient to pay principal and Redemption Price, and interest on, the Bonds; and

The Company has executed and delivered to the Issuer a Leasehold Mortgage and Security Agreement, dated as of June 1, 2011 (as amended or supplemented from time to time, the "*Mortgage*"), granting a first lien on, and security interest in, (subject to certain Permitted Encumbrances), the interest of the Company in and to the Sublease, the Project and the other Mortgaged Property (as such term is defined in the Mortgage) therein and

thereon to secure the Loan Agreement which Mortgage is intended to be recorded in the Office of the Erie County Clerk; and

The Issuer has assigned the Mortgage to the Trustee as security for the Bonds, which assignment is intended to be recorded in the Office of the Erie County Clerk; and

As further security for the Bonds, the Company has, among other things, assigned to the Trustee all of its right, title and interest in and to (i) that certain Facility Management Agreement dated as of July 1, 2009 (as amended or supplemented from time to time, the "*Facility Management Agreement*"), by and between the Company and SUNY, and (ii) a certain Agreement, dated as of June 1, 2011 (as amended or supplemented from time to time, the "*SUNY Agreement*") by and between the Company and SUNY, all pursuant to a certain Pledge and Assignment of Agreements dated as of June 1, 2011 (the "*Assignment of Agreements*"), given by the Company to the Trustee for the benefit of the holders of the Bonds; and

The Ground Lease and the Sublease, respectively, require, in relevant part, that SUNY and the Association each consent to any mortgage encumbering the Sublease and the Facility Management Agreement requires that SUNY, both as "Manager" thereunder and on behalf of the College consent to any assignment thereof by the Company.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the undersigned hereby acknowledge and confirm the following:

1. SUNY hereby acknowledges its receipt of a true, accurate and complete copy of the Mortgage and the Assignment of Agreements and hereby consents to each of the same and their respective terms, covenants and conditions. The Association hereby consents to the granting of the Mortgage.

2. SUNY acknowledges and agrees that with respect to the Facility Management Agreement (a) the terms "Agency Lease" and "Lease to Issuer" (as such quoted terms are defined in the Facility Management Agreement) shall be defined as, and deemed to refer to, the Loan Agreement; (b) the term "Indenture" (as such quoted term is defined in the Facility Management Agreement) shall be defined as, and deemed to refer to, the 2011 Indenture; (c) the term "Bonds" shall be defined as, and deemed to refer to, the Series 2011A Bonds and the Series 2011B Bonds; (d) references to tax-exempt bonds on page 2 thereof shall include the Series 2011B Bonds; and (e) the term "Capital Reserves" includes without limitation the Repair and Replacement Fund (as defined in the 2011 Indenture).

3. SUNY hereby acknowledges and agrees that the Mortgage each constitutes a permitted subleasehold mortgage under the terms of the Ground Lease. SUNY covenants and agrees with the Trustee that it shall perform its covenants and agreements under, and in accordance with, the Ground Lease.

4. SUNY covenants, confirms and agrees that, as a "Subleasehold Mortgagee" under, and as defined in, the Ground Lease, the Trustee, as assignee of the Issuer with respect to the Mortgage, is entitled to: (a) receive notices and/or to cure defaults under the Ground Lease (but is under no obligation to cure any such default); (b) the benefit of any requirement for Subleasehold Mortgagee's consent thereunder and of all provisions under the Ground Lease regarding a new lease; and (c) all other rights, remedies, protections, privileges, and powers of a Subleasehold Mortgagee under the Ground Lease, and anyone claiming through or under such Subleasehold Mortgagee.

5. SUNY represents and warrants that (a) the Ground Lease, the Facility Management Agreement and the SUNY Agreement are each in full force and effect, (b) no default or event of default has occurred thereunder by or with respect to either SUNY or the Company, (c) neither the Ground Lease, the Facility Management Agreement nor the SUNY Agreement have been modified, and (d) none of its right, title or interest under the Ground Lease, the Facility Management Agreement and/or the SUNY Agreement has been assigned, transferred, conveyed, mortgaged, pledged or encumbered.

6. The Association represents and warrants that (a) the Sublease is in full force and effect, (b) no default or event of default has occurred thereunder by or with respect to either the Association or the Company, (c) the Sublease has not been modified and (d) none of its right, title or interest under the Sublease has been assigned, transferred, conveyed, mortgaged, pledged or encumbered other than in favor of the Trustee.

7. The Association covenants and agrees with the Issuer and the Trustee that while the Bonds are Outstanding (as defined in the 2011 Indenture), the Association will (a) maintain its status as an organization exempt from federal income taxation as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and (b) observe and perform the terms and covenants applicable to it under the Ground Lease and Sublease, in each case to the extent required under the Internal Revenue Code of 1986, as amended, to maintain the excludability of interest on the tax-exempt Bonds from gross income for federal income tax purposes.

8. SUNY and the Association acknowledge and agree that, pursuant to Section 15 of the Ground Lease, all of the Improvements are and shall remain the property of the Company during the term of the Ground Lease and the Sublease.

9. SUNY covenants and agrees with respect to the Facility Management Agreement that any and all fees, commissions and compensation now or hereafter due and payable to it pursuant to the terms thereof (but excluding any amounts or reimbursements due and payable to SUNY thereunder for costs and expenses incurred by it) are, and shall at all time remain, subject and subordinate to the respective liens of the Mortgage and the rights of the Trustee thereunder.

10. SUNY covenants and agrees with respect to the Facility Management Agreement and the SUNY Agreement (together the "Agreements") that (i) the Trustee may (but is not obligated to) perform the obligations of the Company thereunder, and

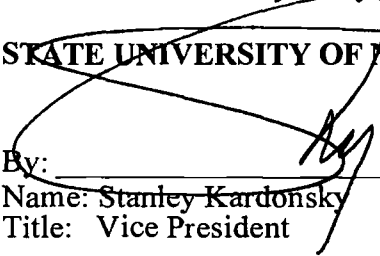
SUNY shall accept such performance in lieu of performance by the Company, in satisfaction of the Company's respective obligations thereunder at all times prior to the entry of a final order confirming the foreclosure of the Mortgage or conveyance or assignment in lieu thereof, (ii) no change in the terms of either of such Agreements, and no cancellation or termination thereof, shall be valid without the Trustee's prior written consent thereto, (iii) SUNY shall not assign, transfer, convey, mortgage, pledge or encumber either of the Agreements or its respective interests therein, (iv) in the event of any default by the Company under either of the Agreements, at all times prior to the entry of a final order confirming the foreclosure of the Mortgage or conveyance or assignment in lieu thereof, the Trustee shall have the right, but not the obligation, at any time and from time to time to take any and all action it may deem necessary or appropriate for the purpose of curing such default within a reasonable period of time following the Trustee's receipt of notice of the occurrence of such default (SUNY recognizes that the Trustee does not have the ability to cure the following defaults by the Company: bankruptcy, assignment for the benefit of creditors, or the appointment of a receiver or trustee; therefore, the exercise by the Trustee of its rights and remedies under the Assignment of Agreements, together with the curing by the Trustee of any monetary defaults under either of the Agreements, shall constitute the curing of such defaults), (v) in the event the Trustee timely cures any default in accordance with the provisions of this Acknowledgment and Consent, SUNY waives any rights it may have to terminate or cancel either of the Agreements, and (vi) subject to the terms, conditions and limitations on assignment set forth in Article 17 of the Ground Lease, the Trustee may further assign or reassign the Company's and/or the Trustee's respective right, title and interest in either of the Agreements in conjunction with an assignment of the Sublease as permitted in Article 17 of the Ground Lease prior to or any time after the occurrence of an Event of Default under the Loan Agreement or the 2011 Indenture and that such assignee may enforce the obligations of the Agreements, or either of them, and enjoy the right, title and benefits thereunder, with the same force and effect as if such assignee were the Company, provided that any such assignee agrees in writing to assume the obligations of the Company thereunder from and after the date of such assignment or re-assignment and such assignment otherwise complies with the terms, covenants and conditions governing assignment of the Sublease as set forth in Article 17 of the Ground Lease.

11. The Association covenants and agrees with respect to the Sublease that (a) the Association shall send a copy of notices given thereunder to the Trustee as mortgagee, (b) the Trustee shall have the right to cure defaults thereunder (but is under no obligation to cure any such default) and to consent to any amendment, modification or termination thereof in the same manner and with the same effect as the Company thereunder; and (c) the Trustee shall have all of the same rights, remedies, protections, privileges, and powers of a Subleasehold Mortgagee that are set forth in the Ground Lease.

Signature Page Follows

IN WITNESS WHEREOF, SUNY, the Association, the Issuer and the Trustee have duly executed this Acknowledgment and Consent the day and year first above written.


STATE UNIVERSITY OF NEW YORK

By: 
Name: Stanley Kardonsky
Title: Vice President

BUFFALO STATE ALUMNI ASSOCIATION, INC.

By: _____
Name: _____
Title: _____

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION**

By: 
Name: David W. Korchoff
Title: Assistant Treasurer

**MANUFACTURERS AND TRADERS TRUST
COMPANY, as Trustee**

By: M. Anthony Argenio
Name: M. Anthony Argenio
Title: Assistant Vice President

STATE OF NEW YORK)
) SS:
COUNTY OF ERIE)

On the 13th day of June in the year 2011 before me, personally appeared Stanley Kardonsky, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Carol A. Stadelmaier
NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF ERIE)

Carol A. Stadelmaier
Notary Public, State of New York
Qualified in Erie County
Lic. # 01ST6189198
My Commission Expires 6/23/20 12

On the _____ day of June in the year 2011 before me, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF ERIE)

On the 15th day of June in the year 2011 before me, personally appeared David W. Kerchoff, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Loril McRobbie
NOTARY PUBLIC

LORIL McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 14

STATE OF NEW YORK)
) SS:
COUNTY OF ERIE)

On the ____ day of June in the year 2011 before me, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF ERIE)

On the 14th day of June in the year 2011 before me, personally appeared Kevin Tretley, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.


NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF ERIE)

JEAN C. POWERS
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 3/30/2014

On the ____ day of June in the year 2011 before me, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

NOTARY PUBLIC

STATE OF NEW YORK)
) SS:
COUNTY OF ERIE)

On the 15th day of June in the year 2011 before me, personally appeared M. Anthony Agnino, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.



NOTARY PUBLIC

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 2014

SCHEDULE A

(Description of Premises)

Leased Premises

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, and State of New York, being part of Lot No. 184 of the Stevens Survey, bounded and described as follows:

BEGINNING at a point that intersects with the north line of Letchworth Street, 40 foot wide R.O.W. and the east line of Grant Street, 60 foot R.O.W.; thence northerly along the east line of Grant Street a distance of 611.13 feet to a point; thence easterly at an interior angle of 95°-04'-44" a distance of 259.90 feet to a point; thence southerly at an interior angle of 85°-03'-50" a distance of 605.06' feet to a point on the north line of Letchworth Street; thence westerly along the north line of Letchworth Street a distance of 262.01' to the point or place of beginning more or less.



County Clerk's Recording Page

Return to:

HISCOCK&BARCLAY LLP
ONE PARK PL
300 STATE ST
SYRACUSE, NY 13202

Book Type: M Book: 13538 Page: 2484
Page Count: 5
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Rec Date: 06/17/2011
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Receipt#: 11088579
Document Sequence Number

Party 1:

BUFFALO&ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION

Party 2:

MANUFACTURERS&TRADERS TRUST
COMPANY

Consideration Amount:

BASIC	0
SONYMA	0
ADDL	0
NFTA MT	\$0.00
TRANSFER	\$0.00
NFTA TT	\$0.00

Recording Fees:

Fee 1	\$45.00
Fee 2	\$1.00
COE STATE \$14.25 GEN	\$14.25
COE STATE \$4.75 RM	\$4.75
MARKOFF FEE	\$0.50

Total: \$65.50

STATE OF NEW YORK
ERIE COUNTY CLERK'S OFFICE

WARNING – THIS SHEET CONSTITUTES THE CLERK'S ENDORSEMENT REQUIRED BY SECTION 319&316-a (5) OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK. DO NOT DETACH. THIS IS NOT A BILL.

Interim John J. Crangle, Jr.
COUNTY CLERK

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION**

To

MANUFACTURERS AND TRADERS TRUST COMPANY

ASSIGNMENT OF LEASEHOLD MORTGAGE AND SECURITY AGREEMENT

Dated as of June 1, 2011

relating to

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION**

**\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
PROJECT), SERIES 2011A**

**\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
PROJECT), SERIES 2011B**

Record and Return to:

**Hiscock & Barclay, LLP
300 South State Street
Syracuse, New York 13202
Attention: Susan R. Katzoff, Esq.**

127278
4-4-1

**ASSIGNMENT OF LEASEHOLD MORTGAGE
AND SECURITY AGREEMENT**

This Assignment of Leasehold Mortgage and Security Agreement ("*Assignment of Mortgage*") dated as of June 1, 2011, is from **BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION**, a not-for-profit corporation constituting a local development corporation organized under the laws of the State of New York, having an office at 143 Genesee Street, Buffalo, New York 14203 ("*Assignor*"), to **MANUFACTURERS AND TRADERS TRUST COMPANY**, a banking corporation duly organized under the laws of the laws of the State of New York, and having a designated corporate trust office at One M&T Plaza, 7th Floor, Buffalo, New York 14203, as trustee ("*Assignee*").

Buffalo State College Foundation Housing Corporation, a not-for-profit corporation organized under the laws of the State of New York, as mortgagor, entered into a certain Leasehold Mortgage and Security Agreement dated as of June 1, 2011 ("*Leasehold Mortgage*"), granting Assignor, as mortgagee, a leasehold mortgage and security interest in the Mortgaged Property, as defined therein, and covering the leasehold interest encumbering the fee premises more particularly described on Exhibit A, annexed hereto and made a part hereof which Leasehold Mortgage was filed with the Erie County Clerk on June 17, 2011, in Liber 13538 at page 2455 .

NOW THEREFORE, for value received, the receipt and sufficiency of which are hereby acknowledged, the Assignor hereby assigns, transfers and sets over to the Assignee all of Assignor's right, title and interest in and to that certain Leasehold Mortgage.

TO HAVE AND TO HOLD the same unto the Assignee and to the successors, legal representatives and assigns of Assignee forever, **WITHOUT RECOURSE, REPRESENTATION OR WARRANTY OF ANY KIND BY ASSIGNOR OR ANY RESPONSIBILITY OR LIABILITY WHATSOEVER ON BEHALF OF ASSIGNOR.**

[Remainder of Page Intentionally Left Blank]

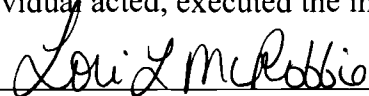
IN WITNESS WHEREOF, Assignor has duly executed this Assignment of Mortgage as of the 16th day of June, 2011.

BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION

By: 
David W. Kerchoff, Assistant Treasurer

STATE OF NEW YORK)
) ss:
COUNTY OF ERIE)

On the 15th day of June, 2011, before me, the undersigned, personally appeared **David W. Kerchoff**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.


Notary Public – State of New York

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 14

EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, and State of New York, being part of Lot No. 184 of the Stevens Survey, bounded and described as follows:

BEGINNING at a point that intersects with the north line of Letchworth Street, 40 foot wide R.O.W. and the east line of Grant Street, 60 foot R.O.W.; thence northerly along the east line of Grant Street a distance of 611.13 feet to a point; thence easterly at an interior angle of $95^{\circ}-04'-44''$ a distance of 259.90 feet to a point; thence southerly at an interior angle of $85^{\circ}-03'-50''$ a distance of 605.06' feet to a point on the north line of Letchworth Street; thence westerly along the north line of Letchworth Street a distance of 262.01' to the point or place of beginning more or less.



County Clerk's Recording Page

Return to:

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300 STATE ST
SYRACUSE, NY 13202

Book Type: M Book: 13538 Page: 2489

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Doc Type: ASSIGN OF RENTS
Rec Date: 06/17/2011
Rec Tim: 10:29:07 AM +1
Control #: 2011127279
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Receipt#: 11088579
Document Sequence Number

Party 1:

BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION

Party 2:

MANUFACTURERS&TRADERS TRUST
COMPANY TR

Consideration Amount:

BASIC	0
SONYMA	0
ADDL	0
NFTA MT	\$0.00
TRANSFER	\$0.00
NFTA TT	\$0.00

Recording Fees:

Fee 1	\$75.00
Fee 2	\$1.00
COE STATE \$14.25 GEN	\$14.25
COE STATE \$4.75 RM	\$4.75

Total: \$95.00

STATE OF NEW YORK
ERIE COUNTY CLERK'S OFFICE

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Interim John J. Crangle, Jr.
COUNTY CLERK

ERIE COUNTY CLERK'S OFFICE



County Clerk's Recording Page

Return to:

HISCOCK&BARCLAY LLP
ONE PARK PL
300 STATE ST
SYRACUSE, NY 13202

Book Type: D Book: 11204 Page: 7017
Page Count: 11
Doc Type: ASGN LSE-NO TT
Rec Date: 06/17/2011
Rec Tim: 10:29:07 AM
Control #: 2011127280
UserID: Loretta
Receipt#: 11088579
Document Sequence Number

Party 1:

BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION

Party 2:

MANUFACTURERS&TRADERS TRUST
COMPANY TR

Consideration Amount:

BASIC	0
SONYMA	0
ADDL	0
NFTA MT	\$0.00
TRANSFER	\$0.00
NFTA TT	\$0.00

Recording Fees:

Fee 1	\$75.00
Fee 2	\$1.00
COE STATE \$14.25 GEN	\$14.25
COE STATE \$4.75 RM	\$4.75

Total: \$95.00

STATE OF NEW YORK
ERIE COUNTY CLERK'S OFFICE

WARNING – THIS SHEET CONSTITUTES THE CLERK'S ENDORSEMENT REQUIRED BY SECTION 319&316-a (5) OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK. DO NOT DETACH. THIS IS NOT A BILL.

Interim John J. Crangle, Jr.
COUNTY CLERK

Return to: Susan R. Katzoff, Esq.
Hiscock & Barclay, LLP
One Park Place
300 South State Street
Syracuse, NY 13202

ASSIGNMENT OF RENTS AND LEASES

by

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION

to

MANUFACTURERS AND TRADERS TRUST COMPANY, as Trustee

Dated as of June 1, 2011

relating to

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION**

**\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
PROJECT), SERIES 2011A**

**\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
PROJECT), SERIES 2011B**

127279-2R-10
127280-72L-10

ASSIGNMENT OF RENTS AND LEASES

THIS ASSIGNMENT OF RENTS AND LEASES made and entered into as of June 1, 2011 (the "*Assignment*"), from **BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION**, a not-for-profit corporation organized under the laws of the State of New York having an office at 1300 Elmwood Avenue, Room 505, Buffalo, New York 14222 (the "*Company*") to **MANUFACTURERS AND TRADERS TRUST COMPANY**, a banking corporation duly organized and existing under the laws of the State of New York, having its principal corporate trust office at One M&T Plaza, 7th Floor, Buffalo, New York 14203, as trustee (the "*Trustee*").

THE MEANING OF CAPITALIZED TERMS (NOT OTHERWISE DEFINED HEREIN)
CAN BE DETERMINED BY REFERENCE TO THE DEFINITION OF THE CAPITALIZED TERM AS SET FORTH
IN SCHEDULE A TO THE INDENTURE.

RECITALS :

State University of New York ("*SUNY*") is the owner of the Land (as hereinafter defined) and has granted a leasehold interest in the Land to the Buffalo State Alumni Association, Inc., a New York not-for-profit corporation (the "*Association*"), pursuant to a certain Ground Lease dated as of July 1, 2009 (as amended or supplemented from time to time, the "*Ground Lease*"), a memorandum of which has been recorded in the Office of the Erie County Clerk in Book 11175 at page 8865.

The Association has granted a subleasehold interest in the Land to the Company pursuant to a certain Sublease Agreement dated as of July 1, 2009 (as amended or supplemented from time to time, the "*Sublease*"), a memorandum of which has been recorded in the Office of the Erie County Clerk in Book 11175 at page 8872.

The Issuer determined at the request of the Company to make a loan to finance a portion of the costs of a certain project to be undertaken by the Company consisting of (a) the acquisition by the Company of subleasehold title to certain parcels of land containing in the aggregate approximately 3.9 acres of land, as more fully described in Exhibit A attached hereto, located on Letchworth Street on the campus of Buffalo State College (the "*College*") located at the corner of Letchworth Street and Grant Street on the campus of Buffalo State College located at the corner of Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York (the "*Land*"); (b) construction thereon by the Company of an approximately 225,000 square foot student housing complex consisting of approximately 507 beds, together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements (collectively, the "*Improvements*"); and (c) the acquisition and installation in and around the Improvements of certain items of furniture, furnishings, equipment, machinery and other tangible personal property (collectively, the "*Equipment*" and, collectively with the Land and the Improvements, the "*Project*").

In order to fund the loan by the Issuer, the Issuer issued its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1 and Series 2009A-2 in the aggregate principal amount of up to \$25,000,000 (the "*Tax-Exempt Series 2009A Bonds*"), Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-3 and Series 2009A-4 in the aggregate principal amount of up to \$17,755,000 (the "*Taxable Series 2009 Bonds*" and together with the Tax-Exempt Series 2009 Bonds, the "*Series 2009A Bonds*") and its Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B in the aggregate principal amount of up to \$5,000,000 (the "*Series 2009B Bonds*"), pursuant to that certain Indenture of Trust dated as of December 1, 2009 (the "*2009 Indenture*"), between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "*Trustee*").

The Company and the Issuer entered into that certain Loan Agreement dated as of December 1, 2009, pursuant to which the Issuer agreed to make the loan and the Company agreed, among other things, to make loan payments in an amount sufficient to pay principal of, and interest on, the Series 2009A Bonds, the Series 2009B Bonds and any additional bonds issued under the 2009 Indenture.

The Issuer, at the direction of the Company given pursuant to the 2009 Indenture, elected to reissue a portion of the Taxable Series 2009 Bonds as its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1 in the original aggregate principal amount of up to \$10,135,000 (the "*Series 2010A-1 Bonds*") and its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2 in the original aggregate principal amount of up to \$7,220,000 (the "*Series 2010A-2 Bonds*" and together with the Series 2010A-1 Bonds, the "*Series 2010 Bonds*") pursuant to that certain First Supplemental Indenture dated as of May 1, 2010 (the "*Supplemental Indenture*" and the 2009 Indenture as supplemented by the Supplemental Indenture, the "*Prior Indenture*").

At the request of the Company, the Issuer now proposes to issue, pursuant to that certain Trust Indenture dated as of June 1, 2011 (as amended and supplemented from time to time, the "*Indenture*"), between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "*Trustee*"), its Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "*Series 2011A Bonds*") to redeem and defease the Tax-Exempt Series 2009A Bonds, the Series 2009B Bonds and the Series 2010 Bonds, to pay or reimburse the Company for certain Costs of the Project (as defined in the Indenture) and to pay certain costs of issuance of the Series 2011A Bonds and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Initial Bonds*") to redeem and defease the Taxable Series 2009 Bonds and to pay costs of issuance of the Initial Bonds.

The Issuer and the Company entered into a certain Loan Agreement dated as of June 1, 2011 (as amended or supplemented from time to time, the "*Loan Agreement*"), pursuant to which, among other things, the Company will agree to make Loan Payments (as defined in the Indenture) in an amount sufficient to pay principal and the Redemption Price (as defined in the Indenture) of, and interest on, the Initial Bonds.

All things necessary to constitute this Assignment a valid assignment of the Rents and Leases as herein defined, in accordance with the terms hereof have been done and performed, and the creation, execution and delivery of this Assignment, as security for the payment of the principal of, and premium, if any, and interest on, the Bonds, the payment of all other sums required to be paid hereunder and under the Indenture, the Loan Agreement and the other Bond Documents and the performance and observance by the Company under the Loan Agreement and the other Bond Documents (as defined in the Indenture).

The Issuer will not agree to issue the Bonds or enter into the Loan Agreement and the other Bond Documents, unless the Company agrees to grant the assignment of the Rents and Leases as set forth below to the Trustee as security for the payment of the principal of, and premium, if any, and interest on, the Bonds and as security for the Company's obligations under the Loan Agreement and the other Bond Documents.

The Company has agreed to make the assignment of the Rents and Leases as set forth below to the Trustee as security for the payment of the principal of, and premium, if any, and interest on, the Bonds and as security for the Company's obligations under the Loan Agreement and the other Bond Documents (hereinafter referred to collectively as the "*Indebtedness*").

NOW THEREFORE, FOR VALUE RECEIVED, the Company hereby grants, transfers, assigns, and sets over to the Trustee and grants a security interest in all of its right, title and interest (1) in and to all the rents, issues, license fees, sums, amount, profits and, to the extent permitted by applicable law, security deposits (hereinafter referred to collectively as the "*Rents*") of and from the Improvements and other real property described in Exhibit "A" attached hereto and made a part hereof, and (2) in and to all residency agreements, leases, subleases, licenses, or occupancy agreements (hereinafter referred to collectively as "*Leases*"), now or hereafter existing, of all or any part of the Improvements.

Without limiting the generality of the foregoing, it is agreed as follows:

(1) The Company grants, transfers and assigns to the Trustee all of its right, title and interest in and to the said Leases and in and to the right to use and possess the Improvements, including any and all of the Rents now due or which may hereafter become due under and by virtue of any Lease, whether written or oral, or any letting or any agreement for the use or occupancy of any part of the Improvements which may heretofore have been or which may hereafter be made or agreed to between the Company or any other present, prior or subsequent owner of the Improvements, or any interest therein, or which may be made or agreed to by the Trustee, its successors or assigns, under the powers herein granted and any tenant or occupant of all or any part of the Improvements for the purposes of securing the payment of the principal of, redemption premium, if any, and interest on the Indebtedness and the performance by the Company of each and all of the Company's payments, obligations, covenants and agreements as set forth in the Loan Agreement and other Bond Documents

(2) (A) The Company represents that there are, as of the date hereof, no Leases in effect covering the Improvements, other than the Ground Lease and the Sublease in effect as of the date hereof. The Company further represents and warrants that it is a not-for-profit corporation duly organized and existing under the laws of the State, has power to enter into and

perform this Assignment and to own its property and assets, has duly authorized the execution and delivery of this Assignment by proper action and none of this Assignment, the authorization, execution, delivery and performance hereof, the performance of the agreements herein contained or the consummation of the transactions herein contemplated will violate any provision of law, any order of any court or agency of government or any agreement, indenture or other instrument to which the Company is a party or by which it or any of its property is subject to or bound, or be in conflict with or result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or other instrument or any provision of its certificate of incorporation, or any other requirement of law. The Company further represents and warrants that this Assignment constitutes the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

(3) The Company shall not enter into any Lease or other occupancy agreement covering all or any part of the Improvements, with the exception of the Sublease, provided that the Company may from time to time enter into one or more Leases in the ordinary course of business for occupancy of the Improvements with students and faculty of the College and with SUNY pursuant to the SUNY Agreement, and such other such uses as do not constitute a "change in the use" of the Improvements under the Code, and provided further that such Lease does not violate any of the terms, conditions or covenants applicable to the Trustee, the Company or the Improvements in the Tax Compliance Agreement, or any other Bond Documents. The Company will, from time to time, execute or obtain any and all instruments requested by the Trustee in order to effectuate this Assignment and to accomplish any of the purposes that are necessary or appropriate in connection with this Assignment or the Improvements, including, without limitation, any agreements of subordination, estoppel or attornment, as well as specific assignments of any Lease relating to the use and occupancy of the Improvements or to any part thereof now or hereafter in effect, as may be necessary or desirable in the opinion of the Trustee in order to subject the same to this Assignment.

(4) This Assignment shall in no way operate to restrict or prevent the Trustee from pursuing any remedy which it may now or hereafter have because of any present or future breach of the terms conditions of the Mortgage, the Loan Agreement or any other Bond Document.

(5) The Trustee shall not in any way be responsible for any failure to do any or all the things for which the rights, interests, power and/or authority are herein granted, and shall not be responsible for or liable under any of the agreements undertaken or obligations imposed upon the lessor under said Leases or other agreements with respect to the Improvements.

(6) The Trustee shall be accountable only for such cash as it receives under the terms of this Assignment.

(7) The failure of the Trustee to do any of the things or exercise any of the rights, interests, powers and/or authorities granted hereunder shall not be construed as a waiver of any of the rights, interests, powers or authorities assigned and granted to the Trustee under this Assignment.

(8) The parties agree that this Assignment is an actual assignment effective as of the date hereof, and that upon demand made by the Trustee on the lessee under any of said Leases or

on any person liable for any of the Rents of and from the Improvements or any part thereof, such lessee or person liable for any of such Rents shall, and is hereby authorized and directed to, pay to or upon the order of the Trustee and without any inquiry of any nature, all Rents then or thereafter accruing under said Leases or any other instrument or agreement, oral or written, granting rights to, and creating an obligation to pay, Rents in connection with the Improvements.

(9) As long as the Company is not in default in the payment of any Indebtedness secured hereby, or in the performance of any obligation, covenant or agreement contained herein or secured hereby, the Trustee agrees not to demand from any lessee under said Leases or from any other persons liable therefor, any of the Rents hereby assigned, but shall permit the Company to collect all such Rents from the Improvements and the said Leases on but not prior to accrual and to retain and enjoy the same; provided, however, that notwithstanding the provisions of this paragraph, all lessees under said Leases and all persons liable for Rents of and from the Improvements shall comply with any demands for Rents made by the Trustee pursuant to the provisions of this Assignment upon assertion by the Trustee that such default has occurred.

(10) Upon or at any time after default in the payment of any Indebtedness or in the performance of any term, provision, condition, obligation, covenant or agreement contained herein or in the Mortgage, the Loan Agreement or any Bond Document and after the expiration of any period of grace, if any, with respect to any such default provided for herein or in the Mortgage, the Loan Agreement or any Bond Document, respectively, the Trustee may declare all sums secured hereby immediately due and payable and may, at the Trustee's option, without notice, either in person or by agent and with or without bringing any action or proceeding, or by any receiver to be appointed by a court, enter upon, take possession of, and manage and operate the Improvements and each and every part thereof, and in connection therewith, the Trustee may make, cancel, enforce and modify Leases; fix or modify Rents; repair, maintain and improve the Improvements; employ contractors, subcontractors and workmen in and about the Improvements; obtain and evict tenants; in its own name, sue for or otherwise collect or reserve any and all Rents, including those past due and unpaid; employ leasing agents, managing agents, attorneys and accountants in connection with the enforcement of the rights of the Trustee hereunder and pay the reasonable fees and expenses thereof; and otherwise do and perform any and all acts which the Trustee may deem necessary and appropriate in and about the Improvements for the protection thereof and of the rights of the Trustee hereunder or under the Mortgage, the Loan Agreement or any other Bond Document, and any and all amounts reasonably expended by the Trustee in connection with the foregoing shall constitute so much additional Indebtedness secured hereby. The Trustee shall apply any moneys collected as aforesaid, less costs and expenses incurred, as aforesaid, upon any Indebtedness secured hereby in such order and manner as the Trustee may determine. The entering upon and taking possession of the Improvements; the collection of Rents; the exercise of any rights hereinabove specified; and the application of collections, as aforesaid, shall not cure, waive, modify or otherwise affect any default hereunder or under the Mortgage, the Loan Agreement or any other Bond Document.

(11) All tenants or occupants of any part of the Improvements are hereby authorized to recognize the claims and demands of the Trustee upon assertion of a default of the type described in paragraph 11 hereof, without investigation as to the reason for any action taken by the Trustee or the validity or the amount of Indebtedness owing to the Trustee or the existence of any default

hereunder, or under the Mortgage, the Loan Agreement or any other Bond Document or the application to be made by the Trustee, of any amounts to be paid to the Trustee. The signature of the Trustee shall be sufficient for the exercise of any right under this Assignment and the Trustee's receipt given for any sums received shall be a full discharge and release therefor to any such tenant or occupant of the Improvements. Checks for all or any part of the rental collected under this Assignment shall be made to the exclusive order of the Trustee.

(12) The Trustee shall not be obligated to perform or discharge any obligation, duty or liability under the said Leases, nor shall this Assignment operate to place upon the Trustee any responsibility for the control, operation, management, or repair of the Improvements or the carrying out of any of the terms and conditions of said Leases, nor shall this Assignment operate to make the Trustee liable for any waste committed on the Improvements by the lessee under any Lease or any other party, or for any dangerous or defective condition of the Improvements, or for any negligence in the management, upkeep, repair or control of the Improvements, resulting in loss, injury or death to any tenant, licensee, employee, invitee or stranger or any property thereof.

(13) The Company shall, and does hereby agree to, indemnify and hold the Trustee harmless of and from any and all liability, loss or damage which it may or might incur under any of said Leases or under or by reason of this Assignment and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any of said Leases. Should the Trustee incur any such liability, loss or damage under any of said Leases or under or by reason of this Assignment, or in the defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby, and the Company shall reimburse the Trustee therefor immediately upon demand.

(14) The Trustee has not received any securities deposited by any lessee with the lessor under the terms of existing Leases, nor have any such securities been transferred to the Trustee; and the Trustee assumes no responsibility or liability for any securities so deposited.

(15) The Company has not and will not, without the prior written consent of the Trustee, which consent shall not be unreasonably withheld, accept Rents in advance under any Leases or other agreements or leases of all or any part of the Improvements except only Rent for the then current semester which may be paid in advance.

(16) The Company shall cause this Assignment to be recorded and filed and re-recorded and refiled in each and every public office in which said filing and recording may be necessary to constitute record notice of this Assignment and the terms and provisions hereof as applicable to the Improvements, and any of said Leases hereafter made will contain a provision expressly subordinating such Leases to the Mortgage and this Assignment.

(17) The Company shall notify the Trustee of any Event of Default or any event which with notice and/or lapse of time, would constitute an Event of Default under any Bond Documents. Any notice required to be given pursuant to this section shall be signed by the Company, and set forth a description of default and the steps, if any, being taken to cure said default. If no steps have been taken to cure a default, the notice should plainly state this fact.

(18) Notwithstanding any provision of this Assignment, the Company may, in the ordinary course of its operations, make, modify, terminate and otherwise deal with student licenses for use of dormitory rooms included in the Improvements, without the consent of the Trustee, in a manner consistent with normal College practice.

(19) The following shall constitute an "Event of Default" hereunder.

(a) The Company fails to observe and perform any covenant, condition or agreement of this Assignment and continuance of such failure for more than thirty (30) days after written notice (which shall be deemed given when sent by registered or certified mailing) of such failure has been given to the Company by the Trustee or, if such default is not capable of being cured within thirty (30) days, the Company fails to commence within said thirty (30) days to cure the same and to diligently prosecute the cure thereof; or

(b) An Event of Default under the Mortgage, the Loan Agreement or any other Bond Document shall occur and be continuing.

(20) Upon payment in full of all Indebtedness and on the performance of all the obligations secured hereby, this Assignment shall become null and void and of no effect.

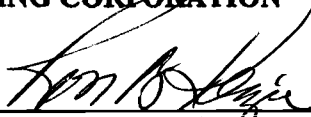
(21) This Assignment is binding on and inures to the benefit of the parties hereto and their respective successors and assigns.

(22) The obligations and agreements of the Company contained herein and any other instrument or document executed in connection therewith or herewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Company, and not of any director, trustee, manager, agent or employee of the Company in his individual capacity. The directors, trustees, managers, agents and employees of the Company shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby.

(23) All provisions of Article IX of the Indenture shall be construed as extending to and including all of the rights, duties and obligations imposed upon the Trustee under this Assignment as fully and for all purposes as if said Article IX were contained in this Guaranty Agreement.

IN WITNESS WHEREOF, the Company has executed this Assignment as of the date first above written.

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

By: 
Ross B. Kenzie, President

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the 13th day of June, in the year 2011, before me, the undersigned, a notary public in and for said state, personally appeared **Ross B. Kenzie**, personally known to me or proved to me on the basis of satisfactory evidence, to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.


NOTARY PUBLIC

Barbara A. Berringer
Notary Public
State of New York
Qualified in Erie County
My Commission Expires 10/6/2013

EXHIBIT "A"

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, and State of New York, being part of Lot No. 184 of the Stevens Survey, bounded and described as follows:

BEGINNING at a point that intersects with the north line of Letchworth Street, 40 foot wide R.O.W. and the east line of Grant Street, 60 foot R.O.W.; thence northerly along the east line of Grant Street a distance of 611.13 feet to a point; thence easterly at an interior angle of $95^{\circ}-04'-44''$ a distance of 259.90 feet to a point; thence southerly at an interior angle of $85^{\circ}-03'-50''$ a distance of 605.06' feet to a point on the north line of Letchworth Street; thence westerly along the north line of Letchworth Street a distance of 262.01' to the point or place of beginning more or less.



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

CESAR A. PERALES
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

July 5, 2011

HISCOCK & BARCLAY LLP
ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE NY 13202

Attached is the acknowledgment copy of your recently submitted filing. This filing consists of a total of 7 pages; however, only the first page of the filed document is returned as part of this acknowledgment. This document has been filed with the New York State Department of State, Uniform Commercial Code Division.

The Financing Statement has been assigned Filing Number: 201106300354364, Filing Date: 06/30/2011 and is currently reflected in our automated database as follows:

Debtor's Name & Address

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
1300 ELMWOOD AVENUE, SUITE 505
BUFFALO NY 14222

Secured Party's Name & Address

MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE
ONE M&T PLAZA, 7TH FLOOR
BUFFALO NY 14203

This filing will lapse on 06/30/2041, unless continued. We encourage filers to take full advantage of the six-month window of opportunity in which to file a Financing Statement Amendment (Continuation). Submission of your documents at the onset of the six-month window will allow ample time to rectify potential filing errors and help to assure timely recording of your filing.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 474-4763, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 019596

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

019596

2011 JUN 30 AM 9:00

A. NAME & PHONE CONTACT AT FILER [optional]
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGEMENT TO: (Name and Address)

Hiscock & Barclay, LLP
One Park Place
300 South State Street
Syracuse, New York 13202
Attn: Susan R. Katzoff, Esq.

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
Buffalo State College Foundation Housing Corporation

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
1300 Elmwood Avenue, Suite 505 Buffalo NY 14222

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID #, if any
Not for profit corp. NY NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID #, if any
 NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P)- insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
Manufacturers and Traders Trust Company, as trustee

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
One M&T Plaza, 7th Floor Buffalo NY 14203

4. This FINANCING STATEMENT covers the following collateral:

The right, title and interest of the Debtor in the personal property described on Schedule A attached hereto granted pursuant to the Leasehold Mortgage and Security Agreement dated as of June 1, 2011 and assigned to the Secured Party by Assignment of Mortgage dated June 16, 2011 and granted pursuant to the Assignment of Rents and Leases dated as of June 1, 2011.

5. ALTERNATIVE DESIGNATION (if applicable) LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [if applicable] All Debtors Debtor 1 Debtor 2 [optional] [ADDITIONAL FEE]

8. OPTIONAL FILER REFERENCE DATA
Leasehold Mortgage and Security Agreement and Assignment of Rents and Leases (State)

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME
Buffalo State College Foundation Housing Corporation

OR

9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

11c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

11d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 11e. TYPE OF ORGANIZATION 11f. JURISDICTION OF ORGANIZATION 11g. ORGANIZATIONAL ID #, if any

Not Applicable NONE

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME
Buffalo and Erie County Industrial Land Development Corporation

OR

12b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

12c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

143 Genesee Street **Buffalo** **NY** **14203**

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.

14. Description of real estate:

16. Additional collateral description:
See Schedule A attached hereto

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):

17. Check only if applicable and check only one box.
 Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box.
 Debtor is a TRANSMITTING UTILITY
 Filed in connection with a Manufactured-Home Transaction — effective 30 years
 Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"
TO UCC-1 FINANCING STATEMENT
RELATING TO THE
LEASEHOLD MORTGAGE AND SECURITY AGREEMENT
FROM BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
TO MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE AND
ASSIGNEE OF BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION AND THE ASSIGNMENT OF RENTS AND
LEASES FROM BUFFALO STATE COLLEGE FOUNDATION HOUSING
CORPORATION
TO MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION (the "*Company*") has executed and delivered a Leasehold Mortgage and Security Agreement dated as of June 1, 2011 (the "*Mortgage*"), in favor of **MANUFACTURERS AND TRADERS TRUST COMPANY**, as Trustee and Assignee of **BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION** (the "*Issuer*") in connection with the Issuer's Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "*Series 2011A Bonds*") and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Bonds*"), which are to be issued under and secured by a certain Trust Indenture dated as of June 1, 2011 (as amended and supplemented from time to time, the "*Indenture*"), between Issuer and Trustee. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Mortgage.

Pursuant to the Mortgage, the Company has granted to the Trustee a Lien on and security interest in, and pledged and assigned to the Trustee the following properties, assets and rights of the Company, whether now owned or held or thereafter acquired:

(a) (i) the entire right, title, interest and estate of the Company in and to the Land including the interest of the Company arising under the Ground Lease and the Sublease, respectively, each of which encumbers the Land (as more fully described on Exhibit A attached hereto), and (ii) all buildings, structures, improvements and appurtenances now standing, or at any time after the date of the Mortgage constructed, reconstructed or placed, upon the Land or any part thereof, including all right, title and interest of the Company in and to all building materials and fixtures of every kind and nature whatsoever on the Land or in any building now or after the date of the Mortgage standing on the Land or any part thereof, including, without limitation, the Improvements;

(b) the Equipment (as more particularly described in Exhibit B attached hereto), together with all repairs, replacements, improvements, substitutions and renewals thereof and therefor, and all parts, accessories and additions incorporated therein or affixed thereon;

(c) all leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the use, operation or occupancy of all or any portion of the Improvements or the Land now or after the date of the Mortgage entered into, and the right to receive and apply

the rents, issues and profits of the Mortgaged Property or the other real property described above to the payment of the Mortgage Indebtedness, *provided, however*, that so long as there exists no Event of Default or event which with the passage of time or giving of notice would constitute an Event of Default, the Company shall have a revocable license to collect and receive rents, issues and profits and to retain, use and enjoy such rents, issues and profits;

(d) all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property or the other real property described above, including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Company's right to use such insurance proceeds or Condemnation award for restoration of the Mortgaged Property as provided in the Loan Agreement;

(e) all right, title and interest of the Company in and to the Facility Management Agreement, the SUNY Agreement and all other contracts from time to time executed by the Company or any manager or agent on its behalf relating to the ownership, management, construction, equipping, reconstruction, maintenance, repair, operation, occupancy, sale or financing of the Mortgaged Property, or any part thereof, and all agreements relating to the purchase or lease of any portion of the Mortgaged Property, together with the right to exercise such options and all leases of Equipment, all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, reconstruction, equipping, completion, occupancy, use or operation of the Mortgaged Property or any part thereof, and all drawings, plans, specifications and similar or related items relating to the Mortgaged Property (all, collectively, the "*Contract Rights*");

(f) all Gross Revenues;

(g) the respective leasehold estate as defined and more fully described in the Ground Lease and/or the Sublease, together with all credits, deposits, option(s) to extend or renew the initial term and/or any renewal term of the Ground Lease and/or the Sublease (and any extensions of the term resulting from the exercise of option(s)), privileges, rights (including rights of possession and occupancy and loss proceeds), benefits, estate, title, and interest of the Company as subtenant under the Sublease, claims of the Company against the Association under the Sublease, rights to give the landlord under the Ground Lease any notices under the Ground Lease, rights of the Company to give the Association any notices under the Sublease, and all rights, recognitions and benefits granted to or for the benefit of the Company under the Ground Lease, including, without limitation, any and all Company's rights and remedies under any nondisturbance, attornment, or recognition agreements or provisions thereunder (all, collectively, the "*Leasehold Rights*");

(h) to the exclusion of the Company, all of the Company's rights and remedies arising at any time under, or pursuant to, Bankruptcy Code § 365(h), including the Company's right to elect to treat the Sublease as terminated, and the Company's right to remain in possession under the Sublease if the County rejects or disaffirms it under Bankruptcy Code § 365(h) or any other bankruptcy law, or any comparable right under any other bankruptcy law, together with all claims, suits, actions, proceedings, rights, remedies, and privileges related thereto or arising therefrom, including the Company's right to claim any offsets against rent under the Sublease

together with the right to file and prosecute, to the exclusion of the Company, any proofs of claim, complaints, motions, applications, notices, and other documents in any case relating to the Company under the Bankruptcy Code (collectively the "*Lease 365(h) Rights*");

(i) all of the Company's claims and rights to the payment of damages that may arise from the Association's failure to perform under the Sublease, rejection or disaffirmance of the Sublease under any bankruptcy law, or violation or breach by the Association under the Sublease, and all damages and other sums payable pursuant thereto (collectively, the "*Lease Damage Claims*");

(j) all extensions, additions, substitutions and accessions with respect to any of the foregoing; and

(k) all other proceeds of the conversion, whether voluntary or involuntary, of the Mortgaged Property or any other Property or rights encumbered or conveyed by the Mortgage into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, Condemnation and other awards.

Pursuant to the Assignment of Rents, the Company has granted, transferred, assigned, and set over to the Trustee and granted a security interest in all of its right, title and interest in and to all the rents, issues, license fees, sums, amount, profits and, to the extent permitted by applicable law, security deposits of and from the Improvements and other real property described in Exhibit A attached hereto and made a part hereof, and (2) in and to all residency agreements, leases, subleases, licenses, or occupancy agreements, now or thereafter existing, of all or any part of the Improvements

EXHIBIT A

DESCRIPTION OF LAND

LEGAL DESCRIPTION OF LAND

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, and State of New York, being part of Lot No. 184 of the Stevens Survey, bounded and described as follows:

BEGINNING at a point that intersects with the north line of Letchworth Street, 40 foot wide R.O.W. and the east line of Grant Street, 60 foot R.O.W.; thence northerly along the east line of Grant Street a distance of 611.13 feet to a point; thence easterly at an interior angle of $95^{\circ}-04'-44''$ a distance of 259.90 feet to a point; thence southerly at an interior angle of $85^{\circ}-03'-50''$ a distance of 605.06' feet to a point on the north line of Letchworth Street; thence westerly along the north line of Letchworth Street a distance of 262.01' to the point or place of beginning more or less.

EXHIBIT B

DESCRIPTION OF EQUIPMENT

All equipment, fixtures, machinery, building materials and other items of tangible personal property and all appurtenances now or after the date of the Mortgage attached to, contained in or used in connection with the Land and/or buildings and structures on the Land or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and other accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, and, together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor.

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE CONTACT AT FILER [optional] Lori McRobbie (315)425-2798
B. SEND ACKNOWLEDGEMENT TO: (Name and Address) Hiscock & Barclay, LLP One Park Place 300 South State Street Syracuse, New York 13202 Attn: Susan R. Katzoff, Esq.

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (1a or 1b) – do not abbreviate or combine names

OR	1a. ORGANIZATION'S NAME Buffalo State College Foundation Housing Corporation			
	1b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

1c. MAILING ADDRESS
1300 Elmwood Avenue, Suite 505

CITY Buffalo	STATE NY	POSTAL CODE 14222	COUNTRY
-----------------	-------------	----------------------	---------

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION
Not for profit corp.

1f. JURISDICTION OF ORGANIZATION NY	1g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
--	--

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – insert only one debtor name (2a or 2b) – do not abbreviate or combine names

OR	2a. ORGANIZATION'S NAME			
	2b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

2c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
------	-------	-------------	---------

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION	2g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
----------------------------------	--

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P)– insert only one secured party name (3a or 3b)

OR	3a. ORGANIZATION'S NAME Manufacturers and Traders Trust Company, as trustee			
	3b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX

3c. MAILING ADDRESS
One M&T Plaza, 7th Floor

CITY Buffalo	STATE NY	POSTAL CODE 14203	COUNTRY
-----------------	-------------	----------------------	---------

4. This FINANCING STATEMENT covers the following collateral:

The right, title and interest of the Debtor in the personal property described on Schedule A attached hereto granted pursuant to the Leasehold Mortgage and Security Agreement dated as of June 1, 2011 and assigned to the Secured Party by Assignment of Mortgage dated June 16, 2011 and granted pursuant to the Assignment of Rents and Leases dated as of June 1, 2011.

5. ALTERNATIVE DESIGNATION (if applicable) LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAIOLR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [if applicable] [ADDITIONAL FEE] [optional] All Debtors Debtor 1 Debtor 2

8. OPTIONAL FILER REFERENCE DATA
Leasehold Mortgage and Security Agreement and Assignment of Rents and Leases (County)

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME
Buffalo State College Foundation Housing Corporation

OR

9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME, SUFFIX

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME

OR

11b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

11c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

11d. SEE INSTRUCTIONS ADD'L. INFO RE ORGANIZATION DEBTOR 11e. TYPE OF ORGANIZATION 11f. JURISDICTION OF ORGANIZATION 11g. ORGANIZATIONAL ID #, if any NONE

Not Applicable

12. ADDITIONAL SECURED PARTY'S or ASSIGNOR S/P'S NAME - insert only one name (12a or 12b)

12a. ORGANIZATION'S NAME
Buffalo and Erie County Industrial Land Development Corporation

OR

12b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

12c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
143 Genesee Street Buffalo NY 14203

13. This FINANCING STATEMENT covers timber to be cut or as-extracted collateral, or is filed as a fixture filing.

14. Description of real estate:
See Schedule A

16. Additional collateral description:
See Schedule A attached hereto

15. Name and address of a RECORD OWNER of above-described real estate (if Debtor does not have a record interest):
State University of New York Albany, New York

17. Check only if applicable and check only one box.
 Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box.
 Debtor is a TRANSMITTING UTILITY
 Filed in connection with a Manufactured-Home Transaction — effective 30 years
 Filed in connection with a Public-Finance Transaction — effective 30 years

SCHEDULE "A"
TO UCC-1 FINANCING STATEMENT
RELATING TO THE
LEASEHOLD MORTGAGE AND SECURITY AGREEMENT
FROM BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
TO MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE AND
ASSIGNEE OF BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION AND THE ASSIGNMENT OF RENTS AND
LEASES FROM BUFFALO STATE COLLEGE FOUNDATION HOUSING
CORPORATION
TO MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION (the "*Company*") has executed and delivered a Leasehold Mortgage and Security Agreement dated as of June 1, 2011 (the "*Mortgage*"), in favor of **MANUFACTURERS AND TRADERS TRUST COMPANY**, as Trustee and Assignee of **BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION** (the "*Issuer*") in connection with the Issuer's Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "*Series 2011A Bonds*") and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Bonds*"), which are to be issued under and secured by a certain Trust Indenture dated as of June 1, 2011 (as amended and supplemented from time to time, the "*Indenture*"), between Issuer and Trustee. Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Mortgage.

Pursuant to the Mortgage, the Company has granted to the Trustee a Lien on and security interest in, and pledged and assigned to the Trustee the following properties, assets and rights of the Company, whether now owned or held or thereafter acquired:

(a) (i) the entire right, title, interest and estate of the Company in and to the Land including the interest of the Company arising under the Ground Lease and the Sublease, respectively, each of which encumbers the Land (as more fully described on Exhibit A attached hereto), and (ii) all buildings, structures, improvements and appurtenances now standing, or at any time after the date of the Mortgage constructed, reconstructed or placed, upon the Land or any part thereof, including all right, title and interest of the Company in and to all building materials and fixtures of every kind and nature whatsoever on the Land or in any building now or after the date of the Mortgage standing on the Land or any part thereof, including, without limitation, the Improvements;

(b) the Equipment (as more particularly described in Exhibit B attached hereto), together with all repairs, replacements, improvements, substitutions and renewals thereof and therefor, and all parts, accessories and additions incorporated therein or affixed thereon;

(c) all leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the use, operation or occupancy of all or any portion of the Improvements or the Land now or after the date of the Mortgage entered into, and the right to receive and apply

the rents, issues and profits of the Mortgaged Property or the other real property described above to the payment of the Mortgage Indebtedness, *provided, however*, that so long as there exists no Event of Default or event which with the passage of time or giving of notice would constitute an Event of Default, the Company shall have a revocable license to collect and receive rents, issues and profits and to retain, use and enjoy such rents, issues and profits;

(d) all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property or the other real property described above, including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Company's right to use such insurance proceeds or Condemnation award for restoration of the Mortgaged Property as provided in the Loan Agreement;

(e) all right, title and interest of the Company in and to the Facility Management Agreement, the SUNY Agreement and all other contracts from time to time executed by the Company or any manager or agent on its behalf relating to the ownership, management, construction, equipping, reconstruction, maintenance, repair, operation, occupancy, sale or financing of the Mortgaged Property, or any part thereof, and all agreements relating to the purchase or lease of any portion of the Mortgaged Property, together with the right to exercise such options and all leases of Equipment, all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, reconstruction, equipping, completion, occupancy, use or operation of the Mortgaged Property or any part thereof, and all drawings, plans, specifications and similar or related items relating to the Mortgaged Property (all, collectively, the "*Contract Rights*");

(f) all Gross Revenues;

(g) the respective leasehold estate as defined and more fully described in the Ground Lease and/or the Sublease, together with all credits, deposits, option(s) to extend or renew the initial term and/or any renewal term of the Ground Lease and/or the Sublease (and any extensions of the term resulting from the exercise of option(s)), privileges, rights (including rights of possession and occupancy and loss proceeds), benefits, estate, title, and interest of the Company as subtenant under the Sublease, claims of the Company against the Association under the Sublease, rights to give the landlord under the Ground Lease any notices under the Ground Lease, rights of the Company to give the Association any notices under the Sublease, and all rights, recognitions and benefits granted to or for the benefit of the Company under the Ground Lease, including, without limitation, any and all Company's rights and remedies under any nondisturbance, attornment, or recognition agreements or provisions thereunder (all, collectively, the "*Leasehold Rights*");

(h) to the exclusion of the Company, all of the Company's rights and remedies arising at any time under, or pursuant to, Bankruptcy Code § 365(h), including the Company's right to elect to treat the Sublease as terminated, and the Company's right to remain in possession under the Sublease if the County rejects or disaffirms it under Bankruptcy Code § 365(h) or any other bankruptcy law, or any comparable right under any other bankruptcy law, together with all claims, suits, actions, proceedings, rights, remedies, and privileges related thereto or arising therefrom, including the Company's right to claim any offsets against rent under the Sublease

together with the right to file and prosecute, to the exclusion of the Company, any proofs of claim, complaints, motions, applications, notices, and other documents in any case relating to the Company under the Bankruptcy Code (collectively the "*Lease 365(h) Rights*");

(i) all of the Company's claims and rights to the payment of damages that may arise from the Association's failure to perform under the Sublease, rejection or disaffirmance of the Sublease under any bankruptcy law, or violation or breach by the Association under the Sublease, and all damages and other sums payable pursuant thereto (collectively, the "*Lease Damage Claims*");

(j) all extensions, additions, substitutions and accessions with respect to any of the foregoing; and

(k) all other proceeds of the conversion, whether voluntary or involuntary, of the Mortgaged Property or any other Property or rights encumbered or conveyed by the Mortgage into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, Condemnation and other awards.

Pursuant to the Assignment of Rents, the Company has granted, transferred, assigned, and set over to the Trustee and granted a security interest in all of its right, title and interest in and to all the rents, issues, license fees, sums, amount, profits and, to the extent permitted by applicable law, security deposits of and from the Improvements and other real property described in Exhibit A attached hereto and made a part hereof, and (2) in and to all residency agreements, leases, subleases, licenses, or occupancy agreements, now or thereafter existing, of all or any part of the Improvements

EXHIBIT A

DESCRIPTION OF LAND

LEGAL DESCRIPTION OF LAND

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, and State of New York, being part of Lot No. 184 of the Stevens Survey, bounded and described as follows:

BEGINNING at a point that intersects with the north line of Letchworth Street, 40 foot wide R.O.W. and the east line of Grant Street, 60 foot R.O.W.; thence northerly along the east line of Grant Street a distance of 611.13 feet to a point; thence easterly at an interior angle of $95^{\circ}-04'-44''$ a distance of 259.90 feet to a point; thence southerly at an interior angle of $85^{\circ}-03'-50''$ a distance of 605.06' feet to a point on the north line of Letchworth Street; thence westerly along the north line of Letchworth Street a distance of 262.01' to the point or place of beginning more or less.

EXHIBIT B

DESCRIPTION OF EQUIPMENT

All equipment, fixtures, machinery, building materials and other items of tangible personal property and all appurtenances now or after the date of the Mortgage attached to, contained in or used in connection with the Land and/or buildings and structures on the Land or placed on any part thereof, though not attached thereto, including, but not limited to, pipes, screens, fixtures, heating, lighting, plumbing, ventilation, air conditioning, compacting and elevator plants, call systems, stoves, ranges, refrigerators, rugs, movable partitions, cleaning equipment, maintenance equipment, shelving, flagpoles, signs, waste containers, outdoor benches, drapes, blinds and other accessories, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, and, together with any and all products of any of the above, all substitutions, replacements, additions or accessions therefor.



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

CESAR A. PERALES
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

July 5, 2011

HISCOCK & BARCLAY LLP
ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE NY 13202

Attached is the acknowledgment copy of your recently submitted filing. This filing consists of a total of 2 pages; however, only the first page of the filed document is returned as part of this acknowledgment. This document has been filed with the New York State Department of State, Uniform Commercial Code Division.

The Financing Statement Amendment (Termination) has been assigned Filing Number: 201106300354477, Filing Date: 06/30/2011. This document has been appended to initial Financing Statement Filing Number: 201001040004710, which was filed on 01/04/2010.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 474-4763, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 019605

UCC FINANCING STATEMENT AMENDMENT 019605

2011 JUN 30 AM 9:00

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Hiscock & Barclay, LLP
One Park Place
300 South State Street
Syracuse, New York 13202
Attn: Susan R. Katzoff, Esq.

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
#201001040004710 - Filed 1/4/2010 with Secretary of State

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. **ASSIGNMENT (full or partial):** Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. **AMENDMENT (PARTY INFORMATION):** This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.

DELETE name: Give record name to be deleted in item 6a or 6b.

ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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7d. SEE INSTRUCTIONS Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
--	-----------------------------------	--------------------------	----------------------------------	--

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.

Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Buffalo and Erie County Industrial Land Development Corporation

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

10. **OPTIONAL FILER REFERENCE DATA**

Assignment of Rents and Leases

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

FILING NUMBER: 201106300354477

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)

#201001040004710 - Filed 1/4/2010 with Secretary of State

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

Buffalo and Erie County Industrial Land Development Corporation

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

— ADDITIONAL SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:

Manufacturers and Traders Trust Company, as Trustee
for the Owners of the Series 2009A Bonds



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

CESAR A. PERALES
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

July 5, 2011

HISCOCK & BARCLAY LLP
ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE NY 13202

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The Financing Statement Amendment (Termination) has been assigned Filing Number: 201106300354491, Filing Date: 06/30/2011. This document has been appended to initial Financing Statement Filing Number: 201001040004746, which was filed on 01/04/2010.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 474-4763, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 019606

UCC FINANCING STATEMENT AMENDMENT

019606

2011 JUN 30 AM 9:00

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Hiscock & Barclay, LLP
 One Park Place
 300 South State Street
 Syracuse, New York 13202
 Attn: Susan R. Katzoff, Esq.**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
#201001040004746 - Filed 1/4/2010 with Secretary of State

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. **ASSIGNMENT (full or partial):** Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. **AMENDMENT (PARTY INFORMATION):** This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.
 Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.
 CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.
 DELETE name: Give record name to be deleted in item 6a or 6b.
 ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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7d. SEE INSTRUCTIONS Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
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8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.
 Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Buffalo and Erie County Industrial Land Development Corporation

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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10. **OPTIONAL FILER REFERENCE DATA**
Leasehold Mortgage and Security Agreement

FILING NUMBER: 201106300354491

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)

#201001040004746 - Filed 1/4/2010 with Secretary of State

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

Buffalo and Erie County Industrial Land Development Corporation

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

— ADDITIONAL SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:

Manufacturers and Traders Trust Company, as Trustee
for the benefit of the Owners of the Series 2009A Bonds



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

CESAR A. PERALES
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

July 5, 2011

HISCOCK & BARCLAY LLP
ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE NY 13202

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The Financing Statement Amendment (Termination) has been assigned Filing Number: 201106300354516, Filing Date: 06/30/2011. This document has been appended to initial Financing Statement Filing Number: 201001040004758, which was filed on 01/04/2010.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 474-4763, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 019607

UCC FINANCING STATEMENT AMENDMENT

019607

2011 JUN 30 AM 9:00

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Hiscock & Barclay, LLP
 One Park Place
 300 South State Street
 Syracuse, New York 13202
 Attn: Susan R. Katzoff, Esq.**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
#201001040004758 - Filed 1/4/2010 with Secretary of State

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. **ASSIGNMENT (full or partial):** Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. **AMENDMENT (PARTY INFORMATION):** This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

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6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. **SEE INSTRUCTIONS** ADD'L INFO RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL ID #, if any

Not Applicable NONE

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.

Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Buffalo and Erie County Industrial Land Development Corporation

OR

9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. **OPTIONAL FILER REFERENCE DATA**

Loan Agreement

FILING NUMBER: 201106300354516

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)		
#201001040004758 - Filed 1/4/2010 with Secretary of State		
12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)		
12a. ORGANIZATION'S NAME		
Buffalo and Erie County Industrial Land Development Corporation		
OR	12b. INDIVIDUAL'S LAST NAME	
	FIRST NAME	MIDDLE NAME, SUFFIX
13. Use this space for additional information		

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

— ADDITIONAL SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:

Manufacturers and Traders Trust Company, as Trustee



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

CESAR A. PERALES
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

July 5, 2011

HISCOCK & BARCLAY LLP
ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE NY 13202

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The Financing Statement Amendment (Termination) has been assigned Filing Number: 201106300354530, Filing Date: 06/30/2011. This document has been appended to initial Financing Statement Filing Number: 201001050006425, which was filed on 01/05/2010.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 474-4763, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 019608

UCC FINANCING STATEMENT AMENDMENT

019608

2011 JUN 30 AM 9:00

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Hiscock & Barclay, LLP
 One Park Place
 300 South State Street
 Syracuse, New York 13202
 Attn: Susan R. Katzoff, Esq.**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
#201001050006425 - Filed 1/5/2010 with Secretary of State

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. **ASSIGNMENT** (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

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CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. **DELETE** name: Give record name to be deleted in item 6a or 6b. **ADD** name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL ID #, if any

Not Applicable DEBTOR NONE

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.

Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Buffalo and Erie County Industrial Land Development Corporation

OR

9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. **OPTIONAL FILER REFERENCE DATA**
Subordinate Leasehold Mortgage and Security Agreement

FILING NUMBER: 201106300354530

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)

#201001050006425 - Filed 1/5/2010 with Secretary of State

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

Buffalo and Erie County Industrial Land Development Corporation

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

— **ADDITIONAL SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:**

**Manufacturers and Traders Trust Company, as Trustee
for the Series 2009B Bonds**



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

CESAR A. PERALES
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

July 5, 2011

HISCOCK & BARCLAY LLP
ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE NY 13202

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The Financing Statement Amendment (Termination) has been assigned Filing Number: 201106300354566, Filing Date: 06/30/2011. This document has been appended to initial Financing Statement Filing Number: 201001050006437, which was filed on 01/05/2010.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 474-4763, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 019609

UCC FINANCING STATEMENT AMENDMENT

019609

2011 JUN 30 AM 9:00

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Hiscock & Barclay, LLP
 One Park Place
 300 South State Street
 Syracuse, New York 13202
 Attn: Susan R. Katzoff, Esq.**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
#201001050006437 - Filed 1/5/2010 with Secretary of State

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

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6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL ID #, if any NONE

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.
 Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Buffalo and Erie County Industrial Land Development Corporation

OR

9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. **OPTIONAL FILER REFERENCE DATA**
Subordinate Assignment of Rents and Leases

FILING NUMBER: 201106300354566

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)

#201001050006437 - Filed 1/5/2010 with Secretary of State

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

Buffalo and Erie County Industrial Land Development Corporation

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

— ADDITIONAL SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:

Manufacturers and Traders Trust Company, as Trustee
for the Series 2009B Bonds



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

CESAR A. PERALES
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

July 5, 2011

HISCOCK & BARCLAY LLP
ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE NY 13202

Attached is the acknowledgment copy of your recently submitted filing. This filing consists of a total of one page, which is represented in this acknowledgment. This document has been filed with the New York State Department of State, Uniform Commercial Code Division.

The Financing Statement Amendment (Termination) has been assigned Filing Number: 201106300354441, Filing Date: 06/30/2011. This document has been appended to initial Financing Statement Filing Number: 201001040004607, which was filed on 01/04/2010.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 474-4763, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 019602

UCC FINANCING STATEMENT AMENDMENT

019602

2011 JUN 30 AM 9:00

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Hiscock & Barclay, LLP
 One Park Place
 300 South State Street
 Syracuse, New York 13202
 Attn: Susan R. Katzoff, Esq.**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
#201001040004607 - Filed 1/4/2010 with Secretary of State

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. **ASSIGNMENT** (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. **AMENDMENT (PARTY INFORMATION):** This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes. Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. **DELETE** name: Give record name to be deleted in item 6a or 6b. **ADD** name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
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7d. **SEE INSTRUCTIONS**
Not Applicable

ADD'L INFO RE ORGANIZATION DEBTOR

7e. TYPE OF ORGANIZATION

7f. JURISDICTION OF ORGANIZATION

7g. ORGANIZATIONAL ID #, if any NONE

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.
 Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Manufacturers and Traders Trsut Company, as Trustee for the benefit of the Owners of the Series 2009A Bonds

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

10. **OPTIONAL FILER REFERENCE DATA**
Assignment of Agreements

FILING NUMBER: 201106300354441



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

CESAR A. PERALES
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

July 5, 2011

HISCOCK & BARCLAY LLP
ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE NY 13202

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The Financing Statement Amendment (Termination) has been assigned Filing Number: 201106300354453, Filing Date: 06/30/2011. This document has been appended to initial Financing Statement Filing Number: 201001040004645, which was filed on 01/04/2010.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 474-4763, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 019603

UCC FINANCING STATEMENT AMENDMENT

019603

2011 JUN 30 AM 9:00

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Hiscock & Barclay, LLP
 One Park Place
 300 South State Street
 Syracuse, New York 13202
 Attn: Susan R. Katzoff, Esq.**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
#201001040004645 - Filed 1/4/2010 with Secretary of State

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. **ASSIGNMENT (full or partial):** Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. **AMENDMENT (PARTY INFORMATION):** This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

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CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. **DELETE name:** Give record name to be deleted in item 6a or 6b. **ADD name:** Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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7d. SEE INSTRUCTIONS Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
--	-----------------------------------	--------------------------	----------------------------------	--

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.
 Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Manufacturers and Traders Trust Company, as Trustee for the benefit of the Owners of the Series 2009A Bonds

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

10. OPTIONAL FILER REFERENCE DATA
Assignment of Construction Documents

FILING NUMBER: 201106300354453



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

CESAR A. PERALES
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

July 5, 2011

HISCOCK & BARCLAY LLP
ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE NY 13202

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The Financing Statement Amendment (Termination) has been assigned Filing Number: 201106300354465, Filing Date: 06/30/2011. This document has been appended to initial Financing Statement Filing Number: 201001040004657, which was filed on 01/04/2010.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 474-4763, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 019604

UCC FINANCING STATEMENT AMENDMENT

019604

2011 JUN 30 AM 9:00

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Hiscock & Barclay, LLP
 One Park Place
 300 South State Street
 Syracuse, New York 13202
 Attn: Susan R. Katzoff, Esq.**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
#201001040004657 - Filed 1/4/2010 with Secretary of State

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

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6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
---------------------	------	-------	-------------	---------

7d. SEE INSTRUCTIONS Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
--	-----------------------------------	--------------------------	----------------------------------	--

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.
 Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Manufacturers and Traders Trust Company, as Trustee for the benefit of the Owners of the Series 2009A Bonds

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

10. OPTIONAL FILER REFERENCE DATA
Security Agreement

FILING NUMBER: 201106300354465



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

CESAR A. PERALES
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

July 5, 2011

HISCOCK & BARCLAY LLP
ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE NY 13202

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The Financing Statement Amendment (Termination) has been assigned Filing Number: 201106300354439, Filing Date: 06/30/2011. This document has been appended to initial Financing Statement Filing Number: 201001050006487, which was filed on 01/05/2010.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 474-4763, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 019601

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Hiscock & Barclay, LLP
 One Park Place
 300 South State Street
 Syracuse, New York 13202
 Attn: Susan R. Katzoff, Esq.**

019601

2011 JUN 30 AM 9:00

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
#201001050006487 - Filed 1/5/2010 with Secretary of State

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

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6. CURRENT RECORD INFORMATION:

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7. CHANGED (NEW) OR ADDED INFORMATION:

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
---------------------	------	-------	-------------	---------

7d. SEE INSTRUCTIONS Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
---	-----------------------------------	--------------------------	----------------------------------	--

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.
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9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Manufacturers and Traders Trust Company, as Trustee for the benefit of the Owners of the Series 2009B Bonds

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
----------------------------	------------	-------------	--------

10. **OPTIONAL FILER REFERENCE DATA**
Assignment of Agreements

FILING OFFICE COPY — UCC FINANCING STATEMENT AMENDMENT (FORM UCC3) (REV. 05/22/02)

FILING NUMBER: 201106300354439



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

CESAR A. PERALES
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

July 5, 2011

HISCOCK & BARCLAY LLP
ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE NY 13202

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The Financing Statement Amendment (Termination) has been assigned Filing Number: 201106300354415, Filing Date: 06/30/2011. This document has been appended to initial Financing Statement Filing Number: 201001050006449, which was filed on 01/05/2010.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 474-4763, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 019599

UCC FINANCING STATEMENT AMENDMENT

019599

2011 JUN 30 AM 9:00

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Hiscock & Barclay, LLP
 One Park Place
 300 South State Street
 Syracuse, New York 13202
 Attn: Susan R. Katzoff, Esq.**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
#201001050006449 - Filed 1/5/2010 with Secretary of State

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] [or recorded] in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. **ASSIGNMENT** (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

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6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME

OR 6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR 7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. SEE INSTRUCTIONS Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
--	-----------------------------------	--------------------------	----------------------------------	--

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.
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9a. ORGANIZATION'S NAME
Manufacturers and Traders Trust Company, as Trustee for the benefit of the Owners of the Series 2009B Bonds

OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. **OPTIONAL FILER REFERENCE DATA**
Subordinate Security Agreement

FILING NUMBER: 201106300354415



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

CESAR A. PERALES
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

July 5, 2011

HISCOCK & BARCLAY LLP
ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE NY 13202

Attached is the acknowledgment copy of your recently submitted filing. This filing consists of a total of one page, which is represented in this acknowledgment. This document has been filed with the New York State Department of State, Uniform Commercial Code Division.

The Financing Statement Amendment (Termination) has been assigned Filing Number: 201106300354427, Filing Date: 06/30/2011. This document has been appended to initial Financing Statement Filing Number: 201001050006463, which was filed on 01/05/2010.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 474-4763, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 019600



2011 JUN 30 AM 9:00

UCC FINANCING STATEMENT AMENDMENT 019600

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Hiscock & Barclay, LLP
 One Park Place
 300 South State Street
 Syracuse, New York 13202
 Attn: Susan R. Katzoff, Esq.**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
#201001050006463 - Filed 1/5/2010 with Secretary of State

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

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6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

7c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

7d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 7e. TYPE OF ORGANIZATION 7f. JURISDICTION OF ORGANIZATION 7g. ORGANIZATIONAL ID #, if any NONE

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.
 Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Manufacturers and Traders Trust Company, as Trustee for the benefit of the Owners of the Series 2009B Bonds

OR

9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

10. **OPTIONAL FILER REFERENCE DATA**
Subordinate Assignment of Construction Documents

FILING NUMBER: 201106300354427

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Hiscock & Barclay, LLP
One Park Place
300 South State Street
Syracuse, New York 13202
Attn: Susan R. Katzoff, Esq.

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
#2009261846 - Book 217 Page 4834

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

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6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
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7d. SEE INSTRUCTIONS Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
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8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.
 Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Buffalo and Erie County Industrial Land Development Corporation

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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10. **OPTIONAL FILER REFERENCE DATA**
Leasehold Mortgage

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)

#2009261846 - Book 217 Page 4834

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

Buffalo and Erie County Industrial Land Development Corporation

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

— ADDITIONAL SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:

Manufacturers and Traders Trust Company, as Trustee
for the benefit of the Owners of the Series 2009A Bonds

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

**Hiscock & Barclay, LLP
 One Park Place
 300 South State Street
 Syracuse, New York 13202
 Attn: Susan R. Katzoff, Esq.**

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
#2009261847 - Book 217 Page 4842

1b. This FINANCING STATEMENT AMENDMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. **ASSIGNMENT** (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. **AMENDMENT (PARTY INFORMATION):** This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.

Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. DELETE name: Give record name to be deleted in item 6a or 6b. ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS

CITY	STATE	POSTAL CODE	COUNTRY
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7d. SEE INSTRUCTIONS: Not Applicable

ADD'L INFO RE ORGANIZATION DEBTOR

7e. TYPE OF ORGANIZATION

7f. JURISDICTION OF ORGANIZATION

7g. ORGANIZATIONAL ID #, if any NONE

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.

Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Buffalo and Erie County Industrial Land Development Corporation

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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10. **OPTIONAL FILER REFERENCE DATA**

Assignment of Rents

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)

#2009261847 - Book 217 Page 4842

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

Buffalo and Erie County Industrial Land Development Corporation

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

— ADDITIONAL SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:

Manufacturers and Traders Trust Company, as Trustee
for the Owners of the Series 2009A Bonds

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional] Lori McRobbie (315)425-2798
B. SEND ACKNOWLEDGMENT TO: (Name and Address) Hiscock & Barclay, LLP One Park Place 300 South State Street Syracuse, New York 13202 Attn: Susan R. Katzoff, Esq.

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE # #2009261848 - Book 217 Page 4847	1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. <input checked="" type="checkbox"/>
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2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. **ASSIGNMENT** (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. **AMENDMENT (PARTY INFORMATION):** This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.
Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.

CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party. **DELETE** name: Give record name to be deleted in item 6a or 6b. **ADD** name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
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7d. SEE INSTRUCTIONS Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE
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8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.
Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Buffalo and Erie County Industrial Land Development Corporation

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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10. **OPTIONAL FILER REFERENCE DATA**
Subordinate Leasehold Mortgage

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)

#2009261848 - Book 217 Page 4847

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

Buffalo and Erie County Industrial Land Development Corporation

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

— ADDITIONAL SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:

Manufacturers and Traders Trust Company, as Trustee
for the Series 2009B Bonds

UCC FINANCING STATEMENT AMENDMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER [optional]
Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Hiscock & Barclay, LLP
One Park Place
300 South State Street
Syracuse, New York 13202
Attn: Susan R. Katzoff, Esq.

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1a. INITIAL FINANCING STATEMENT FILE #
#2009261849 - Book 217 Page 4855

1b. This FINANCING STATEMENT AMENDMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS.

2. **TERMINATION:** Effectiveness of the Financing Statement identified above is terminated with respect to security interest(s) of the Secured Party authorizing this Termination Statement.

3. **CONTINUATION:** Effectiveness of the Financing Statement identified above with respect to security interest(s) of the Secured Party authorizing this Continuation Statement is continued for the additional period provided by applicable law.

4. **ASSIGNMENT** (full or partial): Give name of assignee in item 7a or 7b and address of assignee in item 7c; and also give name of assignor in item 9.

5. **AMENDMENT (PARTY INFORMATION):** This Amendment affects Debtor or Secured Party of record. Check only one of these two boxes.
 Also check one of the following three boxes and provide appropriate information in items 6 and/or 7.
 CHANGE name and/or address: Please refer to the detailed instructions in regards to changing the name/address of a party.
 DELETE name: Give record name to be deleted in item 6a or 6b.
 ADD name: Complete item 7a or 7b, and also item 7c; also complete items 7e-7g (if applicable).

6. **CURRENT RECORD INFORMATION:**

6a. ORGANIZATION'S NAME

OR

6b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7. **CHANGED (NEW) OR ADDED INFORMATION:**

7a. ORGANIZATION'S NAME

OR

7b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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7c. MAILING ADDRESS	CITY	STATE	POSTAL CODE	COUNTRY
7d. SEE INSTRUCTIONS Not Applicable	ADD'L INFO RE ORGANIZATION DEBTOR	7e. TYPE OF ORGANIZATION	7f. JURISDICTION OF ORGANIZATION	7g. ORGANIZATIONAL ID #, if any <input type="checkbox"/> NONE

8. **AMENDMENT (COLLATERAL CHANGE):** check only one box.
 Describe collateral deleted or added, or give entire restated collateral description, or describe collateral assigned.

9. **NAME OF SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT** (name of assignor, if this is an Assignment). If this is an Amendment authorized by a Debtor which adds collateral or adds the authorizing Debtor, or if this is a Termination authorized by a Debtor, check here and enter name of DEBTOR authorizing this Amendment.

9a. ORGANIZATION'S NAME
Buffalo and Erie County Industrial Land Development Corporation

OR

9b. INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX
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10. **OPTIONAL FILER REFERENCE DATA**
Subordinate Assignment of Rents

UCC FINANCING STATEMENT AMENDMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

11. INITIAL FINANCING STATEMENT FILE # (same as item 1a on Amendment form)

#2009261849 - Book 217 Page 4855

12. NAME OF PARTY AUTHORIZING THIS AMENDMENT (same as item 9 on Amendment form)

12a. ORGANIZATION'S NAME

Buffalo and Erie County Industrial Land Development Corporation

OR

12b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME, SUFFIX

13. Use this space for additional information

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

— ADDITIONAL SECURED PARTY OF RECORD AUTHORIZING THIS AMENDMENT:

Manufacturers and Traders Trust Company, as Trustee
for the Series 2009B Bonds

**AMENDED AND RESTATED ENVIRONMENTAL COMPLIANCE
AND INDEMNIFICATION AGREEMENT**

THIS AMENDED AND RESTATED ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION AGREEMENT (this "Agreement"), dated as of June 1, 2011, amends and restates in its entirety that certain Environmental Compliance and Indemnification Agreement dated as of December 1, 2009, is given by the BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION, a not-for-profit corporation organized under the laws of the State of New York, having its office and principal place of business at 1300 Elmwood Avenue, Suite 505, Buffalo, New York 14222 (the "Indemnitor"), to the BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, a not-for-profit local development corporation of the State of New York, having its offices at 143 Genesee Street, Buffalo, New York 14203 (the "Corporation") AND MANUFACTURERS AND TRADERS TRUST COMPANY, a banking corporation organized under the laws of the State of New York, having its office and principal place of business at One M&T Plaza, 7th Floor, Buffalo, New York 14203, as Trustee (the "Trustee"; and, together with the Corporation, the "Indemnites").

RECITALS

WHEREAS, the Indemnitor is the subtenant of certain real property located in the City of Buffalo, Erie County, New York and described more fully in Exhibit A attached hereto and made a part hereof; and

WHEREAS, the Indemnitor requested the Corporation's assistance with respect to a certain Project (as hereinafter defined), consisting of: (i) the acquisition by the Indemnitor of a leasehold title to certain parcels of land containing in the aggregate approximately 3.6 acres and located at the corner of Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York (the "Land"); (ii) the acquisition, installation and construction on the Land by the Indemnitor of an approximately 224,000 square foot, seven-story student housing complex consisting of approximately 507 beds, to serve students of Buffalo State College (the "College"), together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements, (collectively, the "Improvements"); and (iii) the acquisition and installation in and around the Improvements of certain item of furniture, furnishings, equipment, machinery and other tangible personal property (collectively, the "Equipment"; and, together with the Land and the Improvements, the "Project"); and

WHEREAS, the Indemnitor requested that the Corporation provide financial assistance (the "Financial Assistance") to the Indemnitor to undertake the financing of the Project in the form of the issuance by the Corporation of its Revenue Bonds (the "Bonds"), subject to the terms and conditions of its resolutions adopted on December 14, 2009, and Resolution Nos. 218 and 295 adopted by the Erie County Legislature, and loaning the proceeds of the Bonds to the Indemnitor pursuant to that certain Loan Agreement, dated as of December 1, 2009, by and between the Corporation and the Indemnitor; and

WHEREAS, the Indemnitor is requesting that the Corporation provide Financial Assistance to the Indemnitor to undertake the refinancing of the Project with respect to issuance of its (i) Tax-Exempt Refunding Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A (the "Series 2011A Bonds"), for the purpose of redeeming and defeasing the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Refunding Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Refunding Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-2, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Refunding Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Refunding Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1, and the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Refunding Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2 (collectively the "Prior Tax-Exempt Bonds) and (ii) its Taxable Refunding Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B for the purpose of refunding the Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-3, and the Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-4 (collectively, the "Prior Taxable Bonds" and collectively with the Prior Tax-Exempt Bonds, the "Outstanding Prior Bonds"). The Outstanding Prior Bonds will not exceed an aggregate principal amount of \$53,000,000 pursuant to the Bond Purchase Agreement, dated as of July 1, 2011 (the "*Bond Purchase Agreement*") by and among the Indemnitees and the Indemnitor, subject to the terms and conditions of its resolution adopted on May 16, 2011, and Resolution Nos. 218 and 295 adopted by the Erie County Legislature, and loaning the proceeds of the Bonds to the Indemnitor pursuant to that certain Loan Agreement, dated as of July 1, 2011, by and between the Corporation and the Indemnitor; and

NOW, THEREFORE, in consideration of the foregoing and to induce the Corporation to provide the Financial Assistance, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Indemnitor hereby reaffirms, covenants and agrees with the Indemnitees as follows:

1. DEFINITIONS. All capitalized terms used in this Agreement and not heretofore defined shall have the meanings set forth below.

(a) Environment means any water, groundwater, water vapor, land (including land surface or subsurface), soil vapor, air, fish, wildlife, biota, and all other natural resources.

(b) Environmental Laws mean all federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the Environment and/or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances (as defined below) and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto.

(c) Environmental Permits mean all permits, licenses, approvals, authorizations, consents or registrations required by any applicable Environmental Law in connection with the ownership, use and/or operation of the Land for the storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Substances or the leasing, subleasing, sale, transfer or conveyance of the Land.

(d) Financing Documents shall have the meaning ascribed to such term in Section 4 hereof.

(e) Hazardous Substance means any substance (i) the presence of which requires investigation or remediation under any Environmental Law; or (ii) which is or becomes defined as a “hazardous waste”, “hazardous substance”, “toxic substance”, “solid waste”, pollutant and/or or contaminant under the Comprehensive Environmental Response, Compensation and Liability Act, as amended (42 U.S.C. Sections 9601, *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. Sections 6901, *et seq.*), as amended, the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, *et seq.*), the Clean Air Act (42 U.S.C. Sections 7401, *et seq.*), the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601, *et seq.*), the Clean Water Act, as amended (33 U.S.C. Sections 1251, *et seq.*), the Occupational Safety and Health Act, as amended (29 U.S.C.A. Sections 651, *et seq.*), Articles 15 or 27 of the New York State Environmental Conservation Law, and/or any other applicable Environmental Law or any regulations promulgated under any of the foregoing; or (iii) which is toxic (including, but not limited to, toxic mold), explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by any governmental authority, Corporation, department, commission, board, Corporation or instrumentality of the United States, the State of New York or any political subdivision thereof; or (iv) the presence of which on the Land causes or threatens to cause a nuisance upon the Land or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Land; or (v) which contains gasoline, diesel fuel or other petroleum hydrocarbons; or (vi) which contains polychlorinated biphenyls (PCBs), asbestos or urea formaldehyde foam insulation.

(f) Improvements mean any buildings, structures and other improvements (if any) presently or hereafter located on the Land.

(g) Indemnitees means the Corporation and the Trustee and their respective successors and assignees, and their respective officers, directors, employees, agents, representatives, contractors and subcontractors (in all cases, excluding the Indemnitor).

(h) Loan Documents shall have the meaning ascribed to such term in Section 4 hereof.

(i) Release means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the Environment (including the abandonment or discarding of barrels, containers, and other closed receptacles containing any Hazardous Substance).

2. REPRESENTATIONS AND WARRANTIES: The Indemnitor represents and warrants to the Indemnitees that to the best of the Indemnitor's knowledge, information and belief and except as may otherwise be disclosed in the environmental assessment report delivered to the Indemnitees at the time of the execution and delivery of this Agreement:

(a) Neither the Land nor any property adjacent to or within the immediate vicinity of the Land is being or has been used for the storage, treatment, generation, transportation, processing, handling, production, disposal or release of any Hazardous Substance (except as otherwise in accordance with applicable Environmental Law), or as a landfill or other solid waste disposal site or for military, manufacturing or industrial purposes or for the storage of petroleum or petroleum based products.

(b) Underground storage tanks are not and have not been located on the Land, except as set forth in Exhibit B hereto.

(c) The soil, subsoil, bedrock, soil vapor, surface water and groundwater of the Land are free of any Hazardous Substances except possible amounts that do not require investigation or remediation.

(d) There has been no Release nor is there the threat of a Release of any Hazardous Substance on, at or from the Land, or any property adjacent to or within the immediate vicinity of the Land which through soil, subsoil, soil vapor, bedrock, surface water or groundwater migration could come to be located on the Land, and the Indemnitor has not received any form of notice or inquiry from any federal, state or local governmental agency or authority, any operator, tenant, subtenant, licensee or occupant of the Land or any property adjacent to or within the immediate vicinity of the Land or any other person with regard to a Release or the threat of a Release of any Hazardous Substance on, at or from the Land or any property adjacent to or within the immediate vicinity of the Land.

(e) All Environmental Permits necessary for the acquisition, construction, equipping, use or operation of the Land have been obtained and are in full force and effect.

(f) No event has occurred with respect to the Land which, with the passage of time or the giving of notice, or both, would constitute a violation of any applicable Environmental Law or non-compliance with any Environmental Permit.

(g) There are no agreements, consent orders, decrees, judgments, notices of violations, demand letters, license or permit conditions or other orders or directives of any federal, state or local court, governmental agency or authority relating to the past, present or future ownership, use, operation, sale, transfer or conveyance of the Land which require any change in the present condition of the Land or any work, repairs, construction, containment, clean-up, investigations, studies, removal or other remedial action or capital expenditures with respect to the Land.

(h) There are no actions, suits, claims or proceedings, pending or threatened, which could cause the incurrence of expenses or costs of any nature or description or which seek money damages, injunctive relief, investigations, remedial action or any other remedy that arise out of, relate to or result from (i) a violation or alleged violation of any applicable Environmental Law or non-compliance or alleged non-compliance with any Environmental Permit, (ii) the presence of any Hazardous Substance or a Release or the threat of a Release of any Hazardous Substance on, at or from the Land or any property adjacent to or within the immediate vicinity of the Land or (iii) human exposure to any Hazardous Substance, noises, vibrations or nuisances of whatever kind to the extent the same arise from the condition of the Land or the ownership, use, operation, sale, transfer or conveyance thereof.

3. COVENANTS OF INDEMNITOR: The Indemnitor covenants and agrees with the Indemnitees as follows:

(a) The Indemnitor shall keep, and shall cause all operators, tenants, subtenants, licensees, invitees and occupants of the Land to keep, the Land free of all Hazardous Substances and shall not cause or permit the Land or any part thereof to be used for the storage, treatment, generation, transportation, processing, handling, production, disposal or release of any Hazardous Substances except in accordance with any applicable Environmental Law.

(b) The Indemnitor shall comply with, and shall cause all operators, tenants, subtenants, licensees, invitees and occupants of the Land to comply in all material respects with, all applicable Environmental Laws, and shall obtain and comply in all material respects with, and shall cause all operators, tenants, subtenants, licensees, invitees and occupants of the Land to obtain and comply in all material respects with, all Environmental Permits.

(c) The Indemnitor shall not cause or permit any change to be made in the present or intended use of the Land which would (i) involve the storage, treatment, generation, transportation, processing, handling, production, disposal or release of any Hazardous Substance except in accordance with any applicable Environmental Law or the use of the Land as a landfill or other solid waste disposal site or for military, manufacturing or industrial purposes or for the storage of petroleum or petroleum based products, (ii) violate any applicable Environmental Law, (iii) constitute material non-compliance with any Environmental Permit or (iv) materially increase the risk of a Release of any Hazardous Substance.

(d) The Indemnitor shall promptly provide the Indemnitees with a copy of all notifications which the Indemnitor gives or receives with respect to any past or present Release or the threat of a Release of any Hazardous Substance on, at or from the Land or any property adjacent to or within the immediate vicinity of the Land.

(e) The Indemnitor shall undertake and complete all investigations, studies, sampling and testing and all removal and other remedial actions necessary to contain, remove and clean up all Hazardous Substances that are determined to be present at the Land in accordance with all applicable Environmental Laws and all Environmental Permits.

(f) The Indemnitor shall at all times allow the Indemnitees and their respective officers, employees, agents, representatives, contractors and subcontractors reasonable access to the Land during normal business hours upon reasonable notice for the purposes of ascertaining site conditions, including, but not limited to, subsurface conditions.

(g) If at any time either of the Indemnitees obtains any evidence or information which reasonably suggests that potential environmental problems may exist at the Land, either Indemnitee may require that a full or supplemental environmental investigation and environmental assessment report (including a Phase II environmental investigation) with respect to the Land of a scope and level of detail reasonably satisfactory to the Indemnitees be prepared by an environmental engineer or other qualified person reasonably acceptable to the Indemnitees, at the Indemnitor's expense. Said investigation may include a physical inspection of the Land, a visual inspection of any property adjacent to or within the immediate vicinity of the Land, personal interviews and a review of all Environmental Permits. If the Indemnitees require, such inspection shall also include a records search and/or subsurface testing for the presence of Hazardous Substances in the soil, subsoil, soil vapor, bedrock, surface water and/or groundwater. If the investigations indicate the presence of any Hazardous Substance or a Release or the threat of a Release of any Hazardous Substance on, at or from the Land, the Indemnitor shall promptly undertake and diligently pursue to completion all necessary, appropriate and legally required investigative, containment, removal, clean-up and other remedial actions, using methods recommended by the engineer or other person who conducted the investigations and acceptable to the appropriate federal, state and local agencies or authorities.

(h) Attached hereto as Exhibit C is a complete list of all Environmental Permits presently required for the ownership, use or operation of the Land and the businesses located thereon. The Indemnitor agrees to notify the Indemnitees of any additions, deletions, or modifications of any Environmental Permits and the list thereof. Upon written request of the Indemnitees, the Indemnitor shall furnish true and complete copies of all Environmental Permits.

4. INDEMNIFICATION PROVISIONS: The Indemnitor hereby covenants and agrees, at its sole cost and expense, TO THE FULLEST EXTENT PERMITTED BY LAW, to indemnify, protect, defend, and save harmless each and every Indemnitee from and against any and all damages, losses, liabilities, obligations, penalties, claims, litigation, demands, defenses, judgments, suits, actions, proceedings, costs, disbursements and/or expenses (including, without limitation, reasonable attorneys' and experts' fees for attorneys and experts selected by the Indemnitees, expenses and disbursements) of any kind or nature whatsoever which may at any time be imposed upon, incurred by or asserted or awarded against any Indemnitee relating to, resulting from or arising out of (a) the use of the Land for the storage, treatment, generation, transportation, processing, handling, production or disposal of any Hazardous Substance or as a landfill or other waste disposal site or for military, manufacturing or industrial purposes or for the storage of petroleum or petroleum based products, (b) the presence or claimed presence of any Hazardous Substance or a Release or the threat of a Release of any Hazardous Substance on, at or from the Land, or of any property adjacent to or within the immediate vicinity of the Land, (c) the failure to promptly undertake and diligently pursue to completion all necessary, appropriate and legally required investigative, containment, removal, clean-up and other remedial actions with respect to a Release or the threat of a Release of any Hazardous Substance on, at or

from the Land, (d) human exposure to any Hazardous Substance, noises, vibrations or nuisances of whatever kind to the extent the same arise from the condition of the Land or the ownership, use, operation, sale, transfer or conveyance thereof, (e) a violation of any applicable Environmental Law, (f) non-compliance with any Environmental Permit, (g) a material misrepresentation or inaccuracy in any representation or warranty or a material breach of or failure to perform any covenant made by the Indemnitor in this Agreement, and (h) the designation by the New York State Department of Environmental Conservation, the United States Environmental Protection Corporation or any other governmental authority of an Indemnitee as a party responsible or potentially responsible for the remediation of any condition on the Land (collectively, the "Indemnified Matters").

The liability of the Indemnitor to each Indemnitee hereunder shall be perpetual and shall survive, and shall in no way be limited, abridged, impaired or otherwise affected, by (i) any amendment or modification of any of the documents (a) entered into in connection with any prospective indebtedness associated with the Land as approved by the Corporation (the "Loan Documents") or (b) otherwise entered into in connection with the Financial Assistance (the "Financing Documents") by or for the benefit of the Corporation or the Trustee, any owner of Corporation bonds, including the Bonds, issued with respect to the Land or any trustee acting on behalf of any such owner (the "Supplemental Trustee"), or any subsequent owner of the Land, (ii) any extensions of time for payment or performance required by any of the Loan Documents or the Financing Documents, (iii) the release of the Indemnitor, any guarantor of any of the indebtedness associated with the Financial Assistance, or any other person, from the performance or observance of any of the agreements, covenants, terms or conditions contained in any of the Loan Documents, the Financing Documents or this Agreement by operation of law, the Supplemental Trustee, the Trustee or Corporation's voluntary act or otherwise, (iv) the invalidity or unenforceability of any of the terms or provisions of the Loan Documents or the Financing Documents, (v) any exculpatory provision contained in any of the Loan Documents or the Financing Documents limiting the Supplemental Trustee, the Trustee or the Corporation's recourse to property encumbered by a mortgage or to any other security, (vi) any applicable statute of limitations, (vii) any investigation or inquiry conducted by or on the behalf of the Indemnitees or any information which the Indemnitees may have or obtain with respect to the environmental or ecological condition of the Land, (viii) the sale or assignment of any indebtedness associated with the Financial Assistance or the foreclosure of any mortgage, (ix) the sale, transfer or conveyance of all or part of the Land or any interest therein, (x) the dissolution or liquidation of the Indemnitor, (xi) the release or discharge, in whole or in part, of the Indemnitor in any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding, (xii) any other circumstances which might otherwise constitute a legal or equitable release or discharge, in whole or in part, of the Indemnitor under any bond, note or mortgage entered into in connection with the Financial Assistance, (xiii) the assignment sublease, expiration or termination of any lease or sublease for the Land executed and delivered in connection with the Financial Assistance (collectively, the "Lease"), or (xiv) the release of any interest in the Land by the Indemnitor or any other person, whether in accordance with the terms of the Lease, by foreclosure or deed in lieu of foreclosure, sale or otherwise.

The indemnification agreement contained herein is wholly independent of and in addition to any indemnification agreement heretofore given to the Indemnitees, as part of the application process for the Financial Assistance or otherwise.

5. INDEMNITEE'S LIMITED ROLE: Under no circumstances shall the Indemnitees' limited involvement herein be deemed to be (because it is not) participating in the management or development of the Land as those terms are used in Title 13, Section 27-1323 of the N.Y. Environmental Conservation Law ("ECL"), nor has decision-making control, day-to-day management of environmental compliance or responsibility for hazardous waste handling or disposal practices at the Land.

6. GOVERNING LAW: This Agreement shall be governed by, construed in accordance with and enforceable under the laws of the State of New York.

7. COUNTERPARTS: This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. Said counterparts shall constitute but one and the same instrument and shall be binding upon each of the undersigned as fully and completely as if all had signed the same instrument.

8. SUCCESSORS AND ASSIGNS: This Agreement shall be binding upon the Indemnitor, its successors and assigns, all subsequent owners of the Land, and their respective successors, assigns, executors, administrators, legal representatives, distributees and fiduciaries and shall inure to the benefit of each Indemnitee.

9. WAIVER OF TRIAL BY JURY. THE PARTIES HEREBY EXPRESSLY WAIVE ALL RIGHTS TO TRIAL BY JURY ON ANY CAUSE OF ACTION DIRECTLY OR INDIRECTLY INVOLVING THE TERMS, COVENANTS OR CONDITIONS OF THIS AGREEMENT OR THE LAND, OR ANY MATTERS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT.

EXHIBIT A

Legal Description of Land

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, and State of New York, being part of Lot No. 184 of the Stevens Survey, bounded and described as follows:

BEGINNING at a point that intersects with the north line of Letchworth Street, 40 foot wide R.O.W. and the east line of Grant Street, 60 foot R.O.W.; thence northerly along the east line of Grant Street a distance of 611.13 feet to a point; thence easterly at an interior angle of $95^{\circ}-04'-44''$ a distance of 259.90 feet to a point; thence southerly at an interior angle of $85^{\circ}-03'-50''$ a distance of 605.06' feet to a point on the north line of Letchworth Street; thence westerly along the north line of Letchworth Street a distance of 262.01' to the point or place of beginning more or less.

EXHIBIT B

Underground Storage Tanks

None

EXHIBIT C

Environmental Permits

None

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION

to

MANUFACTURERS AND TRADERS TRUST COMPANY,
as Trustee

ASSIGNMENT OF AGREEMENTS

Dated as of June 1, 2011

relating to

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION**

**\$43,875,000,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
PROJECT), SERIES 2011A**

**\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
PROJECT), SERIES 2011B**

ASSIGNMENT OF AGREEMENTS

ASSIGNMENT OF AGREEMENTS dated as of June 1, 2011 (this “*Assignment of Agreements*”), made by **BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION**, a New York not-for-profit corporation having an office at c/o Buffalo State College Foundation, 1300 Elmwood Avenue, Cleveland Hall, Room 511, Buffalo, New York 14222 (the “*Company*”) to **MANUFACTURERS AND TRADERS TRUST COMPANY**, a banking corporation, duly organized and existing under the laws of the State of New York, having a designated corporate trust office at One M&T Plaza, 7th Floor, Buffalo, New York 14203, as trustee (the “*Trustee*”).

Capitalized terms used herein and not otherwise defined have the meaning given to the in Schedule A to the Indenture described hereinbelow.

RECITALS:

SUNY entered into a certain Ground Lease dated as of July 1, 2009 (as amended or supplemented from time to time, the “*Ground Lease*”), with the Association whereby SUNY leased to the Association certain premises containing in the aggregate approximately 3.9 acres of land and located at the corner of Letchworth Street and Grant Street on the campus of Buffalo State College (the “*College*”) located at Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York, all as more fully described therein and in Schedule A attached hereto and made a part hereof (the “*Premises*”), a memorandum of which Ground Lease has been recorded in the Office of the Erie County Clerk in Book 11175 at page 8865.

The Association subleased the Premises to the Company pursuant to a certain Sublease Agreement dated as of July 1, 2009 (as amended or supplemented from time to time, the “*Sublease*”), a memorandum of which Sublease has been recorded in the Office of the Erie County Clerk in Book 11175 at page 8872.

Pursuant to the Sublease, the Company covenants to undertake the obligations of the Association set forth in the Ground Lease to develop, construct and/or operate student housing complex to serve students of the College.

The Issuer was created to undertake the providing of projects of a character such as the Project for the public purposes of the State.

At the request of the Company, the Issuer issued its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1 and Series 2009A-2 in the aggregate principal amount of \$25,000,000 (the “*Tax-Exempt Series 2009A Bonds*”), Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-3 and Series 2009A-4 in the aggregate principal amount of \$17,755,000 (the “*Taxable Series 2009A Bonds*” and together with the Tax-Exempt Series 2009A Bonds, the “*Series 2009A Bonds*”) and its Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B in the aggregate

principal amount of \$5,000,000 (the “*Series 2009B Bonds*” and together with the Series 2009A Bonds, the “*Series 2009 Bonds*”) pursuant to a certain Indenture of Trust dated as of December 1, 2009 (as amended or supplemented from time to time, the “*2009 Indenture*”) between the Issuer and the Trustee, for the purpose of providing funds for the acquisition, construction and equipping of the Project.

The Issuer, at the direction of the Company given pursuant to the 2009 Indenture, elected to reissue a portion of the Taxable Series 2009A Bonds as its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1 in the original aggregate principal amount of up to \$10,135,000 (the “*Series 2010A-1 Bonds*”) and its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2 in the original aggregate principal amount of up to \$7,220,000 (the “*Series 2010A-2 Bonds*” and together with the Series 2010A-1 Bonds, the “*Series 2010 Bonds*”) pursuant to that certain First Supplemental Indenture dated as of May 1, 2010 (the “*Supplemental Indenture*” and the 2009 Indenture as supplemented by the Supplemental Indenture, the “*Prior Indenture*”).

The Issuer now proposes to loan the proceeds of the Issuer’s Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the “*Series 2011A Bonds*”) to redeem and defease the Series 2009A Bonds, the Series 2009B Bonds, and the Series 2010 Bonds, to pay or reimburse the Company for certain Costs of the Project and pay certain costs of issuance of the Bonds and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the “*Series 2011B Bonds*” and with the Series 2011A Bonds, the “*Bonds*”) to redeem and defease the Taxable Series 2009A Bonds and pay costs of issuance of the Bonds.

The Bonds are to be issued under and secured by a certain Trust Indenture dated as of June 1, 2011 (as amended or supplemented from time to time, the “*Indenture*”) between the Issuer and the Trustee.

Contemporaneously with the execution of the Indenture, the Issuer and the Company will enter into a Loan Agreement of even date herewith (as amended or supplemented from time to time, the “*Loan Agreement*”) whereby the Issuer agrees to issue the Bonds and the Company agrees, among other things, to make certain payments to the Issuer sufficient to pay principal and Redemption Price, and interest on, the Bonds.

The Company has executed and delivered to the Issuer a Leasehold Mortgage and Security Agreement dated as of June 1, 2011 (as amended or supplemented from time to time, the “*Mortgage*”), granting a first lien on, and security interest in, (subject to certain Permitted Encumbrances) the interest of the Company in and to the Sublease, the Project and the other Mortgaged Property (as such term is defined in the Mortgage) therein and thereon to secure the Loan Agreement, which Mortgage is intended to be recorded in the Office of the Erie County Clerk.

The Issuer has assigned the Mortgage to the Trustee as security for the Bonds, which assignment is intended to be recorded in the Office of the Erie County Clerk.

As further security for the Bonds, the Company has, among other things, agreed to assigned to the Trustee all of its right, title and interest in and to (i) that certain Facility Management Agreement dated as of July 1, 2009 (as amended or supplemented from time to time, the "*Facility Management Agreement*"), by and between the Company and SUNY, and (ii) a certain Agreement dated as of June 1, 2011 (as amended or supplemented from time to time, the "*SUNY Agreement*") by and between the Company and SUNY.

The Ground Lease and the Sublease, respectively, require, in relevant part, that SUNY and the Association each consent to any mortgage encumbering the Sublease and the Facility Management Agreement requires that SUNY, both as "Manager" thereunder and on behalf of the College consent to any assignment thereof by the Company.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained and for other good and valuable consideration, the receipt of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. As used in this Assignment of Agreements, capitalized terms used herein (and not otherwise defined herein) shall have the meaning given to them in Schedule A to the Indenture, and the following terms shall have the following meanings, unless the context otherwise requires:

"*Assignment of Agreements*" shall mean this Assignment of Agreements, as amended or supplemented from time to time.

"*Collateral*" shall have the meaning assigned to it in Section 2 of this Assignment of Agreements.

"*Collateral Documents*" shall mean (i) that certain Facility Management Agreement dated as of July 1, 2009, by and between the Company and SUNY, and (ii) that certain Agreement dated as of June 1, 2011 between the Company and SUNY, each as amended or supplemented from time to time.

"*Consent*" shall mean that certain Acknowledgment and Consent dated as of June 1, 2011, by and among SUNY, the Association, the Issuer and the Trustee.

"*Contract Rights*" shall mean all rights of the Company under the Collateral Documents.

"*Obligations*" shall mean (1) the full and prompt payment of the principal of the Bonds and the Indebtedness represented thereby, and the Redemption Price, if any, on the Bonds when and as the same shall become due and payable, whether at the stated maturity thereof, by acceleration, call for redemption or otherwise; (2) the full and prompt payment of interest on the Bonds when and as the same shall become due and payable; and (3) all other amounts due and payable under the Bonds.

"*Proceeds*" shall have the meaning assigned to it under the Uniform Commercial Code and, in any event, shall include, but not be limited to, (i) any and all proceeds of any insurance, indemnity, warranty or guaranty payable to the Company from time to time with

respect to any of the Collateral, (ii) any and all payments (in any form whatsoever) made or due and payable to the Company from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental body, authority, bureau or agency (or any person acting under color of governmental authority) and (iii) any and all other amounts from time to time paid or payable under or in connection with any of the Collateral.

2. Grant of Security Interest. In order to secure payment and performance of the Obligations, the Company hereby sells, assigns, conveys, mortgages, pledges, hypothecates and transfers to the Trustee, and hereby grants to the Trustee, a security interest in, all the Company's right, title and interest in, to and under the following (all of which is hereinafter collectively called "*Collateral*"):

(a) all Contract Rights including, without limitation, (A) any damages arising out of or for breach or default in respect of any of the Collateral Documents, (B) all other amounts from time to time paid or payable to the Company under or in connection with the Collateral Documents and (C) the rights of the Company, if any, to amend, modify, supplement or terminate any of the Collateral Documents or to exercise remedies thereunder without having first obtained the written consent of the Company in each instance; and

(b) to the extent not otherwise included, all Proceeds of any or all of the foregoing.

3. Rights of the Trustee; Limitations on the Trustee's Obligation. It is expressly agreed by the Company that, anything herein to the contrary notwithstanding, the Company shall remain liable under each of the Collateral Documents to observe and perform all the conditions and obligations to be observed and performed by it thereunder, all in accordance with and pursuant to the terms and provisions of each such Collateral Document. Except to the extent, if any, required under applicable law, the Trustee shall not have any obligation or liability under any Collateral Document by reason of or arising out of this Assignment of Agreements or its assignment to the Trustee or the receipt by the Trustee of any payment relating to any Collateral Document pursuant hereto, nor shall the Trustee be required or obligated in any manner to perform or fulfill any of the obligations of the Company under or pursuant to any Collateral Document, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any Collateral Document, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

4. Covenants. The Company covenants and agrees with the Trustee that from and after the date of this Assignment of Agreements and until the Obligations are fully satisfied:

(a) ***Further Documentation; Pledge of Instruments.*** At any time and from time to time, upon written request of the Trustee, and at the sole expense of the Company, the Company will promptly and duly execute and deliver any and all such further instruments and documents and the Company shall take such further action as the Trustee may reasonably deem

necessary in obtaining the full benefits of this Assignment of Agreements and of the rights and powers herein granted, including, without limitation, the filing of any financing or continuation statements under the UCC in effect in any jurisdiction with respect to the liens and security interests granted hereby.

(b) **Indemnification.** In any suit, proceeding or action brought by the Trustee under any Collateral Document for any sum owing thereunder, or to enforce any provisions of such Collateral Document, the Company will save, indemnify and keep the Trustee harmless from and against all expenses, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction of liability whatsoever of the obligee thereunder, arising out of a breach by the Company of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligee or its successors from the Company, and all such obligations of the Company shall be and remain enforceable against the Company and shall not be enforceable against the Trustee.

(c) **Limitation on Liens on Collateral.** The Company will not create, permit or suffer to exist, and the Company will defend the Collateral against and take such other action as is necessary to remove any lien, security interest, encumbrance, claim or right, in or to the Collateral, and will defend the right, title and interest of the Trustee in and to any of the Collateral against the claims and demands of all persons whomsoever.

5. Trustee's Appointment as Attorney-in-Fact.

(a) The Company hereby irrevocably constitutes and appoints the Trustee and any officer or agent thereof, with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of the Company and in the name of the Company or in its own name (i) from time to time in the Trustee's discretion, for the purpose of carrying out the terms of this Assignment of Agreements, to take any and all appropriate action and to execute any and all documents and instruments which may be necessary to accomplish the purposes of this Assignment of Agreements and (ii) without limiting the generality of the foregoing, hereby gives the Trustee the power and right, on behalf of the Company, without assent by the Company (but with notice to the Company of the Trustee's first exercise of such power, as soon as is practical under the circumstances) upon and only upon the occurrence and continuance of any Event of Default (such limitation upon the exercise of such power shall not, however, delay the creation or otherwise affect the existence of such power, but only limit its exercise) (A) to direct any party liable for the payment under any of the Collateral Documents to make payment of any and all moneys due and to become due thereunder directly to the Trustee or as the Trustee shall direct; (B) to receive payment of and receipt for any and all moneys, claims and other amounts due and to become due at any time in respect of or arising out of any Collateral; (C) to commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect the Collateral or any thereof and to enforce any other right in respect of any Collateral; (D) to defend any suit, action or proceeding brought against the Company with respect to any Collateral; (E) to settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, to give such discharges or releases as the Trustee may deem appropriate; and (F) generally to deal with any of the Collateral as fully and completely as though the Trustee were the absolute owner thereof for all purposes, and to do, at the Trustee's option and the Company's expense, at any time or from

time to time, all acts and things which the Trustee reasonably deems necessary to protect, preserve or realize upon the Collateral and the Trustee's security interest therein, in order to effect the intent of this Assignment of Agreements, all as fully and effectively as the Company might do. Neither the Trustee nor its officers, directors, employees, agents, attorneys-in-fact or affiliates shall be liable for any action taken or omitted to be taken by it or such Person under or in connection with this Section 5(a) (except for its or such Person's own gross negligence or willful misconduct). The Trustee shall, promptly after executing any document on behalf of the Company, as its attorney-in-fact as provided above, notify the Company thereof and deliver a copy of such document to the Company.

The Company, to the fullest extent permitted by applicable law, hereby agrees to ratify all that said attorney-in-fact shall lawfully do or cause to be done by virtue and in accordance with the terms hereof. This power of attorney is a power coupled with an interest and shall be irrevocable until the Obligations are paid in full.

(b) The powers conferred on the Trustee hereunder are solely to protect its interest in the Collateral and shall not impose any duty upon it to exercise any such powers. The Trustee shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees or agents shall be responsible to the Company for any act or failure to act, except for its own gross negligence, willful misconduct or fraud.

(c) The Company also authorizes the Trustee, during the existence of a default hereunder or an event of default under the Loan Agreement, at any time and from time to time, to communicate in its own name with any party to any Collateral Document with regard to the assignment of the Collateral Documents hereunder and other matters relating thereto.

6. Performance by Trustee of Company's Obligation. If the Company fails to perform or comply with any of its agreements contained herein or in the other Bond Documents (after any applicable notice and grace period), the Trustee, as provided for by the terms of this Assignment of Agreements, may (but shall not be obligated to) perform or comply, or otherwise cause performance or compliance, with such agreement.

7. Remedies, Rights Upon Default. If any Event of Default shall occur and be continuing, the Trustee may exercise in addition to all other rights and remedies granted to it in this Assignment of Agreements and in any other instrument or agreement securing, evidencing or relating to the Obligations, all rights and remedies of a secured party under the UCC.

8. Notices. All notices, certificates and other communications hereunder shall be in writing and shall be sufficiently given and shall be deemed given when (1) delivered to the applicable address stated below by registered or certified mail, return receipt requested, or by such other means as shall provide the sender with documentary evidence of such delivery, or (2) delivery is refused by the addressee, as evidenced by the affidavit of the Person who attempted to effect such delivery.

The addresses to which notices, certificates and other communications hereunder shall be delivered shall be as follows:

If to the Company: Buffalo State College Foundation Housing Corporation
Buffalo State College
1300 Elmwood Avenue, Suite 505
Buffalo, New York 14222
Attention: President

with a copy to:

Hodgson Russ LLP
The Guaranty Building
140 Pearl Street, Suite 100
Buffalo, New York 14202
Attention: Terrence M. Gilbride, Esq.
Telephone: (716) 856-4000
Facsimile: (716) 849-0349

If to the Trustee: Manufacturers and Traders Trust Company, as Trustee
One M&T Plaza
7th Floor
Buffalo, New York 14203
Attention: Corporate Trust

with a copy to:

Matthew Wells, Esq.
Bond, Schoeneck & King, PLLC
One Lincoln Center, Suite 1800
Syracuse, New York 13202

9. Severability. Any provision of this Assignment of Agreements which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

10. No Waiver; Cumulative Remedies. The Trustee shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies hereunder and no waiver shall be valid unless in writing, signed by the Trustee, and then only to the extent therein set forth. A waiver by the Trustee of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Trustee would otherwise have had on any future occasion. No failure to exercise nor any delay in exercising on the part of the Trustee, any right, power or privilege hereunder, shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or future exercise thereof or the exercise of any other right, power or privilege. The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by applicable law. None of the terms or provisions of this

Assignment of Agreements may be waived, altered, modified or amended except by an instrument in writing, duly executed by the party to be bound.

11. Successors and Assigns. This Assignment of Agreements and all obligations of the Company hereunder shall be binding upon the successors and assigns of the Company, and shall, together with the rights and remedies of the Trustee hereunder, inure to the benefit of the Trustee and its respective successors and assigns.

12. Applicable Law. This Assignment of Agreements shall be construed and enforced in accordance with the laws of the State.

13. Consent. The Company shall deliver or cause to be delivered to the Trustee, simultaneously with delivery of this Assignment of Agreements, the Consent executed by all other parties to the Collateral Documents and dated of even date herewith.


14. Financing Statements. The Company shall file or cause to be filed at its sole cost a UCC-1 financing statement on or prior to the date hereof in the office of the Secretary of State of the State as shall be necessary to perfect the security interest granted hereby and shall deliver evidence of such filing to the Trustee.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company has executed this Assignment of Agreements on the date first set forth above.

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

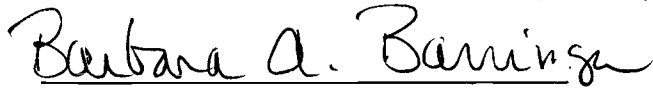
By:



Ross B. Kenzie, President

STATE OF NEW YORK)
) SS.:
COUNTY OF ERIE)

On the 13th day of June in the year 2011 before me, personally appeared Ross B. Kenzie, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.



NOTARY PUBLIC

Barbara A. Berringer
Notary Public
State of New York
Qualified in Erie County
My Commission Expires 10/6/2013

EXHIBIT "A"

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, and State of New York, being part of Lot No. 184 of the Stevens Survey, bounded and described as follows:

BEGINNING at a point that intersects with the north line of Letchworth Street, 40 foot wide R.O.W. and the east line of Grant Street, 60 foot R.O.W.; thence northerly along the east line of Grant Street a distance of 611.13 feet to a point; thence easterly at an interior angle of $95^{\circ}-04'-44''$ a distance of 259.90 feet to a point; thence southerly at an interior angle of $85^{\circ}-03'-50''$ a distance of 605.06' feet to a point on the north line of Letchworth Street; thence westerly along the north line of Letchworth Street a distance of 262.01' to the point or place of beginning more or less.

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this "Agreement"), dated as of June 1, 2011, by and between **BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION**, a New York not-for-profit corporation (the "Company"), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a banking corporation duly organized and existing under the laws of the State of New York, as trustee (in such capacity, the "Trustee") under the Trust Indenture, dated as of June 1, 2011 (the "Indenture"), between the Buffalo and Erie County Industrial Land Development Corporation, a not-for-profit local development corporation organized under the laws of the State of New York (the "Issuer"), and the Trustee, is executed and delivered in connection with the issuance by the Issuer of \$43,875,000 aggregate principal amount of its Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A (the "Series A Bonds"), and \$410,000 aggregate principal amount of its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B (together with the Series A Bonds, the "Bonds"). The proceeds of the Bonds are being loaned by the Issuer to the Company pursuant to the Loan Agreement, dated as of June 1, 2011 (the "Loan Agreement"), between the Issuer and the Company. Capitalized terms used in this Agreement which are not otherwise defined herein shall have the respective meanings given to those terms in Article IV hereof.

ARTICLE I

The Undertaking

Section 1.1. Purpose; No Issuer Responsibility or Liability. This Agreement shall constitute a written undertaking for the benefit of the holders of the Bonds and is being executed and delivered solely to assist the Participating Underwriter in complying with subsection (b)(5) of the Rule. The Company and the Trustee acknowledge that the Issuer has undertaken no responsibility, and shall not be required to undertake any responsibility, and shall have no liability to any person, including any holder of the Bonds, with respect to any reports, notices or disclosures that are part of such undertaking.

Section 1.2. Annual Financial Information. (a) The Company shall provide to the Trustee Annual Financial Information with respect to each fiscal year of the Company, commencing with its fiscal year ending June 30, 2011, by no later than the 150th day after the end of each such fiscal year. The Trustee shall provide notice in writing to the Company that such Annual Financial Information is required to be provided by such 150th day, at least 30 days but not more than 60 days in advance of such 150th day. The Trustee shall provide such Annual Financial Information to the MSRB through the EMMA System within five business days after receipt by the Trustee.

(b) The Trustee shall provide, in a timely manner, notice of any failure of the Company or the Trustee to provide the Annual Financial Information by the date specified in subsection (a) above, in each case to the MSRB through the EMMA System and, if such failure is of the Company, to the Company.

Section 1.3. Quarterly Financial Information. (a) The Company shall provide to the Trustee Quarterly Financial Information with respect to each fiscal quarter of the Company, commencing with its fiscal quarter ending September 30, 2011, by no later than the 45th day after the end of each such fiscal quarter. The Trustee shall provide such Quarterly Financial Information to the MSRB through the EMMA System within five business days after receipt by the Trustee.

(b) The Trustee shall provide, in a timely manner, notice of any failure of the Company or the Trustee to provide the Quarterly Financial Information by the date specified in subsection (a) above, in each case to the MSRB through the EMMA System and, if such failure is of the Company, to the Company.

Section 1.4. Notice Events. (a) If a Notice Event occurs, the Company shall provide, in a timely manner (but in all cases in sufficient time for the Trustee to send notice thereof to the MSRB through the EMMA System within ten business days after the occurrence of such Notice Event pursuant to the next following sentence), written notice of such Notice Event to the Trustee. The Trustee shall send notice of such Notice Event to the MSRB through the EMMA System not later than three business days after receipt of notice of such Notice Event from the Company.

(b) The Trustee shall promptly advise the Company whenever, in the course of performing its duties as Trustee under the Indenture, the Trustee has actual knowledge of the occurrence of any event which would require the Company to provide notice of a Notice Event hereunder; *provided, however*, that the failure of the Trustee so to advise the Company shall not constitute a breach by the Trustee of any of its duties and responsibilities under this Agreement or the Indenture or relieve the Company of any of its responsibilities or obligations hereunder or under any other instrument or agreement relating to the Bonds.

Section 1.5. Additional Disclosure Obligations. The Company acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to the Company, and that under some circumstances compliance with this Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Company under such other laws.

Section 1.6. Additional Information. Nothing in this Agreement shall be deemed to prevent the Company from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any information in any Annual Financial Information, Quarterly Financial Information or notice of a Notice Event in addition to that which is required by this Agreement. If the Company chooses to include any information in any Annual Financial Information, Quarterly Financial Information or notice of a Notice Event in addition to that which is specifically required by this Agreement, the Company shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information, Quarterly Financial Information or notice of a Notice Event.

Section 1.7. No Previous Non-Compliance. The Company represents that it has not failed to comply in any material respect with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

ARTICLE II

Operating Rules

Section 2.1. Reference to Other Agreements. It shall be sufficient for purposes of Section 1.2 hereof if the Company provides Annual Financial Information or Quarterly Financial Information by specific reference to documents (a) either (i) provided to the MSRB through the EMMA System or (ii) filed with the SEC, or (b) if such document is a “final official statement” (as defined in the Rule), available from the MSRB.

Section 2.2. Submission of Information. Annual Financial Information and Quarterly Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

Section 2.3. Event Notices. Each notice of a Notice Event given by the Company to the Trustee shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Bonds.

Section 2.4. Fiscal Year. Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than twelve calendar months. The Company's current fiscal year consists of the period from and including July 1 of one calendar year to and including June 30 of the next following calendar year, and the Company shall promptly notify the Trustee in writing of each change in its fiscal year. The Trustee shall provide such notice to the MSRB through the EMMA System within ten business days after receipt by the Trustee.

ARTICLE III

Termination, Amendment and Enforcement

Section 3.1. Termination. (a) If the Company's obligations under the Loan Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Agreement in the same manner as if it were the Company, and thereupon the Company shall have no further responsibility hereunder.

(b) The Company's and the Trustee's obligation under this Agreement shall terminate upon a legal defeasance of all of the Bonds pursuant to Article VII of the Indenture or upon the prior redemption or payment in full of all of the Bonds.

(c) This Agreement, or any provision hereof, shall be null and void and of no further force and effect in the event that (i) the Company delivers to the Trustee an opinion of Counsel, addressed to the Company and the Trustee, to the effect that those portions of the Rule which require this Agreement, or any specific provisions hereof (as appropriate), do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, all as shall be specified in such opinion, and (ii) the Trustee delivers copies of such opinion to the MSRB through the EMMA System and to the Issuer. The Trustee shall so deliver such opinion within three business days after receipt by the Trustee.

Section 3.2. Amendment. (a) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Company or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Company shall have delivered to the Trustee an opinion of Counsel, addressed to the Company and the Trustee, to the same effect as set forth in clause (2) above, (4) either (i) the Company shall have delivered to the Trustee an opinion of Counsel or a determination by a person, in each case unaffiliated with the Issuer or the Company (such as bond counsel or the Trustee) and acceptable to the Company, addressed to the Company and the Trustee, to the effect that the amendment does not materially impair the interests of the holders of the Bonds or (ii) the holders of the Bonds consent to the amendment to this Agreement pursuant to the same procedures as are

required for amendments to the Indenture with consent of holders of Bonds pursuant to Section 13.2 of the Indenture as in effect on the date of this Agreement, and (5) the Trustee shall have delivered copies of such opinion(s) and amendment to the MSRB through the EMMA System and to the Issuer. The Trustee shall so deliver such opinion(s) and amendment with three business days after receipt by the Trustee.

(b) In addition to subsection (a) above, this Agreement may be amended and any provision of this Agreement may be waived, by written agreement of the parties, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement which is applicable to this Agreement, (2) the Company shall have delivered to the Trustee an opinion of Counsel, addressed to the Company and the Trustee, to the effect that performance by the Company and the Trustee under this Agreement as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule and (3) the Trustee shall have delivered copies of such opinion and amendment to the MSRB through the EMMA System and to the Issuer. The Trustee shall so deliver such opinion and amendment within three business days after receipt by the Trustee.

(c) To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information or Quarterly Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

(d) If an amendment is made to the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Quarterly Financial Information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. Notice of such amendment shall be provided by the Company to the Trustee, and the Trustee shall provide such notice to the MSRB through the EMMA System and to the Issuer, in each case within three business days after receipt by the Trustee.

Section 3.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Agreement shall inure solely to the benefit of the parties hereto, the Issuer, the Participating Underwriter and the holders from time to time of the Bonds. In addition, beneficial owners of Bonds held in a book-entry system by a securities depository shall also be third-party beneficiaries of this Agreement.

(b) Except as provided in this subsection (b), the provisions of this Agreement shall create no rights in any other person or entity. The obligations of the Company to comply with the provisions of this Agreement shall be enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any holder of Outstanding Bonds, or by the Trustee on behalf of the holders of Outstanding Bonds, or by the Participating Underwriter, or (ii) in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Trustee on behalf of the holders of Outstanding Bonds or by the Participating Underwriter; *provided, however*, that the Trustee shall not be required to take any enforcement action except at the direction of the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, who shall have provided the Trustee with adequate security and indemnity. The holders' and Trustee's rights to enforce the provisions of this Agreement shall be limited solely to a right, by action for specific performance, to compel performance of the Company's

obligations under this Agreement. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Bonds for purposes of this subsection (b).

(c) Any failure by the Company or the Trustee to perform in accordance with this Agreement shall not constitute a default or an Event of Default under the Indenture or the Loan Agreement, and the rights and remedies provided by the Indenture or the Loan Agreement upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the State of New York; *provided, however*, that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

ARTICLE IV

Definitions

Section 4.1. Definitions. The following terms used in this Agreement shall have the following respective meanings:

(1) “Annual Financial Information” means, collectively, (i) Audited Financial Statements, (ii) the computation of the Debt Service Coverage Ratio for the fiscal year of the Company covered by the relevant Audited Financial Statements as described in the section of the Official Statement captioned “SECURITY FOR THE 2011 BONDS – Financial Covenants”, (iii) information detailing the occupancy of the Student Housing Facility (as defined in the Official Statement) for the fiscal year of the Company covered by the relevant Audited Financial Statements, (iv) an annual update of the information in the sections captioned “BUFFALO STATE COLLEGE – Enrollment” and -- “Demand” in APPENDIX A to the Official Statement, and (v) the information regarding amendments to this Agreement pursuant to Sections 3.2(c) and (d) of this Agreement.

(2) “Audited Financial Statements” means the annual financial statements, if any, of the Company, as audited by a firm of independent certified public accountants. Audited Financial Statements shall be prepared in accordance with GAAP; *provided, however*, that the Company may from time to time, if required by federal or state legal requirements, modify the accounting principles to be following in preparing its financial statements. The written notice of any such modification required by Section 3.2(d) hereof shall include a reference to the specific federal or state law or regulation describing such accounting principles.

(3) “Counsel” means any attorney or firm of attorneys nationally recognized as expert in federal securities laws.

(4) “EMMA System” means the Electronic Municipal Market Access online municipal securities disclosure system operated by the MSRB.

(5) “GAAP” means generally accepted accounting principles applicable to the preparation of financial statements of not-for-profit corporations similar to the Company.

(6) “MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15(B)(b)(1) of the Securities Exchange Act of 1934, as amended.

(7) "Notice Event" means any of the following events with respect to the Bonds, whether relating to the Company or otherwise:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of security holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or a similar event of the obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(8) "Official Statement" means the Official Statement, dated May 26, 2011, of the Issuer and the Company with respect to the Bonds.

(9) "Participating Underwriter" means M&T Securities, Inc.

(10) "Quarterly Financial Information" means Unaudited Financial Statements and information detailing the occupancy of the Student Housing Facility for the fiscal quarter covered by the Unaudited Financial Statements, including without limitation the number of units, if any, licensed by SUNY (as defined in the Official Statement) pursuant to the SUNY Agreement (as defined in the Official Statement).

(11) "Rule" means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended and in effect on and as of the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

(12) "SEC" means the United States Securities and Exchange Commission.

(13) "Unaudited Financial Statements" means the unaudited quarterly financial statements of the Company.

ARTICLE V

Miscellaneous

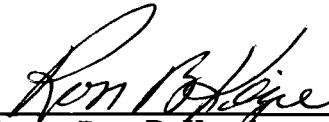
Section 5.1. Duties, Immunities and Liabilities of Trustee. Article IX of the Indenture is hereby made applicable to this Agreement as if this Agreement were (solely for this purpose) contained in the Indenture. The Trustee shall have only such duties under this Agreement as are specifically set forth in this Agreement.

Section 5.2. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

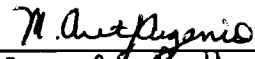
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have each caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

**BUFFALO STATE COLLEGE
FOUNDATION HOUSING
CORPORATION**

By: 
Name: Ross B. Kenzie
Title: President

**MANUFACTURERS AND TRADERS
TRUST COMPANY, AS TRUSTEE**

By: 
Name: M. Anthony Argenio
Title: Assistant Vice President

Signature Page to Continuing Disclosure Agreement



STATE OF NEW YORK
DEPARTMENT OF STATE
ONE COMMERCE PLAZA, 99 WASHINGTON AVENUE
ALBANY, NY 12231-0001

ANDREW M. CUOMO
GOVERNOR

CESAR A. PERALES
SECRETARY OF STATE

FILING ACKNOWLEDGMENT

July 5, 2011

HISCOCK & BARCLAY LLP
ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE NY 13202

Attached is the acknowledgment copy of your recently submitted filing. This filing consists of a total of 3 pages; however, only the first page of the filed document is returned as part of this acknowledgment. This document has been filed with the New York State Department of State, Uniform Commercial Code Division.

The Financing Statement has been assigned Filing Number: 201106300354403, Filing Date: 06/30/2011 and is currently reflected in our automated database as follows:

Debtor's Name & Address

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
1300 ELMWOOD AVENUE, SUITE 505
BUFFALO NY 14222

Secured Party's Name & Address

MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE
ONE M&T PLAZA, 7TH FLOOR
BUFFALO NY 14203

This filing will lapse on 06/30/2041, unless continued. We encourage filers to take full advantage of the six-month window of opportunity in which to file a Financing Statement Amendment (Continuation). Submission of your documents at the onset of the six-month window will allow ample time to rectify potential filing errors and help to assure timely recording of your filing.

If you have any concerns regarding the way this document is recorded, please contact one of our Customer Service Representatives at (518) 474-4763, or respond in writing to the UCC Data Processing Unit at the address indicated above.

Sincerely,

Uniform Commercial Code Division
Data Processing Unit

REF #: 019598

UCC FINANCING STATEMENT
 FOLLOW INSTRUCTIONS (front and back) CAREFULLY

019598

2011 JUN 30 AM 9:00

A. NAME & PHONE CONTACT AT FILER [optional]
 Lori McRobbie (315)425-2798

B. SEND ACKNOWLEDGEMENT TO: (Name and Address)

Hiscock & Barclay, LLP
 One Park Place
 300 South State Street
 Syracuse, New York 13202
 Attn: Susan R. Katzoff, Esq.

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME
 Buffalo State College Foundation Housing Corporation

OR

1b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

1c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
 1300 Elmwood Avenue, Suite 505 Buffalo NY 14222

1d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 1e. TYPE OF ORGANIZATION 1f. JURISDICTION OF ORGANIZATION 1g. ORGANIZATIONAL ID#, if any
 Not for profit corp. NY NONE

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME

OR

2b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

2c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY

2d. SEE INSTRUCTIONS ADD'L INFO RE ORGANIZATION DEBTOR 2e. TYPE OF ORGANIZATION 2f. JURISDICTION OF ORGANIZATION 2g. ORGANIZATIONAL ID#, if any
 NONE

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) - insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME
 Manufacturers and Traders Trust Company, as trustee

OR

3b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX

3c. MAILING ADDRESS CITY STATE POSTAL CODE COUNTRY
 One M&T Plaza, 7th Floor Buffalo NY 14203

4. This FINANCING STATEMENT covers the following collateral:

The right, title and interest of the Debtor in the personal property described on Schedule A attached hereto granted pursuant to the Assignment of Agreements dated as of June 1, 2011, between the Debtor and the Secured Party.

5. ALTERNATIVE DESIGNATION (if applicable) LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR SELLER/BUYER AG. LIEN NON-UCC FILING

6. This FINANCING STATEMENT is to be filed [for record] (or recorded) in the REAL ESTATE RECORDS. Attach Addendum [if applicable] 7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) [if applicable] All Debtors Debtor 1 Debtor 2 [optional] [ADDITIONAL FEE]

8. OPTIONAL FILER REFERENCE DATA

Assignment of Agreements

SCHEDULE "A"
TO UCC-1 FINANCING STATEMENT
FROM BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
TO MANUFACTURERS AND TRADERS TRUST COMPANY, AS TRUSTEE
RELATING TO ASSIGNMENT OF AGREEMENTS

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION (the "*Company*") has entered into a Assignment of Agreements dated as of June 1, 2011 (as amended and supplemented from time to time, the "*Assignment of Agreements*") in favor of **MANUFACTURERS AND TRADERS TRUST COMPANY**, as trustee (the "*Trustee*") for the holders of Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000, the "*Series 2011A Bonds*") and Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Bonds*"). Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Assignment of Agreements.

Pursuant to the Assignment of Agreements, the Company sold, assigned, conveyed, mortgaged, pledged, hypothecated and transferred to the Trustee, and granted to the Trustee, a security interest in, all the Company's right, title and interest in, to and under the following:

(a) all Contract Rights including, without limitation, (A) any damages arising out of or for breach or default in respect of that certain Facility Management Agreement dated as of July 1, 2009, by and between the Company and SUNY, and that certain Agreement dated as of June 1, 2011 between the Company and SUNY, each as amended or supplemented from time to time (together the "*Collateral Documents*"), (B) all other amounts from time to time paid or payable to the Company under or in connection with the Collateral Documents and (C) the rights of the Company, if any, to amend, modify, supplement or terminate any of the Collateral Documents or to exercise remedies thereunder without having first obtained the written consent of the Company in each instance; and

(b) to the extent not otherwise included, all Proceeds of any or all of the foregoing.

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT
CORPORATION**

and

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION

TAX COMPLIANCE AGREEMENT

DATED: JUNE 16, 2011

\$43,875,000
**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION**
**REVENUE BONDS (BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION), SERIES 2011A**

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TAX COMPLIANCE AGREEMENT

THIS TAX COMPLIANCE AGREEMENT, dated June 16, 2011 (this “*Tax Compliance Agreement*”), is by and between the **BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION**, a not-for-profit corporation constituting a local development corporation duly organized and existing under the laws of the State of New York (the “*Issuer*”) and **BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION**, a not-for-profit corporation duly organized and existing under the laws of the State of New York (the “*Company*”), which parties agree as follows:

WHEREAS, the Issuer was created pursuant to and in accordance with the provisions of Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the “*State*”), as amended to date and is empowered thereunder and under Resolution Nos. 218 and 295 of 2009 and Resolution No. 5-3 of 2010 of the Erie County Legislature, to undertake the providing of projects and the issuance of its revenue bonds on behalf of Erie County (the “*County*”) for the public purposes of the County and the State; and

WHEREAS, Manufacturers and Traders Trust Company, as trustee (the “*Trustee*”) and the Issuer have entered into the Trust Indenture dated as of June 1, 2011 (the “*Indenture*”), pursuant to which the Issuer issued its Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A-1 in the aggregate principal amount of \$43,875,000 (the “*Series 2011 A Bonds*”) and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000; capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Indenture; and

WHEREAS, the Issuer issued the Refunded Bonds (as defined hereinbelow) for the purpose of providing a loan to the Company to finance all or a portion of the costs of the construction and equipping a Project (as defined hereinbelow), to serve students of Buffalo State College (the “*College*”) of the State University of New York, a governmental unit of the State (“*SUNY*”), on certain parcels of land containing in the aggregate approximately 3.9 acres and located at the corner of Letchworth and Grant Streets on the campus of the College located at Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York; and

WHEREAS, SUNY is the fee owner of the Land and, pursuant to a certain Ground Lease dated as of July 1, 2009 (the “*Ground Lease*”), has granted a leasehold interest in the Land to the Buffalo State Alumni Association, Inc., a New York not-for-profit corporation (the “*Association*”), which is a Section 501(c)(3) Organization (as defined hereinbelow); and

WHEREAS, the Association has granted a subleasehold interest in the Land to the Company pursuant to a certain Sublease Agreement dated as of July 1, 2009; and

WHEREAS, pursuant to a certain Facility Management Agreement dated as of July 1, 2009, by and between the Company and SUNY, SUNY will operate, manage and maintain the Project for the term of the Ground Lease; and

WHEREAS, the Internal Revenue Code of 1986, as amended (together with the final, temporary or proposed regulations of the United States Treasury Department promulgated

thereunder, the “*Code*”), imposes certain restrictions on the issuance of the Series 2011A Bonds, the activities of the Company, the application of proceeds of the Series 2011A Bonds and other amounts relating to the Series 2011A Bonds and earnings thereon and the use of the Project Facility (as hereinafter defined) in order that interest on the Series 2011A Bonds be and remain excludable from gross income for purposes of federal income taxation of the holders of the Series 2011A Bonds; and

WHEREAS, in order to ensure that the requirements of the Code are and will continue to be met, the Issuer and the Company have determined to enter into this Tax Compliance Agreement, in order to set forth certain representations, expectations, conditions and covenants relating to the activities of the Issuer, the Company, the Series 2011A Bonds, the Project Facility and the application of proceeds of the Series 2011A Bonds;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings set forth herein and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the Issuer and the Company hereby agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1 DEFINITIONS.

Capitalized terms used herein and not otherwise defined herein shall have the meanings set forth in the Indenture unless the context or use herein indicates another or different meaning or intent. The following words and terms as used in this Tax Compliance Agreement shall have the following meanings:

“Acceptable Opinion of Bond Counsel” means an opinion of Bond Counsel that a proposed action will not adversely affect the excludability from gross income of the interest on the Series 2011A Bonds, which opinion shall be reasonably acceptable in form and substance to the Issuer and the Trustee.

“Act” means Section 1411 of the Not-for-Profit Corporation Law of the State of New York and Resolution Nos. 218 and 295 of 2009 and Resolution No. 5-3 of 2010 of the Erie County Legislature, each as amended to date.

“Annual Debt Service” means the scheduled amount of interest and amortization of principal payable for any Bond Year with respect to an Issue or any portion thereof, as the context requires. For purposes of determining the debt service on an Issue, there shall not be taken into account amounts scheduled with respect to any obligation (or portion thereof) that has been retired before the beginning of the Bond Year.

“Average Economic Life” means the average reasonably expected economic life, within the meaning of Section 147(b) of the Code, of the assets financed or refinanced with the Proceeds.

“Average Maturity” means the average maturity of an Issue or any portion thereof, as the context requires, within the meaning of Section 147(b) of the Code.

“Bona Fide Debt Service Fund” means “bona fide debt service fund” as such term is defined in Treas. Reg. § 1.148-1(b).

“Bond Counsel” means the law firm of Hiscock & Barclay, LLP, or such other attorney or firm of attorneys located in the State whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and who is acceptable to the Issuer.

“Bond Year” means each one-year period (or shorter period from the date of delivery of an Issue) that ends at the close of business on the day in the calendar year that is selected by the Issuer on behalf of the Company. The Issuer will elect a Bond Year before the date that is five years after the Issue Date. The first and last Bond Years may be short periods. If no day is selected before fifth year anniversary of the Issue Date of the Series 2011A Bonds, Bond Years

will end on each anniversary date of the Issue Date of the Series 2011A Bonds and on the final maturity date of the Series 2011A Bonds.

“*Computation Date*” means an Installment Computation Date or the Final Computation Date.

“*Computation Date Credit*” means for each Bond Year during which there are amounts allocated to Gross Proceeds of an Issue that are subject to the rebate requirement, the computation credit, if any, allowed under the Code.

“*Computation Period*” means the period beginning on the Issue Date and ending on the first Computation Date and each period beginning on such Computation Date and ending on the next Computation Date thereafter.

“*Controlled Group*” means a group of entities controlled directly or indirectly by the same entity or group of entities. The determination of direct control is made on the basis of all the relevant facts and circumstances. In general, “direct control” exists while a controlling entity possesses either of the following rights or powers and the rights and powers are discretionary or non-ministerial – (i) the right or power to approve and to remove without cause a controlling portion of the governing body of the controlled entity, or (ii) the right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity. If one entity directly controls another, then the controlling entity indirectly controls any entity controlled directly or indirectly by such other entity.

“*Demand Deposit SLG*” means a SLG issued by the United State Department of the Treasury, Bureau of Public Debt, pursuant to Part C of the State and Local Government Series securities program described in 31 CFR Part 344.

“*Fair Market Value*” means, for purposes of calculating the yield on any obligation as required under this Tax Compliance Agreement, the price at which a willing buyer would purchase an investment from a willing seller in a bona fide, arm’s length transaction. Fair Market Value is generally determined on the date on which a contract to purchase or sell a Nonpurpose Investment becomes binding (*i.e.*, the trade date rather than the settlement date). This means, with regard to the purchase price and disposition price of an obligation, that a premium cannot be paid to adjust the yield, that a lower interest rate than is usually paid cannot be accepted to adjust the yield on an obligation and that no transaction is permitted to result in a smaller profit or larger loss than would have resulted if the transaction had been at arm’s length and had the yield on the Issue not been relevant to either party. Except as provided below, a Nonpurpose Investment that is not of a type traded on an established securities market is rebuttably presumed to be acquired or disposed of for a price not equal to its Fair Market Value. The Fair Market Value of certain Nonpurpose Investments shall be determined pursuant to the rules set forth in Exhibit A.

“*Final Computation Date*” means the date the last bond that is part of an Issue is discharged.

“*Fixed Yield Bond*” means any bond whose yield is fixed and determinable on the Issue Date of the bond using the assumptions and rules provided in Treas. Reg. § 1.148-4(b).

“*Fixed Yield Issue*” means any Issue if each obligation that is part of the Issue is a Fixed Yield Bond.

“*Future Value*” means the future value of a payment with respect to a Nonpurpose Investment or a receipt from a Nonpurpose Investment at the end of any period determined using the economic accrual method and equals the value of that payment or receipt when it is paid or received (or treated as paid or received), plus interest assumed to be earned and compounded over the period at a rate equal to the Yield on the Issue, using the same compounding interval and financial conventions used to compute the Yield.

“*Governmental Unit*” means a state or local governmental unit or any instrumentality thereof. Such term does not include the United States or any agency or instrumentality thereof.

“*Gross Proceeds*” means any Sale Proceeds, Investment Proceeds, Transferred Proceeds and Replacement Proceeds.

“*Guarantor*” means any party which provides a guarantee in substance (as defined in Treas. Reg. § 1.148-4(e)(3)) of payment of principal or interest on an Issue, or the Company’s obligations under the Loan Agreement, subject to a Qualified Guarantee.

“*Installment Computation Date*” means with respect to a Fixed Yield Issue or any portion thereof the last day of the fifth and each succeeding fifth Bond Year unless the Company shall designate another date of its selection within five years of the preceding Installment Computation Date or the date hereof as an Installment Computation Date.

“*Investment Proceeds*” means any amounts actually or constructively received from investing Proceeds of an Issue.

“*Investment*” or “*Investment Property*” means (i) any security (within the meaning of Code Section 165(g)(2)(A) or (B)), (ii) any obligation other than a Tax-Exempt Bond which is not a “specified private activity bond” as defined in Code Section (57)(a)(5)(C), (iii) any annuity contract within the meaning of Code Section 72, (iv) any investment-type property that is held as a passive vehicle for the production of income, including any prepayment for property or services if a principal purpose of prepayment is to receive an investment return from the time of the prepayment until the time payment would otherwise have been made, and (v) in the case of a bond other than a private activity bond, any residential rental property for family units which is not located within the jurisdiction of the issuer and which is not acquired to implement a court ordered or approved housing desegregation plan.

“*Issuance Costs*” means costs to the extent incurred in connection with, and allocable to, the issuance of an Issue within the meaning of Code Section 147(g). For example, Issuance Costs include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriter’s spread; counsel fees; financial advisory fees; rating agency fees; trustee fees; paying agent fees; bond registrar; certification, and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than for a Qualified Guarantee; and similar costs.

“*Issue*” has the meaning given to such term by Treas. Reg. § 1.150-1(c).

“*Issue Date*” means the first date on which an issuer receives the purchase price in exchange for delivery of any bond of an Issue. In no event is the Issue Date earlier than the first day on which interest begins to accrue on an Issue for federal income tax purposes. The Issue Date of the Series 2011A Bonds is June 16, 2011.

“*Issue Price*” has the meaning given such term by Sections 1273(b) and 1274 of the Code. Thus, if bonds are publicly offered (not including a bond house, broker or similar persons or organizations acting in the capacity of underwriters or wholesalers) and are not issued for property, the Issue Price of the bonds is determined on the basis of the initial offering price to the public at which price a substantial amount (*i.e.*, ten percent (10%)) of each maturity of bonds was sold to the public, subject to further rules as set forth in Treas. Reg. § 1.148-1(b).

“*Issuer Election*” means any election available to the Issuer under Treas. Reg. §§ 1.148-1 through 1.148-11 which must be in writing and signed by an Authorized Representative of the Issuer on or before the Issue Date of an Issue and which otherwise meets the procedural requirements of Treas. Reg. § 1.148-1(d).

“*Loan Agreement*” means the Loan Agreement dated as of June 1, 2011, between the Issuer and the Company and assigned to the Trustee.

“*Management Contract*” means a management, service, or incentive payment contract between a Qualified User and a Service Provider under which the Service Provider provides services involving all, a portion of, or any function of a facility.

“*Minor Portion*” means the lesser of five percent (5%) of the Sale Proceeds of an Issue or \$100,000.

“*Multipurpose Issue*” means an Issue the proceeds of which are used for two or more separate purposes determined in accordance with Treas. Reg. § 1.148-9(h).

“*Net Proceeds*” means Sale Proceeds reduced by any portion thereof deposited in a Reasonably Required Reserve or Replacement Fund, and increased by any Investment Proceeds that accrue during the period beginning on the Issue Date and ending on the date that the Project Facility is Placed in Service.

“*Net Sale Proceeds*” means Sale Proceeds less amounts invested in a Reasonably Required Reserve or Replacement Fund and as part of the Minor Portion.

“*Nongovernmental Person*” means any Person other than a Governmental Unit.

“*Nonpurpose Investment*” means any Investment Property which is not a Purpose Investment.

“*Official Statement*” means the official statement with respect to the Series 2011A Bonds dated May 26, 2011.

“Placed in Service” means, with respect to a facility, the date on which, based on all the facts and circumstances, (1) the facility has reached a degree of completion which would permit its operation at substantially its design level; and (2) the facility is, in fact, in operation at such level.

“Private Business Use” means use (directly or indirectly), other than as a member of the general public, in a trade or business carried on by any Person, subject to the exceptions for use not exceeding 200 days, 100 days and 50 days pursuant to Treas. Reg. §§ 1.141-3(c)(3), (d)(3)(i) and (d)(3)(ii), respectively. For purposes of this definition, activities of the Company that constitute an unrelated trade or business within the meaning of Section 513(a) of the Code shall constitute Private Business Use. The term “Private Business Use” shall include the lease of the Company’s facilities (or any portion thereof) to Nongovernmental Persons whose use constitutes Private Business Use.

“Proceeds” of an Issue means Sale Proceeds, Investment Proceeds and any Transferred Proceeds. Such term shall not include amounts actually or constructively received with respect to a Purpose Investment to the extent such amounts are properly allocated to the immaterially higher yield under Treas. Reg. § 1.148-2(d) or Code Section 143(g) or to administrative costs recoverable under Treas. Reg. § 1.148-5(e).

“Program Investment” means a “program investment” as defined in Treas. Reg. § 1.148-1(b).

“Project Facility” or *“Project Facilities”* means the land, improvements and/or equipment described in Section 2.1 of this Tax Compliance Agreement and financed with Proceeds of the Series 2011A Bonds or the Refunded Bonds.

“Purchase Price” of an investment means the cost of such investment (without regard to transaction costs incurred in acquiring, carrying, selling or redeeming such investment) at the time it was acquired or allocated to the Issue or the Fair Market Value at the time such investment becomes a Nonpurpose Investment.

“Purpose Investment” means any investment that is allocated to Gross Proceeds of an Issue and that is acquired in order to carry out the governmental purpose of the Issue. Such term does not include: (1) any temporary investment until the Proceeds of the Issue are needed for the governmental purpose of the Issue, (2) any investment that is acquired in order to fund a Reasonably Required Reserve or Replacement Fund, or (3) any other investment if the principal purpose for acquiring the investment is to earn arbitrage.

“Qualified Costs” means costs and expenses allocable to Proceeds of an Issue that are chargeable to the Company’s capital account (under Federal tax law principles) or would be so chargeable (i) with a proper election by the taxpayer or (ii) but for a proper election by a taxpayer to deduct such amounts; provided, however, that (1) Issuance Costs shall not be deemed to be Qualified Costs, and (2) interest accrued during the construction period of the Project Facility shall be allocated between Qualified Costs and other costs and expenses to be paid from equity or other sources.

“*Qualified Guarantee*” means, with respect to any Series 2011A Bond, an arrangement (i) with any party which is not related to the Issuer or the Company, which is not a co-obligor with respect to the Issue, and which together with any Related Party does not use more than ten percent (10%) of the Issue, (ii) that unconditionally shifts to the guarantor substantially all of the credit risk to pay all or part of any payment of principal and interest or redemption price on the Series 2011A Bonds that is actually and unconditionally due under the terms of the Series 2011A Bonds, and (iii) otherwise meets the requirements of Treas. Reg. § 1.148-4(f).

“*Qualified Hedge*” means a qualified hedge as defined in Treas. Reg. § 1.148-4(h)(2).

“*Qualified Management Agreement*” has the meaning set forth in Exhibit A attached to this Tax Compliance Agreement.

“*Qualified Research Agreement*” has the meaning set forth in Exhibit A attached to this Tax Compliance Agreement.

“*Qualified User*” has the meaning set forth in Exhibit A attached to this Tax Compliance Agreement.

“*Reasonably Required Reserve or Replacement Fund*” has the meaning used in Treas. Reg. § 1.148-2(f)(2) and generally means the portion of a reserve or replacement fund that is eligible to be invested without Yield Restriction. The amounts invested without Yield Restriction as part of such a Reasonably Required Reserve or Replacement Fund for Series 2011A Bonds are subject to a size limitation equal to the least of the following: (i) ten percent (10%) of the stated principal amount of an Issue (or, for any Series 2011A Bonds that have more than a de minimis amount of original issue discount or premium) the Issue Price of Series 2011A Bonds; (ii) the maximum annual principal and interest on an Issue; or (iii) one hundred twenty-five percent (125%) of average annual debt service on an Issue.

“*Rebate*” or “*Rebate Requirement*” means the arbitrage rebate requirement under Section 148(f) of the Code.

“*Rebate Amount*” means, as of any date, with respect to an Issue the excess of (1) the Future Value, as of that date, of all receipts on Nonpurpose Investments over (2) the Future Value of all the payments on Nonpurpose Investments with respect to the Issue. If there are gross earnings from a Bona Fide Debt Service Fund (including earnings on any accrued interest on the Issue deposited therein) in any Bond Year of less than \$100,000, then receipts and payments with respect to such earnings thereon for such Bond Year shall not be taken into account for purposes of computing the Rebate Amount. If the average annual debt service on an Issue does not exceed \$2,500,000, then receipts and payments with respect to earnings from a Bona Fide Debt Service Fund shall not be taken into account for purposes of computing the Rebate Amount.

“*Rebate Installment*” means at least ninety percent (90%) of the Rebate Amount as of each Installment Computation Date.

“*Refunded Bonds*” means, collectively, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation

Housing Corporation Project), Series 2009A-1, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-2, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1, and the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2.

“*Refunded Bonds Trustee*” means Manufacturers and Traders Trust Company, as trustee of the Refunded Bonds.

“*Refunding Bonds*” means that portion of the Series 2011A Bonds allocated to the refunding of the Refunded Bonds.

“*Related Party*” means, in reference to a Governmental Unit or a Section 501(c)(3) Organization, any member of a Controlled Group, and in reference to any other person, a Related Person.

“*Related Person*” has the meaning ascribed to such phrase in Section 144(a)(3) of the Code. Examples of relationships which may cause individuals or entities to be Related Persons are set forth in Exhibit A attached to this Tax Compliance Agreement.

“*Replacement Proceeds*” means amounts with a sufficiently direct nexus to an Issue to conclude that such amounts would have been used for the governmental purpose of the Issue if the Proceeds of the Issue were not so used, including, to the extent held by or derived from the Issuer, the Company or a Related Party to the Issuer or the Company, including:

(a) sinking funds, such as debt service funds, redemption funds, reserve funds, replacement funds, or any other fund, to the extent reasonably expected to be used directly or indirectly to pay principal or interest on the Issue;

(b) pledged funds, any amount directly or indirectly pledged to pay principal or interest on the Issue, cast in any form but providing reasonable assurance that such amount will be available to pay principal or interest on the Issue, even if the Issuer or the Company encounters financial difficulty;

(c) negative pledges, amounts held under an agreement to maintain such amount at a particular level for the direct or indirect benefit of holders or a guarantor of the Issue, excluding amounts the Issuer, the Company or a Related Party of the Issuer or the Company may grant rights in superior to the rights of the bondholders or the guarantor and amounts not in excess of the reasonable needs for which it is maintained, the required level of which is tested no more frequently than every 6 months and which may be spent without any substantial restriction other than a requirement to replenish such amount by the next testing date; and

(d) other replacement proceeds, including amounts arising during a period that the Issue, to the extent reasonably expected by the Issuer as of the Issue Date, remains outstanding longer than necessary.

“*Sale Proceeds*” means, with respect to an Issue, any amounts actually or constructively received from the sale of the Issue, including amounts used to pay underwriter’s discount or compensation.

“*Section 501(c)(3) Organization*” means an organization exempt from Federal income taxation under Code Section 501(a), as an entity described in Code Section 501(c)(3).

“*Series 2011A Bonds*” means the Issuer’s \$43,875,000 aggregate principal amount Revenue Bond (Buffalo State College Foundation Housing Corporation Project), Series 2011A.

“*Series 2011B Bonds*” means the Issuer’s \$410,000 aggregate principal amount Taxable Revenue Bond (Buffalo State College Foundation Housing Corporation Project), Series 2011B.

“*Service Provider*” shall have the meaning set forth in Exhibit A attached to this Tax Compliance Agreement.

“*SLG*” means a security issued by the United States Department of the Treasury, Bureau of Public Debt, pursuant to the State and Local Government Series securities program described in 31 CFR Part 344.

“*Tax-Exempt Bond*” means Demand Deposit SLGs and tax-exempt bonds that are not specified private activity bonds within the meaning of Section 57(a)(5)(C) of the Code.

“*TEFRA Notice*” means a reasonable published public notice of a public hearing held in advance of the approval of the applicable elected representative pursuant to Code Section 147(f) and Treas. Reg. § 5f.103-2.

“*Transferred Proceeds*” means any proceeds of a prior refunded issue that become proceeds of a refunding issue and cease to be proceeds of the prior refunded issue pursuant to the transferred proceeds allocation rule under Treas. Reg. § 1.148-9 (or the applicable corresponding provision of prior law).

“*Treasury*” means the United States Department of Treasury.

“*Trustee*” means Manufacturers and Traders Trust Company, as trustee.

“*Underwriter*” means M&T Securities, Inc.

“*Universal Cap*” means, as of any date of determination, the value (as determined under Treas. Reg. § 1.148-4(e)) of all outstanding bonds of an Issue.

“*Unqualified Costs*” means costs and expenses of the acquisition, construction and equipping of the Project Facility that are not Qualified Costs.

“*Unused Universal Cap*” means, as of any date of calculation, the excess (if any) of the value ascribed to the Universal Cap for an Issue over the aggregate value of the Nonpurpose Investments allocated to the Issue.

“*Yield*” means, except as specifically modified herein, that yield which when used in computing the present value of all payments of principal and interest on an obligation produces an amount equal to its purchase price (defined as the initial offering price to the public, excluding bond houses and brokers, at which price a substantial amount of such obligations was sold). For example, if any investment of \$100 results in a payment of \$110.25 exactly one year later, then the yield to maturity of the investment, based on semiannual compounding, is ten percent (10%) because the future payment of \$110.25 when discounted at ten percent (10%) equals the purchase price of \$100.

“*Yield Restriction*” or “*Yield Restricted*” means required to be invested at a Yield that is not materially higher than the Yield on the Issue under Code Section 148(a) and Treas. Reg. § 1.148-2.

SECTION 1.2 INTERPRETATION.

In this Tax Compliance Agreement:

(a) Unless the context requires otherwise, words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(b) Words importing persons include firms, associations, partnerships, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(c) This Tax Compliance Agreement shall be governed by and construed in accordance with the applicable laws of the State of New York.

(d) The table of contents and the headings of the several Articles and Sections in this Tax Compliance Agreement have been prepared for convenience of reference only and shall not control, affect the meaning or be construed as an interpretation of any provision of this Tax Compliance Agreement. Unless specifically stated otherwise, references herein to Articles, Sections, Exhibits and Schedules shall refer to Articles, Sections, Exhibits and Schedules to this Tax Compliance Agreement.

(e) If any provision of this Tax Compliance Agreement shall be ruled invalid by any court of competent jurisdiction, the invalidity of such provision shall not affect any of the remaining provisions hereof.

(f) This Tax Compliance Agreement shall survive the purchase, sale or defeasance of the Series 2011A Bonds, the obligations of the Company to make payments required by Section 8.10 and all indemnities hereunder and shall survive any termination or expiration of this Tax Compliance Agreement and the payment of the Series 2011A Bonds.

SECTION 1.3 COVENANT WITH BONDHOLDERS.

The Issuer and the Company agree that this Tax Compliance Agreement is executed in part to induce the Bondholders to purchase the Series 2011A Bonds. Accordingly, all covenants, agreements, representations and warranties by the Issuer and the Company herein are declared to be for the benefit of the Bondholders and may be enforced by the Trustee on behalf of the Bondholders.

SECTION 1.4 RELIANCE ON DOCUMENTS.

The Issuer and the Trustee shall be permitted to conclusively rely on the contents of any certification, document and instructions provided by the Company pursuant to this Tax Compliance Agreement, including, without limitation, the information provided in the several Schedules attached hereto, and shall not be responsible or liable in any way for verifying the accuracy or correctness of the contents thereof or the failure of the Company to deliver any such certification, document or instruction at the time and in the manner required hereby.

The Issuer and the Trustee may (but shall have no obligation), upon reasonable basis therefor and at the sole cost and expense of the Company, obtain such opinions, verifications or other information from such experts (including accountants and attorneys) as the Issuer or the Trustee, as the case may be, may deem necessary to verify or determine the information set forth or as should be set forth in any certification, document or instructions delivered or required to be delivered by the Company under this Tax Compliance Agreement.

ARTICLE II

THE PROJECT FACILITY

SECTION 2.1 DESCRIPTION OF THE PROJECT FACILITY AND THE PROJECT FACILITY.

The Company represents, warrants, covenants and agrees that it has undertaken and will continue to undertake, and will complete, the acquisition, construction and equipping of the Project Facility. The Project Facility consists of (i) the acquisition by the Company of a subleasehold title to certain parcels of land containing in the aggregate approximately 3.9 acres and located at the corner of Letchworth and Grant Streets on the College's campus at Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York; (ii) the acquisition, installation and construction thereon by the Company of an approximately 225,000 square foot student housing complex consisting of approximately 507 beds, to serve students of the College, together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements; and (iii) the acquisition and installation in and around the improvements of certain items of furniture, furnishings, equipment, machinery and other tangible personal property.

SECTION 2.2 ALLOCATION OF NON-BOND PROCEEDS TO UNRELATED BUSINESS USE AND EXCESS PRIVATE BUSINESS USE.

The Company represents, warrants, covenants and agrees that it has funded or will fund from sources other than Sale Proceeds of the Series 2011A Bonds the cost of that portion of the Project Facility, if any, used for Private Business Use (including use in an unrelated trade or business within the meaning of Section 513(a) if the Code, by the Company) that exceeds the maximum Private Business Use permitted under the Code. Any funds paid toward the cost of the Project Facility from sources other than Sale Proceeds of the Series 2011A Bonds were or will be first allocated to the cost of the portion of the Project Facility devoted to Private Business Use. For purposes of this Tax Compliance Agreement, to the extent so allocated, the Project Facility was or will be deemed not to have Private Business Use except as set forth in Exhibit E attached hereto.

SECTION 2.3 NO UNRELATED TRADE OR BUSINESS USE.

The Company represents, warrants, covenants and agrees that except as set forth in Exhibit E, the Company (a) has not performed, and does not expect to perform, any act, (b) has not entered into, and does not expect to enter into, any agreement, and (c) has not used or permitted any use of, and does not expect to use or permit any use of, any part of the Project Facility, that could constitute an unrelated trade or business use of the Project Facility within the meaning of Section 513(a) of the Code with respect to the Company that exceeds the maximum Private Business Use permitted under the Code. The Company shall not perform any such act, enter into any such agreement or such use or permit any use of any part of the Project Facility unless, prior to the Company performing any such act, entering into any such agreement, or using or permitting any part of the Project Facility to be used in such manner, the Company provides written notice to the Issuer of its proposed act, agreement or use, and obtains and

provides to the Issuer and Trustee an Acceptable Opinion of Bond Counsel with respect to such act, agreement or use.

SECTION 2.4 NO PRIVATE USE.

The Company represents, warrants, covenants and agrees that, except for arrangements that constitute Qualified Management Agreements and, if applicable, Qualified Research Agreements, no part of the Project Facility has been or is expected to be (a) leased to or used by an organization that is not either (i) a Section 501(c)(3) Organization which is not using the Project Facility, or any part thereof, in any trade or business that constitutes an unrelated trade or business as defined in Section 513(a) of the Code with respect to that organization, or (ii) a Governmental Unit, or (b) used to serve persons (other than the employees of the College or the Company, SUNY or College students and their visitors) on a regular basis. The Company will not enter into any lease or permit any use contemplated by (a) or (b) above that exceeds the maximum Private Business Use permitted under the Code, unless, prior to such lease or use, the Company has obtained and provided to the Issuer and the Trustee an Acceptable Opinion of Bond Counsel with respect thereto. SUNY, a Governmental Person, is the fee owner of the Land and pursuant to the Ground Lease leases the Land to the Association, which as evidenced by the certificate attached hereto as Exhibit D-2, is a Section 501(c)(3) Organization, for use in furtherance of the Association's exempt purposes. The Company has subleased the Project Facility from the Association. The Company has entered into the Facility Management Agreement with SUNY for the management of the Project Facility and the SUNY Agreement with SUNY with respect to the license by SUNY from time to time of portions of the Project Facility.

SECTION 2.5 MANAGEMENT AGREEMENT.

The Company represents, warrants, covenants and agrees that the Company has not entered into and does not expect to enter into any management, service or incentive payment contract with any Service Provider under which such Service Provider provides services involving all, a portion of, or any function of the Project Facility (a "*Management Agreement*") that does not constitute a Qualified Management Agreement. The Company shall not enter into a Management Agreement that does not constitute a Qualified Management Agreement unless, prior to entering into such contract, the Company has obtained and provided to the Issuer and the Trustee an Acceptable Opinion of Bond Counsel with respect thereto. A Service Provider shall include a Section 501(c)(3) Organization if the Project Facility is used in an unrelated trade or business as defined in Section 513(a) of the Code with respect to that organization.

SECTION 2.6 CONTRACTS FOR USE OF THE PROJECT FACILITY; NO LEASE OF THE PROJECT FACILITY.

The Company represents, warrants, covenants and agrees that the Company has not entered into and does not expect to enter into any lease or other agreement (other than a Qualified Management Agreement or, if applicable, Qualified Research Agreement) providing to or conferring upon any Service Provider any special legal entitlement to use of, or any special economic benefit with respect to, any part of the Project Facility. The Company will not enter into any such agreement or lease (other than a Qualified Management Agreement or Qualified

Research Agreement) unless, prior to entering into such lease or agreement, the Company has obtained and provided to the Issuer and the Trustee an Acceptable Opinion of Bond Counsel with respect thereto.

SECTION 2.7 PROHIBITED LOANS AND FACILITIES.

The Company represents, warrants, covenants and agrees that no portion of the Proceeds of the Series 2011A Bonds will be used to make loans to Nongovernmental Persons or provide any airplane, skybox or other private luxury box, health club facility, facility primarily used for gambling, or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

SECTION 2.8 RESIDENTIAL RENTAL HOUSING FOR FAMILY UNITS.

The Company represents, warrants, covenants and agrees that it has not used, and shall not use or permit to be used, any portion of the Net Proceeds of the Series 2011A Bonds or Refunded Bonds to provide residential rental property for family units. For purposes of this Section 2.8, “residential rental property” means a building or structure which contains five or more units, which are used on other than a transient basis and are available to members of the general public in accordance with Treas. Reg. §1.103-8(a)(2).

SECTION 2.9 LIMITATION ON FINANCING OF ISSUANCE COSTS.

The Company represents, warrants, covenants and agrees that it will not take any action which will result in more than two percent (2%) of the Sale Proceeds of the Series 2011A Bonds being used to finance Issuance Costs.

SECTION 2.10 NAICS CODE.

The Company certifies that the NAICS Code for the Project Facility is 611310.

SECTION 2.11 COMPLETION AND MAINTENANCE OF PROJECT FACILITY.

The Company covenants to acquire, construct, equip and improve the Project Facility in conformity with the description of the Project Facility contained in Section 2.1, and to thereafter maintain and operate the Project Facility for the purposes described therein through October 1, 2041, the final maturity date of the Series 2011A Bonds, unless the Company delivers, to the Issuer and the Trustee, an Acceptable Opinion of Bond Counsel with respect to any failure to so acquire, construct, equip, improve, maintain or operate.

SECTION 2.12 CHANGES IN PROJECT FACILITY USE.

The Company understands that a change in the use of the Project Facility to a use not qualified for tax-exempt financing under the Code will result in both the loss of exclusion of interest on the Series 2011A Bonds from gross income for purposes of federal taxation and the loss of income tax deductions for interest paid by the person making the nonqualified use of the Project Facility. The Company acknowledges that if a portion of the Project Facility financed with the Net Proceeds of the Series 2011A Bonds or the Refunded Bonds (other than a portion

financed with not more than three percent (3%) of the Net Proceeds of the Series 2011A Bonds) is used by a Nongovernmental Person but continues to be owned for federal tax purposes by the Company, then, in addition to any loss of tax exemption that may occur with respect to interest on the Series 2011A Bonds, the Company will be treated as using the Project Facility in an unrelated trade or business with respect to such portion. The amount of gross income attributable to such portion for any period shall be no less than the fair rental value of such portion for such period. Any such change in use will result in the disallowance of deductions for interest payments on the Series 2011A Bonds with respect to the portion of the Project Facility use in the unrelated trade or business for the period of such use. The Company hereby covenants and agrees that (a) before any change in the use of the Project Facility, the Company shall first file with the Trustee and the Issuer an Acceptable Opinion of Bond Counsel relating to the proposed change in use, and (b) in connection with any change in use, the Company shall comply with the remedial actions under the Code including Treas. Reg. § 1.141-2 and shall promptly furnish to the Issuer evidence satisfactory to Bond Counsel of such compliance.

SECTION 2.13 OPERATION OF THE PROJECT FACILITY.

The Company represents, warrants and covenants that any cafeterias, restaurants, gift shops, book or supply stores, or similar facilities which are part of the facilities financed with the proceeds of the Series 2011A Bonds are, and will be, operated principally for students, staff, visitors and patrons of the Company, and the operation thereof shall be substantially related to the exempt purposes of the Company, unless the Issuer and the Trustee receive an Acceptable Opinion of Bond Counsel satisfactory to the Issuer to the effect that the operation of such cafeteria, restaurant, gift shop, book or supply store or similar facility will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2011A Bonds.

SECTION 2.14 NO BUSINESS VENTURES.

The Company has not entered into and does not expect to enter into any business ventures, partnerships or joint ventures with for-profit organizations or entities (including business ventures in which the Company is a member of any partnership or joint venture) which may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2011A Bonds.

SECTION 2.15 NO DISPOSITION OF PROJECT FACILITY.

The Company does not expect to sell or otherwise dispose of the Project Facility, in whole or in part, while the Series 2011A Bonds are Outstanding other than the disposition of obsolete equipment in the ordinary course of business.

ARTICLE III

GENERAL REPRESENTATIONS AND COVENANTS OF THE ISSUER

SECTION 3.1 PUBLIC APPROVAL.

The Issuer makes the following representations, warranties, covenants and agreements as the basis for the undertakings on its part contained in the financing documents:

(a) By adopting the Resolution and executing and delivering the Indenture, the Issuer determined to proceed with the issuance of the Series 2011A Bonds.

(b) Based upon representations of the Company as to the character and utilization of the Project Facility, the acquisition, construction, equipping and use of the Project Facility qualify for financing by the Issuer under the Act.

(c) In compliance with Section 147(f) of the Code, the Issuer on December 15, 2009, held a public hearing on the issuance of the tax-exempt bonds to finance the Project following publication of notice of the hearing on November 30, 2009. By action of the County Executive of Erie County on December 18, 2009, such County Executive, as the “applicable elected representative” of Erie County for purposes of Section 147(f) of the Code, approved the issuance of the tax-exempt bonds to finance the Project. Copies of documents relating to such publication, hearing and approval are included in the Transcript of the Proceedings relating to the Series 2011A Bonds as Items B(1)(g) and (h) and B(2). The Series 2011A Bonds constitute bonds that are part of the plan for financing of the Project Facility as contemplated by Section 147(f)(2)(C) of the Code. The Issue Date of the initial series of Refunded Bonds was December 31, 2009, a date which is within three (3) years of the Issue Date of the Series 2011A Bonds, and substantially all of the Proceeds of the Series 2011A Bonds will be used to finance the Project Facility or refund the Refunded Bonds issued pursuant to the plan for financing of the Project Facility.

(d) In compliance with Section 147(f) of the Code, the Issuer on April 7, 2011, held a public hearing on the issuance of the tax-exempt bonds to refund the Refunded Bonds following publication of notice of the hearing on March 23, 2011. By action of the County Executive of Erie County on June 8, 2011, such County Executive, as the “applicable elected representative” of Erie County for purposes of Section 147(f) of the Code, approved the issuance of the portion of the Series 2011A Bonds to refund the Refunded Bonds. Copies of documents relating to such publication, hearing and approval are included in the Transcript of the Proceedings relating to the Series 2011A Bonds as Items B(1)(g) and (h) and B(2).

SECTION 3.2 REPORTING REQUIREMENTS.

The Issuer has complied with or will comply with the information reporting requirements applicable to the issuance of the Series 2011A Bonds under Section 149(e) of the Code by the filing of a completed Internal Revenue Service Form 8038, with the Internal Revenue Service

Center, Ogden, Utah 84201, in a timely manner – namely, on or before the fifteenth (15th) day of the second calendar month after the close of the calendar quarter in which the Series 2011A Bonds were issued (specifically, August 15, 2011).

ARTICLE IV

GENERAL REPRESENTATIONS AND COVENANTS OF THE COMPANY

SECTION 4.1 SECTION 501(C)(3) STATUS.

The Company represents, warrants and covenants that (i) the Company is a Section 501(c)(3) Organization; (ii) the Company received a letter from the Internal Revenue Service dated April 11, 2009, to such effect (a copy of which is attached hereto as Exhibit D-1) and such letter has not been modified, limited or revoked in whole or in part; (iii) the Company is in compliance with all terms, conditions and limitations, if any, contained in such letter; (iv) the facts and circumstances which form the basis of such letter as represented to the Internal Revenue Service continue to exist and no other material facts or circumstances have arisen which could adversely affect the Company's exempt status; (v) the Company is exempt from federal income taxes under Section 501(a) of the Code; (vi) the Company has not been audited by the Internal Revenue Service in any of the preceding five years; and (vii) the Company has not undergone any material changes since April 11, 2009, which would adversely affect its status as a Section 501(c)(3) Organization, and no such changes are contemplated. The Company agrees not to perform any act or enter into any agreement which would adversely affect the Company's status as a Section 501(c)(3) Organization and shall conduct its operations in a manner that will conform to the standards necessary to maintain such status.

The Company will take all action reasonably necessary to maintain its status as such an organization and its exemption from federal income tax under Section 501(a) until the Series 2011A Bonds have been redeemed. No proceedings are pending or, to the Company's knowledge, threatened, which if successful, would adversely affect the Company's status as an organization described in Section 501(c)(3) of the Code, or which would subject any income of the Company to federal income taxation to such extent as would result in the loss of its tax-exempt status under Section 501(a) of the Code or the loss of non-inclusion in gross income of interest on the Series 2011A Bonds for federal income tax purposes under Section 103 of the Code. The Company is not, to its knowledge, under examination or audit by the Internal Revenue Service, nor has it received written or oral notice from the Internal Revenue Service of a proposed examination or audit thereby, with respect to any fiscal year of the Company.

The Company will not merge into, or consolidate with one or more corporations unless (i) the surviving corporation is a Section 501(c)(3) Organization, and exempt from federal income taxation under Section 501(a) of the Code, (ii) such merger or consolidation will not adversely affect the validity of the Series 2011A Bonds or the exclusion from gross income of the interest on the Series 2011A Bonds and will not cause any of the Series 2011A Bonds to violate Section 145(b) of the Code, and (iii) the surviving corporation agrees to comply with all terms of this Tax Compliance Agreement.

SECTION 4.2 CONTRACTS WITH GOVERNING BOARD.

Except as permitted by Section 4.4, the Company has not entered into, and will not enter into, any contracts with members of the Company's governing board (or Related Persons to such members).

SECTION 4.3 USE OF EXCESS REVENUES.

Any year-end excess of revenues over expenses of the Company is, and will be, used for one or more tax-exempt purposes of the Company. In addition, upon dissolution, the Company's assets will be distributed for one or more tax-exempt purposes and not to the members, shareholders, officers, employees, or founders of the Company.

SECTION 4.4 TRANSACTIONS WITH DIRECTORS, STAFF AND EMPLOYEES .

Except on an arm's length basis or as is otherwise reasonable under the circumstances, the Company (i) has not made or given, and will not make or give, loans or advances to or enter into any other transactions with the directors, employees or staff of the Company or members of the Company's governing board, bearing interest at less than a fair market interest rate or less than Fair Market Value; (ii) has not made, and will not make, purchases from or sales to persons in control of the Company; and (iii) has not used, and will not use, its funds to pay personal expenses of, and has not acted, and will not act, as guarantor for any loan made by banks (or other parties) to directors, employees or staff of the Company or members of the Company's governing board. Any question as to reasonableness will be raised with counsel expert in Code Section 501(c)(3) matters that is reasonably acceptable to the Issuer.

SECTION 4.5 SOLICITATION OF FUNDS.

Except as set forth in Exhibit E, (a) neither the Company nor any person acting on its behalf has solicited contributions of any funds specifically to be used for the payment of the costs of acquisition, equipping and construction of the Project Facility, and (b) the Company has no current plan, intention or expectation of soliciting contributions for such purpose. If while any Bonds are Outstanding the Company receives any gift or grant required by its terms to be used to pay any item which is a cost of the Project Facility, the Company shall notify the Issuer thereof. If the Project Facility has not been deemed to be completed, the Company shall either: (i) expend the amount of such gift or grant as a cost of the Project Facility, or (ii) deliver to the Trustee, not later than twenty (20) days after receipt of such amounts, the amount of any gift or grant, in cash, for deposit in the Construction Fund. If the Project Facility has been deemed to be completed, the amount of any such gift or grant shall be delivered to the Trustee not later than twenty (20) days after receipt by the Company, in cash, for deposit in the Bond Fund and applied to the payment of principal or sinking fund installments due on the Series 2011A Bonds. Notwithstanding the above to the contrary, the Company may retain any gifts or grants received by it required to be used to pay costs of the Project Facility to the extent such gifts or grants do not exceed the amount of unrestricted funds previously expended by the Company for Qualified Costs of the Project Facility.

SECTION 4.6 AFFILIATION AGREEMENTS.

Any affiliation agreements that the Company has entered into or will enter into with other Nongovernmental Persons will not result in any portion of the proceeds of the Series 2011A Bonds being expended or otherwise used for the benefit of any such Nongovernmental Person. Any agreements with fundraisers who assist the Company in its fundraising efforts will not result

in any portion of the proceeds of the Series 2011A Bonds being expended or otherwise used for the benefit of any such other Nongovernmental Person.

SECTION 4.7 \$150 MILLION LIMITATION.

The Company represents, warrants and covenants that ninety-five percent (95%) or more of the Net Proceeds of the Series 2011A Bonds (other than the portion allocated to refunding the Refunded Bonds) are to be used to finance capital expenditures incurred after August 5, 1997. The Company represents, warrants and covenants that ninety-five percent (95%) or more of the Net Proceeds of the Refunded Bonds were used to finance capital expenditures incurred after August 5, 1997. Consequently, pursuant to paragraph (5) of Section 145(b) of the Code, the \$150,000,000 limit described in paragraphs (1) through (4) of Section 145(b) of the Code does not apply to the Series 2011A Bonds.

SECTION 4.8 IRS FILINGS.

The Company hereby requests the Issuer to file a Form 8038 with respect to the Series 2011A Bonds in a timely fashion with the Internal Revenue Service Center, Ogden, Utah 84201 and confirms that the information on Form 8038 included in the Transcript of Proceedings relating to the Series 2011A Bonds as Item B(3) is accurate.

SECTION 4.9 RECORDKEEPING REGARDING USE OF THE PROJECT FACILITY AND USE OF THE PROCEEDS OF THE SERIES 2011A BONDS.

(a) The Company on behalf of the Issuer covenants to maintain records to support the representations, certifications and expectations set forth in this Tax Compliance Agreement until six (6) years after the last of the Series 2011A Bonds has been retired, and if any of the Series 2011A Bonds are refunded by the Issuer with proceeds of tax-exempt obligations other than the Series 2011A Bonds (“*Refunding Obligations*”), the Company on behalf of the Issuer covenants to maintain all records required to be maintained hereunder until the later of six (6) years after the last of the Series 2011A Bonds has been retired or the date that is three (3) years after the last of the Refunding Obligations has been retired. The records that must be retained pursuant to this provision include, but are not limited to: (1) documentation evidencing expenditure of the Series 2011A Bond Proceeds, (2) documentation evidencing the use of the Project Facility by public and private entities (e.g., management contracts, research agreements, leases, etc.), (3) documentation evidencing the timing and allocation of expenditures of Series 2011A Bond Proceeds, (4) documentation evidencing all sources of payment or security for the Series 2011A Bonds, (5) documentation pertaining to any investment of Series 2011A Bond Proceeds (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of Proceeds and rebate calculations), and (6) records of all amounts paid to the United States and any elections or revocations of elections.

(b) No later than twelve (12) months after the date the Project Facility is Placed in Service or if earlier, six (6) months after the date of the last draw on the Construction Fund, the Company shall provide to the Issuer its Certificate of Actual Qualified Costs and Use of Proceeds in the form provided in Schedule C hereof.

ARTICLE V

USE OF PROCEEDS OF THE REISSUED BONDS AND SOURCE OF DEBT SERVICE PAYMENTS

SECTION 5.1 EXPECTED USE OF PROCEEDS OF THE SERIES 2011A BONDS.

The Company expects and, based on the Company's expectations stated herein and its representations set forth in the Loan Agreement, the Issuer expects that the Proceeds of the Series 2011A Bonds will be applied in the manner set forth in (i) this Article V, (ii) Article VIII, and (iii) Schedule A.

Section 5.2 COMPANY'S CERTIFICATION AS TO FACILITY COSTS.

With respect to the Series 2011A Bonds, the Company hereby certifies and agrees as follows:

(a) The total amount shown in Item 5 of Schedule A as Qualified Costs is ninety-five percent (95%) or more of the amount of the Net Proceeds of the Series 2011A Bonds remaining after refunding of the Refunded Bonds and represents amounts that will be spent on the costs and expenses of the acquisition, construction and equipping of the Project Facility, but specifically excludes costs and expenses of the acquisition, construction and equipping of the Project Facility that do not constitute Qualified Costs. In this regard, the Company certifies that amounts payable under all the contracts for construction, design, equipping and furnishing of, and installation of equipment at or in the Project Facility constitute Qualified Costs as each contractor retained by the Company is not and will not be a Related Party to the Company.

(b) Except as permitted in this Tax Compliance Agreement and an Acceptable Opinion of Bond Counsel, none of the Proceeds of the Series 2011A Bonds will be used (directly or indirectly) for any purpose other than the acquisition, construction and equipping of the Project Facility and related Qualified Costs as provided in the Indenture. In the event that Proceeds of the Series 2011A Bonds are used to pay interest accrued during the construction period of the Project Facility, such interest shall be allocated between Qualified Costs and other costs and expenses to be paid from equity and the accrual period shall commence on or after the Issue Date and end on the date that the Project Facility is Placed in Service.

(c) The Company represents that ninety-five percent (95%) or more of the amount of the Net Proceeds of the Refunded Bonds were spent on costs and expenses of the acquisition, construction and equipping of the Project that were chargeable to the Company's capital account (under Federal tax law principles) or would be so chargeable (i) with a proper election by the Company or (ii) but for a proper election by the Company to deduct such amounts. The Company confirms as of the Issue Date of the Refunded Bonds and the date hereof that (a) the representations and warranties of the Company in the Tax Compliance Agreement dated December 31, 2009 and the Tax Compliance Agreement dated May 3, 2010 with respect to the Refunded Bonds are true and correct, and (b) the Company has observed and performed the terms and covenants of the Company set forth therein.

SECTION 5.3 NO ADVANCE REFUNDING.

No portion of the Series 2011A Bonds will be used to “advance refund” any prior bonds of the Company within the meaning of Code Section 149(d).

ARTICLE VI

AVERAGE ECONOMIC LIFE AND AVERAGE MATURITY OF THE REISSUED BONDS

SECTION 6.1 AVERAGE ECONOMIC LIFE OF THE PROJECT FACILITY.

(a) The Company represents that Schedule B-1 sets forth the computation of the Average Economic Life of the Project Facility. As shown in Schedule B-1 the Average Economic Life multiplied by one hundred twenty percent (120%) is 46.6 years.

(b) The Company represents in connection with the computation of Average Economic Life as follows:

(i) Part I of Schedule B-1 sets forth for each asset eligible for financing the "Net Proceeds" (as shown on Schedule A, Part I, Item 4) allocable to such asset. .

(ii) Part II of Schedule B-1 sets forth for each asset eligible for financing its economic life based on:

(A) Code Section 147(b)(3)(B)(ii) for land,

(B) Rev. Proc. 62-21 (1962-2 C.B. 418) for new buildings and structures,

(C) the Class Life Asset Depreciation Range midpoint life as set forth in Rev. Proc. 87-56 for new property other than building or structures, or

(D) an appraisal, a copy of which, if any, is attached to Schedule B-1, for any other property.

(iii) Part III of Schedule B-1 sets forth the weighted adjustment to the economic lives of the assets listed in Part II of Schedule B-1, taking into account the period of construction or acquisition after the Issue Date, or the period the asset has been Placed in Service before the Issue Date.

(iv) Part IV of Schedule B-1 sets forth the weighted life of each asset calculated by multiplying the amount set forth in the column as Net Proceeds allocable to the asset by its economic life set forth in for the asset.

(v) The Average Economic Life is computed by dividing the total of the weighted lives set forth in Column D on Part IV of Schedule B-1 for all assets by the total amount as Net Proceeds allocable to the assets.

SECTION 6.2 AVERAGE MATURITY OF THE SERIES 2011A BONDS.

(a) Based on the computations provided by the Underwriter, the Institution represents that Schedule A to Exhibit C sets forth the computation of the Average Maturity of the

Series 2011A Bonds. As shown in Schedule A to Exhibit C, the Average Maturity of the Series 2011A Bonds is 19.591 years.

(b) Based in part on the computations provided by the Underwriter and reviewed by Bond Counsel, the Institution represents that the Average Maturity of the Series 2011A Bonds does not exceed one hundred twenty (120%) of the Average Economic Life of the Project Facility.

ARTICLE VII

COMPOSITE ISSUES AND FEDERAL GUARANTEES

SECTION 7.1 COMPOSITE ISSUES.

The Company represents that no person has sold on behalf of the Company within the fifteen (15) day period ending on the date of the sale of the Series 2011A Bonds, debt obligations of the Company (other than the Series 2011B Bonds) which have been sold pursuant the same plan of financing with the Series 2011A Bonds, and are reasonably expected to be paid from substantially the same source of funds (determined without regard to guarantees from unrelated parties) as the Series 2011A Bonds. No person on behalf of the Company will issue, within the fifteen (15) day period beginning on the date of sale of the Series 2011A Bonds, debt obligations of the Company (other than the Series 2011B Bonds) which will be sold pursuant to the same plan of financing with the Series 2011A Bonds, and are reasonably expected to be paid from substantially the same source of funds (determined without regard to guarantees from unrelated parties) as the Series 2011A Bonds, unless an Acceptable Opinion of Bond Counsel is obtained with respect to such proposed issuance. As provided under Treas. Reg. § 1.150-1(c)(2), the Series 2011B Bonds and the Series 2011A Bonds are not part of the same Issue.

SECTION 7.2 FEDERAL GUARANTEES.

The Company represents that neither payment of principal or interest on the Series 2011A Bonds nor payments under the Loan Agreement are guaranteed, in whole or in part, by the United States (or any agency or instrumentality thereof) and that none of the Proceeds will be invested, directly or indirectly, in deposits or accounts in a federally insured financial institution within the meaning of Section 149(b) of the Code, other than investments during an initial temporary period until such proceeds are needed for the purpose for which the Series 2011A Bonds were issued, investments in a Bona Fide Debt Service Fund, investments in a Reasonably Required Reserve or Replacement Fund and investments in bonds issued by the Treasury.

ARTICLE VIII

ARBITRAGE

SECTION 8.1 SOURCES AND USES OF PROCEEDS.

On the basis of the facts, estimates, and circumstances in existence on this date, the Company represents, and the Issuer reasonably expects, based solely on the representations of the Company, the following with respect to the Series 2011A Bonds and the use of the Proceeds of the Series 2011A Bonds:

(a) The total Proceeds to be derived by the Issuer in connection with the sale of the Series 2011A Bonds consist of Sale Proceeds in the amount of \$ 44,965,966.10 (which amount represents the aggregate principal amount of the Series 2011A Bonds of \$43,875,000.00 plus net original issued premium of \$1,090,966.10 and are expected on the Issue Date to be needed and fully expended as follows:

(i) \$217,181.25 of such Proceeds of the Series 2011A Bonds will be used by the Issuer on the Issue Date for payment of the Underwriter's discount;

(ii) \$387,856.79 will be deposited in the subaccount of the Costs of Issuance Fund established with respect to the Series 2011A Bonds and used to pay Issuance Costs allocable to the Series 2011A Bonds in the amount of \$154,778.34 and certain other Qualified Costs, including, without limitation, the Issuer fee in the amount of \$153,562.50 and the title insurance premium in the amount of \$79,515.95;

(iii) \$39,297,732.01 of such Proceeds will be transferred to the Refunded Bonds Trustee and applied to redeem the Refunded Bonds on June 16, 2011; and

(iv) \$5,063,196.05 will be deposited into the Construction Fund established with respect to the Series 2011A Bonds and will be expended to pay Qualified Costs of the acquisition, construction, renovation and equipping of the Project Facility.

(b) The total Sale Proceeds to be received by the Issuer in connection with the sale of the Series 2011A Bonds, together with investment earnings thereon, do not exceed the total amount necessary for the purposes described above.

(c) The portion of the Sale Proceeds of the Series 2011A Bonds used by the Issuer to pay Issuance Costs will not exceed two percent (2%) of the Sale Proceeds of the Series 2011A Bonds.

(d) The Series 2011B Bonds are being issued simultaneously with the Series 2011A Bonds and Issuance Costs have been allocated ratably between the Series.

SECTION 8.2 PURPOSE INVESTMENT AND PROGRAM INVESTMENT.

The Issuer will acquire with the Proceeds of the Series 2011A Bonds a Purpose Investment in the form of the Company's obligations to make payments to the Issuer as described in the Loan Agreement, including the Issuer's administrative fee in the amount of \$153,562.50 paid on the Issue Date in connection with the issuance of the Series 2011A Bonds. The yield to the Issuer on the Loan Agreement as it relates to the Series 2011A Bonds does not exceed the yield on the Series 2011A Bonds by more than one and one-half percent (1.5%) allowed under Treas. Reg. § 1.148-2(d)(2)(iii) with respect to Program Investments.

SECTION 8.3 FUNDS AND ACCOUNTS.

(a) ***Funds and Accounts.*** The following funds and accounts have been established under the Indenture:

- (i) the Construction Fund;
- (ii) the Bond Fund and within the Bond Fund the Issuer has created:
 - (A) a Principal Account;
 - (B) an Interest Account; and
 - (C) Redemption Account;
- (iii) the Repair and Replacement Fund;
- (iv) the Pledged Revenue Fund;
- (v) the Costs of Issuance Fund and within the Costs of Issuance Fund a Series 2011A Account;
- (vi) the Insurance and Condemnation Fund;
- (vii) the Surplus Fund;
- (viii) the Operation and Maintenance Fund; and
- (ix) the Rebate Fund.

(b) ***Description of Funds and Accounts.***

(i) ***Construction Fund.*** As provided in the Indenture, there shall be deposited in the Construction Fund, Proceeds of the Series 2011A Bonds in the amount of \$5,070,081.71 as provided in Section 8.1(a). Proceeds of the Series 2011A Bonds deposited in the Construction Fund will be used to finance the costs of acquiring, constructing and equipping the Project. If, upon completion of the Project as provided in Section 2.1 of the Loan Agreement, any portion of the Bond Proceeds remains in the

Construction Fund, such amounts will be transferred to the Bond Fund for application to debt service on the Series 2011A Bonds..

(ii) *Bond Fund.* No portion of the Proceeds of the Series 2011A Bonds is expected to be deposited in the Principal Account or Interest Account of the Bond Fund. There shall be deposited in the Bond Fund moneys transferred from the Pledged Revenue Fund from loan payments made by the Company under Section 7.3 of the Loan Agreement and to the extent required under the Indenture from the Surplus Fund, the Repair and Replacement Fund, the Operation and Maintenance Fund and the Insurance and Condemnation Fund in that order. Moneys in the Principal Account and Interest Account of the Bond Fund shall be used solely for the payment of debt service on the Series 2011A Bonds and the Series 2011B Bonds. No portion of the Proceeds of the Series 2011A Bonds is expected to be deposited in the Redemption Account. The Redemption Account will be used solely to redeem Series 2011A Bonds and the Series 2011B Bonds in advance of their maturity. The Bond Fund and the Pledged Revenue Fund are designed primarily to achieve a proper matching of revenues of the Issuer and principal and interest payments on the Bonds within each Bond Year and will be depleted at least once annually (except possibly for a reasonable carryover amount not to exceed the greater of: (i) the earnings in such Fund for the immediately preceding Bond Year or (ii) 1/12th of the principal and interest payments on the Series 2011A Bonds for the immediately preceding Bond Year). Amounts deposited in the Bond Fund will be spent within the 13-month period beginning on the date of receipt and any amounts received from the investment of such amounts will be spent within the one-year period beginning on the date of receipt. As used in this fashion, a portion of the Bond Fund and Pledged Revenue Fund will each constitute a Bona Fide Debt Service Fund.

(iii) *Repair and Replacement Fund.* No portion of the Proceeds of the Series 2011A Bonds is expected to be deposited into the Repair and Replacement Fund. After the Issue Date, there shall be deposited into the Repair and Replacement Fund amounts transferred from the Pledged Revenue Fund. Moneys in the Repair and Replacement Fund shall be used to pay capital costs for the maintenance and betterment of the Project Facility.

(iv) *Pledged Revenue Fund.* As provided in the Indenture, there shall be deposited in the Pledged Revenue Fund, loan payments received from the Company pursuant to the Loan Agreement and other amounts required to be deposited therein pursuant to the Indenture. Amounts in the Pledged Revenue Fund are to be applied on each Transfer Date (March 25 and September 25 of each year) first to the Rebate Amount with respect to any Rebate amount, second to the Bond Fund until the amount therein equals interest and one-half of the principal due on the Bonds on the immediately succeeding Interest Payment Date and then to the other funds established under the Indenture.

(v) *Costs of Issuance Fund.* The Proceeds of the Series 2011A Bonds deposited in the Series 2011A Account of the Costs of Issuance Fund will be used to pay Issuance Costs relating to the Series 2011A Bonds as provided in the Indenture.

Substantially all of the amounts deposited in the Series 2011A Account of the Costs of Issuance fund are expected to be disbursed on the Issue Date of the Series 2011A Bonds.

(vi) *Insurance and Condemnation Fund.* No portion of the Proceeds of the Series 2011A Bonds is expected to be deposited in the Insurance and Condemnation Fund. After the Issue Date, there shall be deposited in the Insurance and Condemnation Fund the net proceeds resulting from an insurance reward or condemnation award. Amounts in the Insurance and Condemnation Fund will be used to replace the Project Facility or redeem the Series 2011A Bonds..

(vii) *Surplus Fund.* As provided in the Indenture, there shall be deposited in the Surplus Fund, any amounts remaining the Pledged Revenue Fund on each Transfer Date after transfer to all of the other funds under the Indenture. Amounts in the Surplus Fund will be used to make up deficiencies in or make deposits to other fund as provided in the Indenture and annually subject to certain conditions moneys in excess of \$10,000 may be paid to the Company for any lawful purpose.

(viii) *Operation and Maintenance Fund.* No portion of the Proceeds of the Series 2011A Bonds is expected to be deposited into the Operation and Maintenance Fund. After the Issue Date, there shall be deposited into the Operation and Maintenance Fund amounts transferred from the Pledged Revenue Fund. Moneys in the Operation and Maintenance Fund shall be used to pay operating expenses of the Project Facility.

(ix) *Rebate Fund.* No portion of the Proceeds of the Series 2011A Bonds is expected to be deposited in the Rebate Fund. The Rebate Fund shall be used solely for the accumulation of the Rebatable Arbitrage for payment to the United States as provided in the Code. The Rebate Fund is not subject to the lien of the Indenture. No amount deposited in the Rebate Fund is expected to be used to pay debt service on the Series 2011A Bonds.

(c) *No Other Sinking or Pledged Fund.* Other than the Bond Fund and the Redemption Fund, there are no other funds or accounts of the Issuer or the Company established pursuant to the Indenture or the Loan Agreement, or otherwise, which are reasonably expected to be used to pay debt service on the Series 2011A Bonds or which are pledged, including negative pledges, as collateral for the Series 2011A Bonds, and for which there is a reasonable assurance that amounts therein or the investment income on such funds or accounts will be available to pay debt service on the Series 2011A Bonds in the event the Issuer or the Company encounters financial difficulties.

SECTION 8.4 YIELD RESTRICTIONS AND ARBITRAGE REBATE.

(a) *Construction Fund.* Proceeds of the Series 2011A Bonds held in the Construction Fund to pay for Costs of the acquisition, construction and equipping of the Project Facility may be invested without regard to Yield Restriction for a period not to exceed three years from the Issue Date and thereafter to the extent unexpended, at a Yield not exceeding the Yield on the Series 2011A Bonds plus .125 percentage points and are subject to arbitrage rebate (unless qualifying for and exception to Rebate Requirement described in Exhibit B). Investment

earnings on such amounts may be invested at an unrestricted yield for a period not to exceed three years from the date hereof or one year from the date of receipt, whichever period ends later.

After the three (3) year anniversary of the Issue Date, if, during any Computation Period, at least five percent (5%) of the value of the Series 2011A Bonds is represented by Variable Yield Bonds, and Company has otherwise complied with the temporary period requirements under Section 1.148-2 of the Treasury Regulations, then the Company may comply with the Yield Restriction rules by making “yield reduction payments” pursuant to Section 1.148-5(c)(2) of the Treasury Regulations.

The Company certifies that (i) it has entered into a binding commitment with respect to the acquisition, construction and equipping of the Project Facility and the amount expended or to be expended pursuant to such commitment exceeds five percent (5%) of the Net Sale Proceeds of the Series 2011A Bonds remaining after application of the Proceeds of the Series 2011A Bonds to the Refunded Bonds, (ii) work with respect to the acquisition, construction and equipping of the Project Facility has commenced or will commence and will proceed with due diligence to completion, and (iii) the Net Sale Proceeds of the Series 2011A Bonds deposited into the Construction Fund will be expended on costs of the acquisition, construction and equipping of the Project Facility within three (3) years from the Issue Date of the Series 2011A Bonds.

(b) **Bond Fund.** To the extent that the Bond Fund constitutes a Bona Fide Debt Service Fund, amounts on deposit therein may be invested without Yield Restriction for thirteen (13) months from the date such amounts are deposited therein and, thereafter, to the extent unexpended, at a yield not exceeding the Yield on the Series 2011A Bonds, plus one-thousandth of one percent (1%). Amounts in the Bond Fund are subject to Rebate (unless in any Bond Year, the aggregate gross earnings thereon and on the Pledged Revenue Fund is less than \$100,000).

(c) **Repair and Replacement Fund.** Although the Repair and Replacement Fund is pledged directly as security for the Series 2011A Bonds, it is not expected that the amounts will be available to pay debt service on the Series 2011A Bonds and therefore such amounts are not expected to constitute Gross Proceeds, may be invested without regard to yield restriction, and are not subject to arbitrage rebate.

(d) **Pledged Revenue Fund.** To the extent that the Pledged Revenue Fund constitutes a “Bona Fide Debt Service Fund,” amounts on deposit therein may be invested without Yield Restriction for thirteen (13) months from the date such amounts are deposited therein provided such amount is expended to pay principal or interest on the Bonds prior to expiration of such 13-month period and, otherwise, at a yield not exceeding the Yield on the Series 2011A Bonds, plus one-thousandth of one percent (1%). Amounts in the Pledged Revenue fund are subject to Rebate.

(e) **Costs of Issuance Fund.** Proceeds derived from the sale of the Series 2011A Bonds and deposited into the Costs of Issuance Fund to be applied to pay Issuance Costs and certain other expenses of the Issuer and the Company may be invested at an unrestricted yield until expended but not for a period in excess of one year from the date hereof. Investment earnings on such amounts may be invested at an unrestricted yield for a period not to exceed one

year from the date of receipt. Upon termination of such one year temporary periods, as applicable, such amounts shall be invested at a yield not in excess of the yield on the Series 2011A Bonds. Amounts in the Series 2011A Account of the Costs of Issuance Fund are subject to Rebate.

(f) ***Insurance and Condemnation Fund.*** Although the Insurance and Condemnation Fund is pledged directly as security for the Series 2011A Bonds, it is not expected that the amounts will be available to pay debt service on the Series 2011A Bonds and therefore such amounts are not expected to constitute Gross Proceeds, may be invested without regard to Yield Restriction. and are not subject to Rebate..

(g) ***Surplus Fund.*** Moneys in the Surplus Fund shall be invested at a yield not in excess of the yield on the Series 2011A Bonds and are subject to Rebate.

(h) ***Operation and Maintenance Fund.*** Although the Operation and Maintenance Fund is pledged directly as security for the Series 2011A Bonds, it is not expected that the amounts will be available to pay debt service on the Series 2011A Bonds and therefore such amounts are not expected to constitute Gross Proceeds, may be invested without regard to Yield Restriction. and are not subject to rebate.

(i) ***Rebate Fund.*** Moneys in the Rebate Fund may be invested without regard to Yield Restriction and are not subject to Rebate..

(j) ***Investment Earnings.*** All investment earnings in funds and accounts may be invested without regard to yield restrictions for a period of one year beginning on the date of receipt, provided that such amount are expended prior to the expiration of such one-year period.. All investments of investment earnings in funds and accounts which are subject to Rebate will be subject to Rebate. All investments of investment earnings in funds and accounts which are not subject to Rebate shall not be subject to Rebate.

SECTION 8.5 DETERMINATION OF YIELD.

(a) The Series 2011A Bonds constitute a Fixed Yield Issue. The Underwriter has calculated, as shown on Exhibit C attached hereto, using an Issue Price of \$44,965,966.10, that the Yield on the Series 2011A Bonds is 5.1751487%. For this purpose, the Yield on the Series 2011A Bonds is the discount rate that, when used in computing the present value as of the date hereof (on the basis of a year consisting of 360 days and semi-annual compounding) of all unconditionally payable payments of principal and interest on the Series 2011A Bonds, produces an amount equal to \$44,965,966.10.

SECTION 8.6 MISCELLANEOUS ARBITRAGE COVENANTS.

There are not expected to be any funds not described above that will (i) be needed to pay principal or interest on the Series 2011A Bonds, (ii) replace funds that will be used to pay principal or interest on the Series 2011A Bonds, or (iii) be pledged to secure the Series 2011A Bonds.

SECTION 8.7 HEDGE BONDS.

The Company and the Issuer, in reliance on the Company's representations herein, reasonably expect (a) that at least eighty-five percent (85%) of the spendable Proceeds of the Series 2011A Bonds (other than the Refunding Bonds) will be expended on the costs associated with the acquisition, construction and equipping of the Project Facility within three (3) years of the date of issuance hereof, and (b) that not more than fifty percent (50%) of the proceeds of the Series 2011A Bonds (other than the Refunding Bonds) will be invested in Nonpurpose Investments having a substantially guaranteed yield for four (4) years or more. The Company and the Issuer, in reliance on the Company's representations, reasonably expected (a) that at least eighty-five percent (85%) of the spendable Proceeds of the Refunded Bonds would be expended on the costs associated with the acquisition, construction and equipping of the Refunded Project within three (3) years of the date of issuance thereof, and (b) that not more than fifty percent (50%) of the proceeds of the Refunded Bonds would be invested in Nonpurpose Investments having a substantially guaranteed yield for four (4) years or more. Accordingly, the Series 2011A Bonds are not "hedge bonds" as defined in Code Section 149(g)(3).

SECTION 8.8 REIMBURSEMENT.

No portion of the Proceeds of the Series 2011A Bonds will be applied to reimburse the Company for costs of acquiring, constructing and equipping the Project Facility paid by it more than sixty (60) days prior to the date the Issuer adopted a declaration of its official intent, a copy of which is attached hereto as Exhibit F, except for amounts constituting "preliminary expenditures" as defined in Treas. Reg. § 1.150-2(f)(2). No portion of the Proceeds of the Series 2011A Bonds will be applied to reimburse the Company for costs incurred by it outside of the "reimbursement period" described in Treas. Reg. § 1.150-2(d)(2).

SECTION 8.9 TIMING OF ISSUANCE.

The date of issuance of the Series 2011A Bonds has been determined solely on the basis of bona fide financial reasons.

SECTION 8.10 ARBITRAGE AND REBATE COMPLIANCE.

The Company hereby covenants that (i) it will not take any action or fail to take any action that would cause the Series 2011A Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code, (ii) it will comply with provisions of the Code applicable to the Series 2011A Bonds, including without limitation the provisions of the Code relating to the computation of yield on investments of the Gross Proceeds of the Series 2011A Bonds, reporting of earnings on the gross proceeds of the Series 2011A Bonds, and rebating of excess earnings to the Treasury, (iii) it will retain a qualified expert to assist the Company and Issuer in computing the Rebate Amount and satisfying the Rebate Requirement, and (iv) it will comply with Exhibit B, as such may be amended from time to time.

SECTION 8.11 ISSUER ELECTIONS.

Any Issuer Election with respect to the Series 2011A Bonds shall be approved by the Company. Any Issuer Election made in writing by the Issuer herein shall be deemed approved by the Company by virtue of its execution and delivery of this Tax Compliance Agreement.

ARTICLE IX
COVENANT AND AMENDMENTS

SECTION 9.1 COMPLIANCE WITH CODE.

(a) The Company agrees and covenants that it shall at all times do and perform all acts and things necessary or desirable and within its reasonable control in order to ensure that interest paid on the Series 2011A Bonds shall, for the purpose of federal income taxation, be excludable from the gross income of the recipients thereof and exempt from such taxation.

(b) The Company acknowledges that the covenants and conditions set forth in this Tax Compliance Agreement are based upon the Code as it exists on the date hereof and that the Code may be subsequently interpreted or modified by the Federal government in a manner which is inconsistent with the covenants set forth herein. The Company agrees that any such subsequent modification or interpretation of the Code applicable to the Series 2011A Bonds will be deemed a requirement that must be met pursuant to the general tax covenant set forth in paragraph (a) of this Section 9.1.

SECTION 9.2 AMENDMENTS.

This Tax Compliance Agreement may be amended only by a writing signed by Authorized Officers of the Issuer and the Company after delivery by Bond Counsel to the Trustee and the Issuer of an Acceptable Opinion of Bond Counsel.

SECTION 9.3 RELIANCE.

The Issuer and the Company acknowledge that all parties to the transaction for the financing of the Project Facility, including the Trustee, the Underwriter, Bond Counsel and counsel to the parties, are relying on and are entitled to rely on the representations and expectations made by the Issuer and the Company herein, including, without limitation, the representations and expectations established in the Schedules appended hereto.

SECTION 9.4 ISSUER'S RELIANCE ON OTHERS.

The Issuer has relied on the covenants, representations, certifications of the Underwriter contained in Exhibit C attached hereto and certifications and agreements of the Company for purposes of making covenants and agreements under this Tax Compliance Agreement. No provision, covenant, or agreement contained in this Tax Compliance Agreement, and no obligation herein imposed on the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer or the State of New York, Erie County, New York, or any political subdivision thereof within the meaning of any State constitutional provision or statutory provision, or shall give rise to a pecuniary liability to the Issuer or the State of New York, Erie County, New York, or any political subdivision thereof or a charge against its general credit or taxing powers. The Issuer and any of its officials, directors, members, officers or employees shall have no monetary liability arising out of any of the obligations of the Issuer hereunder or in connection with any covenant, representation or warranty made by the Issuer herein, and neither the Issuer nor its

officials, directors, members, officers or employees shall be obligated to pay any amounts in connection with the transactions contemplated hereby other than from the payments required under the Loan Agreement or other moneys received by the Company.

SECTION 9.5 EXECUTION OF COUNTERPARTS.

This Tax Compliance Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

ARTICLE X

PROVISIONS RELATING TO REFUNDING BONDS

Section 10.1 The Refunding Plan

(a) Sale Proceeds of the Series 2011A Bonds in the amount of \$39,297,732.01 representing all amounts on hand with respect to the Refunded Bonds, will be transferred to the Refunded Bonds Trustee. All Sale Proceeds transferred to the Refunded Bonds Trustee will be used by the Refunded Bonds Trustee to redeem all of the outstanding Refunded Bonds on June 16, 2011, which date is less than ninety (90) days following the Issue Date of the Series 2011A Bonds. .


(b) The Code and the Treasury Regulations provide that all unexpended Proceeds of the Refunded Bonds shall cease to be Proceeds of the Refunded Bonds and shall be treated as Gross Proceeds of the Series 2011 Bonds on the date(s) the Proceeds of the Series 2011 Bonds discharge the outstanding principal of the Refunded Bonds (the "Transferred Proceeds"). The amount of unexpended Proceeds of the Refunded Bonds that become Transferred Proceeds of the Series 2011 Bonds is an amount equal to the total unspent Proceeds of the Refunded Bonds on the date a principal amount of the Refunded Bonds is discharged by the Series 2011 Bonds multiplied by a fraction: (i) the numerator of which is the principal amount of the Refunded Bonds being discharged with Proceeds of the Series 2011 Bonds on the date of the discharge, and (ii) the denominator of which is the total outstanding principal amount of the Refunded Bonds on the date immediately before the date of discharge. The Company has informed the Issuer that there were unexpended proceeds of the Refunded Bonds in the amount of \$34,000 on deposit with the Refunded Bonds Trustee which the Company has directed be transferred to the Trustee on the date hereof. The Company represents that unexpended proceeds of the Refunded Bonds, together with investment earnings thereon, will be expended for the purposes for which the Refunded Bonds were issued. Pursuant to Section 1.148-9(d)(2)(iii)(A) of the Treasury Regulations, unexpended proceeds of the Refunded Bonds are entitled to a 3-year temporary period, which temporary period shall expire on the 3-year anniversary of the date of issue of the Refunded Bonds.

[Signatures follow on next page]

IN WITNESS WHEREOF, the Issuer and the Company have caused this Tax Compliance Agreement to be executed on their behalf by their respective authorized representatives as of the date first above written.

**BUFFALO AND ERIE COUNTY
INDUSTRIAL LAND DEVELOPMENT
CORPORATION**

By: _____


David W. Kerchoff, Assistant Treasurer

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

By: _____


Ross B. Kenzie, President

EXHIBIT A

CERTAIN DEFINED TERMS

Those terms described in the Tax Compliance Agreement as having such meanings ascribed to them in this Exhibit A, are defined as follows:

I. Service Provider; Qualified User; Qualified Management Agreement; Qualified Research Agreement.

A “*Service Provider*” means any person other than a Qualified User that provides services under a contract to or for the benefit of a Qualified User. A “*Qualified User*” means (i) a Governmental Unit, and (ii) a Section 501(c)(3) Organization if the Project Facility is not used in an Unrelated Business Use.

A. *Qualified Management Agreement.*

A management, service or incentive payment contract with a Service Provider is a Qualified Management Agreement if, and only if, such contract satisfies the requirements of each of the following subsections:

(1) For contracts for services in which all compensation is based on a percentage of fees charged or a combination of a per-unit fee and a percentage of revenue or expense fee for service rendered by the Service Provider:

(a) the term of the contract (including renewal options) may not exceed two (2) years;

(b) the contract is cancelable by the Company without cause or penalty at the end of the first year of the contract term by giving the Service Provider reasonable (30 days’) notice;

(c) the compensation, which must be reasonable, may not be based on a percentage of the net profits from the operation of the Project Facility; however, during start-up, compensation may be based on a percentage of either gross revenues, adjusted gross revenues (gross revenues less allowances for bad debts and contractual and similar allowances) or expenses of the Project Facility; and

(d) the contract term covers the initial start-up period of the Project Facility for which there have been insufficient operations to establish a reasonable estimate of the amount of annual gross revenues and expenses (*e.g.*, a contract for general management services for the first year of operation).

(2) For contracts for services of Service Providers in which at least eighty percent (80%) of the compensation for services for each annual period during the term of

the contract is based on a periodic fixed fee (*e.g.*, a stated dollar amount of compensation is paid each month):

(a) the term of the contract, including all renewal options, must not exceed the lesser of eighty percent (80%) of the reasonably expected useful life of the Project Facility and ten (10) years;

(b) the compensation, which must be reasonable, may not be based on any percentage of the net profits of the Project Facility; however, it may be increased automatically if the increase does not exceed the percentage increases determined by a specified objective, external standard for computing such increase (*e.g.*, the Consumer Price Index or similar external indices that track prices in an area or increases in revenues or costs in an industry). A fee does not fail to qualify as a periodic fixed fee as a result of a one-time incentive award during the term of the contract under which compensation automatically increases when a gross revenue or expense target (but not both) is reached if that award is equal to a single, stated dollar amount.

(3) For contracts for services of Service Providers in which at least ninety-five percent (95%) of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee:

(a) the term of the contract, including all renewal options, must not exceed the lesser of eighty percent (80%) of the reasonably expected useful life of the Project Facility and fifteen (15) years;

(b) the compensation, which must be reasonable, may not be based on any percentage of the net profits of the Project Facility; however, it may be increased automatically if the increase does not exceed the percentage increases determined by a specified objective, external standard for computing such increase (*e.g.*, the Consumer Price Index or similar external indices that track prices in an area or increases in revenues or costs in an industry). A fee does not fail to qualify as a periodic fixed fee as a result of a one-time incentive award during the term of the contract under which compensation automatically increases when a gross revenue or expense target (but not both) is reached if that award is equal to a single, stated dollar amount.

(4) For contracts for services of Service Providers in which at least fifty percent (50%) of the compensation for services for each annual period during the term of the contract is based on a periodic fixed fee and no amount of compensation is based on a capitation fee (fixed amount paid per person served where service provided varies significantly among persons served) or a per-unit fee (state dollar amount paid for each service provided) or any combination thereof:

(a) the term of the contract (including renewal options) may not exceed five (5) years;

(b) the contract is cancelable by the Company without cause of penalty upon reasonable notice at the end of the third year of the contract terms; and

(c) the compensation, which must be reasonable, may not be based upon any percentage of the net profits of the Project Facility.

(5) For contracts for services of Service Providers in which all of the compensation is based on a capitation fee or a combination of capitation fee and a periodic fixed fee:

(a) compensation for services must be reasonable and cannot be based in any part on the net profits of the Project Facility; and

(b) the term of the contract (including renewal options) may not exceed five (5) years and the contract must be cancelable by the Company, upon reasonable notice, without cause or penalty at the end of the third year of the contract term.

(6) For contracts for services of Service Providers in which all of the compensation is based upon a per-unit fee or a combination of a per-unit fee and a periodic fixed fee:

(a) The term of the contract (including renewal options) may not exceed three (3) years and the Company must have the option, upon reasonable notice, to cancel the contract without cause or penalty at the end of the second year of the contract term;

(b) No amount of compensation to the Service Provider is based on a share of net profits; and

(c) The amount of the per-unit fee must be reasonable and must be specified in the contract or otherwise specifically limited by the Company or an independent third party.

(7) With respect to all of the above-described contracts, the Service Provider must not have the ability to limit the Company's exercise of its rights under the contract. In particular, not more than twenty percent (20%) of the voting power of the governing body of the Company may be exercisable in the aggregate by the Service Provider and its respective directors, officers, shareholder and employees. In addition, no member of the governing board of the Company may be the chief executive officer of the Service Provider or its governing body and vice versa. Finally, the Company and the Service Provider must not be members of the same Controlled Group or related parties as defined in Section 144(a)(3) of the Code.

B. *Qualified Research Agreement.*

A research contract with a Service Provider is a Qualified Research Agreement if, and only if such contract is described in either (1) or (2) below and satisfies the guidelines set forth in Internal Revenue Service Procedure 2007-47:

(1) *Corporate-Sponsored Research.* A research contract relating to property used for basic research supported or sponsored by a sponsor is described in this paragraph (1) if any license or other use of resulting technology by the sponsor is permitted only on the same terms as the recipient would permit that use by any unrelated, non-sponsoring party (that is, the sponsor must pay a competitive price for its use), with the price paid for that use determined at the time the license or other resulting technology is available for use. Although the Company need not permit persons other than the sponsor to use any license or other resulting technology, the price paid by the sponsor must be no less than the price paid by any non-sponsoring party for those same rights.

(2) *Cooperative Research Agreements.* A research contract relating to property used pursuant to an industry or federally sponsored research arrangement is described in this paragraph (2) if:

(a) Multiple, unrelated sponsors agreed to fund governmentally performed basic research;

(b) The research to be performed and the manner in which it is to be performed (for example, selection of the personnel to perform the research) is determined by the Company;

(c) Title to any patent or other product incidentally resulting from the basic research lies exclusively with the Company; and

(d) Sponsors are entitled to no more than a nonexclusive, royalty-free license to use the product of any of that research.

In applying the above guidelines to federally-sponsored research agreements, the rights of the federal government and its agencies mandated by the Bayh-Dole Act will not cause a research agreement to fail to meet the requirements of this Section I(B) provided that the license granted to any party other than a Qualified User to use the product of the research is no more than a nonexclusive royalty-free license. For example, the existence of march-in-rights or other special rights of the federal government or the sponsoring federal agency mandated by the Bayh-Dole Act will not cause a research agreement to fail to meet the requirements of this Section I(B), provided that the Qualified User determines the subject and manner of the research in accordance with Section I(B)(2)(b), the Qualified User retains exclusive title to any patent or other product of the research in accordance with Section I(B)(2)(c), and the nature of any license granted to the federal government or the sponsoring federal agency (or to any third party nongovernmental Unit) to use the product of the research is no

more than a nonexclusive, royalty-free license in accordance with Section I(B)(2)(d)..

II. Fair Market Value of Certain Nonpurpose Investments.

The Fair Market Value of the following Nonpurpose Investments shall be determined as set forth below:

(a) ***United States Treasury Obligations.*** The Fair Market Value of a United States Treasury Obligation that is purchased directly from the Treasury is its purchase price.

(b) ***Certificates of Deposit.*** The purchase price of a certificate of deposit that has a fixed interest rate, a fixed payment schedule, and a substantial penalty for early withdrawal and which is not traded on an established securities market will be treated as its Fair Market Value if the yield on the certificate of deposit is not less than the yield on reasonably comparable direct obligations of the United States and the yield is not less than the highest yield that is published or posted by the provider to be currently available from the provider on comparable certificates of deposit offered to the public.

(c) ***Guaranteed Investment Contracts.*** Investments pursuant to a guaranteed investment contract may be regarded as being made at a Fair Market Value if:

(A) the Issuer makes a bona fide solicitation on the investment contract. A bona fide solicitation is a solicitation that satisfies all of the following requirements:

(1) The bid specifications are in writing and are timely forwarded to potential providers.

(2) The bid specifications include all material terms of the bid. A term is material if it may directly or indirectly affect the yield or cost of the investment.

(3) The bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other potential provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the Issuer or any other person (whether or not in connection with the Issue), and that the bid is not being submitted solely as a courtesy to the Issuer or any other person for purposes or satisfying the requirements of the Code.

(4) The terms of the bid specifications are commercially reasonable. A term is commercially reasonable if there is a legitimate business purpose for the term other than to increase the purchase price or reduce the yield of the investment.

(5) For purchases of guaranteed investment contracts only, the terms of the solicitation take into account the purchaser's reasonably expected deposit and drawdown schedule for the amounts to be invested.

(6) All potential providers have an equal opportunity to bid. For example, no potential provider is given the opportunity to review other bids (*i.e.*, a last look) before providing a bid.

(7) At least three reasonably competitive providers are solicited for bids. A reasonably competitive provider is a provider that has an established industry reputation as a competitive provider of the type of investments being purchased.

(B) The bids received meet all of the following requirements:

(1) The Issuer receives at least three bids from providers that the Issuer solicited under a bona fide solicitation meeting the foregoing requirements and that do not have a material financial interest in the Issue. A lead underwriter in a negotiated underwriting transaction is deemed to have a material financial interest in the Issue until 15 days after the Issue Date of the Issue. In addition, any entity acting as a financial advisor with respect to the purchase of the investment at the time the bid specifications are forwarded to potential providers has a material financial interest in the Issue. A provider that is a Related Person to a provider that has a material financial interest in the Issue is deemed to have a material financial interest in the Issue.

(2) At least one of the three bids described in paragraph (1) is from a reasonably competitive provider, within the meaning of paragraph (A)(7) above.

(3) If the Issuer uses an agent to conduct the bidding process, the agent did not bid to provide the investment.

(C) The winning bid is the highest yielding bona fide bid (determined net of any broker's fees).

(D) The obligor on the guaranteed investment contract certifies the administrative costs that it pays (or expects to pay, if any) to third parties in connection with supplying the investment.

(E) The Issuer retains the following records with the bond documents until three (3) years after the last outstanding bond is redeemed:

(1) A copy of the guaranteed investment contracts.

(2) The receipt or other record of the amount actually paid for the investments, including a record of any administrative costs paid by the Issuer, and the certification under paragraph (D) above.

(3) For each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid and the bid results.

(4) The bid solicitation form and, if the terms of the guaranteed investment contract deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

III. Related Party.

“Related Party” in reference to a governmental unit or a 501(c)(3) Organization, means any member of a group of entities controlled directly or indirectly by the same entity or group of entities. The determination of direct control is made on the basis of all the relevant facts and circumstances. In general, “direct control” exists while a controlling entity possesses either of the following rights or powers and the rights and powers are discretionary or non-ministerial – (i) the right or power to approve and to remove without cause a controlling portion of the governing body of the controlled entity, or (ii) the right or power to require the use of funds or assets of the controlled entity for any purpose of the controlling entity. If one entity directly controls another, then the controlling entity indirectly controls any entity controlled directly or indirectly by such other entity.

IV. Related Persons.

Set forth below are examples of certain relationships which may cause entities to be Related Persons.

(A) *Individual.* “*Related Persons*” to an individual include, but are not limited to:

(1) members of his family. The family of an individual includes his brothers and sisters (whether by the whole or half blood), spouse, ancestors and lineal descendants;

(2) a corporation more than fifty percent (50%) in value of the outstanding stock of which is owned (directly or indirectly) by or for that individual, his family or his partner. An individual is also considered to own a proportionate share of the stock owned by a partnership, corporation or trust of which the individual is a partner, shareholder or beneficiary; and

(3) a partnership, if the individual owns, directly or indirectly, more than fifty percent (50%) of the capital interest or profits interest in the partnership.

(B) *Partnership.* “*Related Persons*” to a partnership (or to a limited liability company treated for tax purposes as a partnership) include, but are not limited to:

(1) a partner, if the partner owns, directly or indirectly, more than fifty percent (50%) of the capital interest or profits interest in the partnership;

(2) another partnership in which the same Person or Persons own, directly or indirectly, more than fifty percent (50%) of the capital interest or profits interest; and

(3) a corporation, if any partner or group of partners own, directly or indirectly, more than fifty percent (50%) of the capital interest or profits interest in the partnership and more than fifty percent (50%) in value of the outstanding stock of the corporation.

(C) *Corporation.* “*Related Persons*” to a corporation include, but are not limited to:

(1) an individual who owns, directly or indirectly, more than fifty percent (50%) in value of the outstanding stock of the corporation, or any employee-owner of a personal service corporation irrespective of the percentage ownership amount;

(2) a partnership, if any partner or group of partners own, directly or indirectly, more than fifty percent (50%) of the capital interest or profits interest in the partnership and more than fifty percent (50%) in value of the outstanding stock of the corporation;

(3) another corporation, if that other corporation owns more than fifty percent (50%) of the voting power or value of the stock of the first corporation;

(4) another corporation, if more than fifty percent (50%) of the voting power or value of its stock is owned by the first corporation;

(5) another corporation, if an individual, directly or indirectly, owns more than fifty percent (50%) in value of the outstanding stock of both corporations, provided that one of the corporations was a personal holding company or foreign personal holding company with respect to the taxable year of the corporation preceding the date of the transaction in question; and

(6) another corporation which is a member of the same controlled group of corporations.” The term “controlled group of corporations” means:

(a) a parent subsidiary controlled group;

(b) a brother-sister controlled group;

(c) a combined group consisting of three or more corporations each of which is a member of a group of corporations described directly above in (a) or (b) and one of which is a common parent corporation included in a parent-subsidiary controlled group and also is included in a brother-sister controlled group; and

(d) two or more insurance companies subject to federal taxation as life insurance companies under Section 801 of the Code which are members of a controlled group of corporations described directly above in (a), (b) or (c).

The term “controlled group of corporations” is more fully defined in Section 1563(a) of the Code, except that, pursuant to Section 144(a) (3) (B) of the Code (formerly Section 103(b)(6)(C) of the 1954 Code), “more than 50 percent” shall be substituted for “at least 80 percent” each place it appears in Section 1563(a) of the Code.

(D) *Miscellaneous.* The following are also considered “*Related Persons*”:

(1) a grantor and a fiduciary of any trust;

(2) a fiduciary of a trust and a fiduciary of another trust, if the same person is a grantor of both trusts;

(3) a fiduciary of a trust and a beneficiary of such trust;

(4) a fiduciary of a trust and a beneficiary of another trust, if the same Person is a grantor of both trusts; and

(5) a fiduciary of a trust and a corporation more than fifty percent (50%) in value of the outstanding stock of which is owned, directly or indirectly, by or for the trust or by or for a Person who is a grantor of the trust.

(E) *Stock Ownership.* For purposes of determining stock ownership under all of the above, except subparagraph (C)(6) (relating to members of a “controlled group of corporations”), the following shall apply to:

(1) stock owned, directly or indirectly, by or for a corporation, partnership, estate or trust shall be considered as being owned proportionately by or for its shareholders, partners or beneficiaries;

(2) an individual shall be considered as owning the stock owned, directly or indirectly, by or for his family;

(3) an individual owning (otherwise than through his family by the application of subparagraph (2) above) any stock in a corporation shall be considered as owning the stock owned, directly or indirectly, by or for his partner;

(4) the family of an individual shall include only his brothers and sisters (whether by the whole or half blood), spouse, ancestors and lineal descendants;

(5) stock constructively owned by a Person by reason of the application of subparagraph (1) above shall, for the purpose of applying subparagraphs (1), (2) or (3) above, be treated as actually owned by such Person, but stock constructively owned by an individual by reason of the application of subparagraphs (2) or (3) above shall not be

treated as owned by him for the purpose of again applying either subparagraphs (2) or (3) in order to make another the constructive owner of such stock;

(6) the ownership of a capital interest or profits interest in a partnership shall be determined in accordance with subparagraphs (1) through (5) of this paragraph (E), excluding subparagraph(3); and

(7) for the rules for determining stock ownership for purposes of determining whether a corporation is a member of a “controlled group of corporations,” see Section 1563(d) of the Code.

EXHIBIT B

ARBITRAGE REBATE COMPLIANCE REQUIREMENTS

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1 Certain Definitions.

Except as otherwise herein defined, all words and phrases used herein shall have the meanings given to such terms in the Tax Compliance Agreement between Buffalo and Erie County Industrial Land Development Corporation and Buffalo State College Foundation Housing Corporation, dated June 16, 2011 relating to the Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A.

Section 1.2 Interpretation.

In this Exhibit:

(a) Unless the context requires otherwise, words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(b) Words importing persons include firms, associations, partnerships, trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(c) This Exhibit shall be governed by and construed in accordance with the applicable laws of the State of New York.

(d) The headings of the several Sections in this Exhibit have been prepared for convenience of reference only and shall not control, affect the meaning of or be construed as an interpretation of any provision of this Exhibit.

(e) If any provision of this Exhibit shall be ruled invalid by any court of competent jurisdiction, the invalidity of such provision shall not affect any of the remaining provisions hereof.

(f) This Exhibit shall survive the purchase and sale of the Series 2011A Bonds, the obligations of the Company to make payments required by Article II hereof on behalf of the Issuer, and all indemnities shall survive any termination or expiration of this Tax Compliance Agreement and the payment of the Series 2011A Bonds.

Section 1.3 Covenant with Owners.

The Issuer and the Company agree that, subject to the provisions of Section 9.4 “Issuer’s Reliance on Others” of the Tax Compliance Agreement, the covenants, agreements, representations and warranties of the Company and the Issuer (in reliance on the covenants, agreements, representations and warranties of the Company) contained in this Exhibit are made in part to induce the owners of the Series 2011A Bonds (“*Owners*”) to purchase the Series 2011A Bonds. Accordingly, all covenants, agreements, representations and warranties by the Company and the Issuer herein are declared to be for the benefit of the Owners.

Section 2.1 Covenants Against Arbitrage Bonds.

(a) The Company covenants and agrees, for itself and on behalf of the Issuer, that the Proceeds, investment earnings thereon, Investment Property acquired with Proceeds or investment earnings thereon and any other moneys on deposit in any fund or account maintained in respect of the Series 2011A Bonds (whether such moneys were derived from the proceeds of the sale of the Series 2011A Bonds or from other sources) will not be used in a manner which would cause any Series 2011A Bonds to be “arbitrage bonds” within the meaning of such term in Section 148 of the Code.

(b) The Company specifically covenants and agrees to comply, and the Issuer hereby covenants to comply and hereby directs the Company to comply, with the provisions contained in this Exhibit and all other provisions of Section 148 of the Code and of Treas. Reg. §§1.148-0 through 1.148-11 and § 1.150-1 and any successor regulation for the purpose of assuring that none of the Series 2011A Bonds become “arbitrage bonds” within the meaning of such term in Section 148 of the Code.

(c) Section 148(f) of the Code requires the payment to the United States of the excess of the amount earned on the investment of Gross Proceeds in Nonpurpose Investments over the amount that would have been earned on such investments had the amount so invested been invested at a rate equal to the Yield on the Series 2011A Bonds, together with any income attributable to such excess. Except as provided below, all of the funds and accounts established by the Indenture and all other funds or amounts held under the Indenture are treated as Gross Proceeds, which are subject to this requirement. In order to meet the rebate requirement of Section 148(f), the Company agrees and covenants to take the following actions set forth in Section 2.2.

(d) In furtherance of the covenant and agreement made in paragraph (a) of this Section 2.1 above, and without any limitation thereof, the Company covenants and agrees, for itself and on behalf of the Issuer, that, in the event any Proceeds that are subject to Yield Restriction are found to have been invested in such a manner as the applicable Yield Restriction has been exceeded, the Company will cause Yield Reduction payments to be made to the United States under the Issuer of, and pursuant to the requirements of Treas. Reg. § 1.148-5(c). As provided in Treas. Reg. § 1.148-5(c), any such yield reduction payments are to be made within the times and in the manner provided for payments of Rebate Amount as provided in Treas. Reg. § 1.148-3.

Section 2.2 Covenants Pertaining to Rebate Requirement.

(a) ***Payment to the United States.*** The Company and the Issuer agree that if all of the Gross Proceeds of the Series 2011A Bonds are not expended for the purpose of the Issue as provided in Sections 2.2(c), (d) and (e) hereof, then the Company will pay on behalf of the Issuer to the Treasury of the United States of America, in the manner prescribed in Treas. Reg. § 1.148-3:

(i) an amount that, when added to all rebate payments, equals at least ninety percent (90%) of the total Rebate Amount due on the Issue as of each Installment Computation Date (computed from the Issue Date to the Installment Computation Date) made pursuant to this Section 2.2(a); and

(ii) all of the Rebate Amount as of the Final Computation Date.

(b) ***Compliance with Rebate Requirement.***

(i) To assist compliance with Section 2.2(a) hereof, the Company agrees that it will take the actions, follow the procedures and otherwise comply with the requirements set forth in this Section 2.2 on behalf of the Issuer.

(ii) For each Nonpurpose Investment in which Gross Proceeds are invested, the Company on behalf of the Issuer shall maintain, or cause the Trustee to maintain, records adequate to determine the rebate payment, if any (the "Investment Records"). The Investment Records will include but are not necessarily limited to, information regarding the following with respect to each and every Nonpurpose Investment:

- (1) the purchase price;
- (2) nominal rate of interest;
- (3) amount of accrued interest purchased (included in purchase price);
- (4) par or face amount;
- (5) purchase date;
- (6) maturity date;
- (7) amount of original issue discount or premium (if any);
- (8) type of Investment Property;
- (9) frequency of periodic payments;
- (10) period of compounding;

- (11) yield to maturity;
- (12) date of disposition;
- (13) all receipts with respect to such Investment Property;
- (14) brokerage commissions or other similar fees;
- (15) amount realized on the disposition (including accrued interest); and
- (16) market price data sufficient to establish that the purchase price was equal to the fair market value on the date of acquisition or, if earlier, on the date of a binding contract to acquire such Investment Property. For instance, it would be sufficient for the Company or the Trustee, when purchasing a Treasury Bill on behalf of the Issuer to record: that it had received three independent, arm's-length bids; the bidders; the bids themselves; and that the purchaser had chosen the lowest bid.

The Company shall provide all Investment Records to the Issuer upon request and at the times provided in Section 2.2(b)(v) hereof. The Company shall maintain a copy of all Investment Records and the results of all calculations or payments required under this Section 2.2 for six years after the final interest or principal payment under the Loan Agreement.

(iii) The Company shall determine the amount of the Rebate as of the Computation Dates. Based upon current law, the amount of the Rebate Amount is determined based upon the investments in all funds established under the Indenture.

(iv) For each Computation Period ending on the Computation Dates referred to in Section 2.2(b)(iii), the Company shall calculate or cause to be calculated the amount of the Rebate Amount. If the amount determined in this Section 2.2(b) for any Computation Period is positive, the Company on behalf of the Issuer shall pay Rebate to the United States as provided in Section 2.2(b)(v).

(v) Not later than 30 days after each Installment Computation Date, the Company shall deliver to the Issuer (A) all Investment Records for the immediately preceding Computation Period, and (B) a copy of the Company's calculations and work papers supporting its computation of the Rebate Amount or a copy of a arbitrage rebate analysis secured by the Company by a third party rebate analyst (each referred to herein as the "Rebate Analysis"). If the Company determines that no Rebate Installment is payable to the United States, it shall advise the Issuer in writing of its determination. If the Company determines that a Rebate Installment is payable to the United States, the Company shall, at the time it delivers the Investment Records and Rebate Analysis, deliver to the Issuer an IRS form 8038-T in proper form for execution and filing by the Issuer, and a

check or money order, payable to “United States Treasury” in the amount of the Rebate Installment (and any interest and penalty due thereon).

(vi) The Issuer shall be entitled to rely conclusively on (i) the completeness and accuracy of the IRS form 8038-T delivered by the Company or (ii) the Company’s representation and covenant that no Rebate Installment is due as of the Computation Date, pursuant to Section 2.2(b)(v); provided however that such entitlement shall not constrain or diminish the right of the Issuer to prepare its own rebate calculations, which calculations shall be binding on the Company. The Company shall indemnify and hold the Issuer, its officers, directors, employees and agents harmless against any claim, damage, assessment, penalty or charge arising from such reliance.

(vii) The Company shall, at its own cost and expense, defend any claim, audit, examination or inquiry by the Internal Revenue Service regarding (i) the failure to file form 8038-T or pay arbitrage rebate when due, or (ii) the accuracy and completeness of any form 8038-T filed by the Issuer pursuant to Section 2.2(b) hereof. The Company shall pay the Issuer’s reasonable expenses (including but not limited to legal fees and the fees of a rebate analyst) incurred by the Issuer connection with any such claim, audit, examination or inquiry by the Internal Revenue Service or any other agency charged with the enforcement of the Internal Revenue laws. The Company shall be solely responsible for payment of any additional rebate, interest or penalty related to the Company’s determination of rebate liability pursuant to this Exhibit.

(c) ***Six-Month Exception to Rebate Requirement.***

(i) Notwithstanding anything in this Section 2.2 to the contrary, if all of the Gross Proceeds of the Series 2011A Bonds (which term “Gross Proceeds” shall not include, for purposes of this Section 2.2(c), amounts on deposit in any reasonably required reserve or replacement fund, amounts not reasonably expected to become Gross Proceeds on the Issue Date but which become Gross Proceeds more than six months after the Issue Date, sale or investment proceeds on a Purpose Investment, and repayments of grants) have been expended for the purpose of the Issue within six months after the Issue Date, then the amount of the Rebate Amount shall be zero until such time as either (A) amounts are received from the sale, condemnation, casualty or other disposition of the Project Facility or any part thereof, or (B) any other amounts are pledged as security for the Series 2011A Bonds, and neither of such amounts are expended on the payment of principal or interest on the Series 2011A Bonds within thirteen (13) months of the date of their receipt, provided, however, that the rebate requirement under Section 2.2 hereof is satisfied from the Issue Date with respect to earnings on amounts in any reasonably required reserve or replacement fund.

(ii) For purposes of the six-month expenditure exception, payments of principal on the Series 2011A Bonds which are part of the construction issue shall not be treated as an expenditure of the Gross Proceeds of the Issue.

(d) ***Eighteen-Month Exception to Rebate Requirement.***

(i) Notwithstanding anything in this Section 2.2 to the contrary, if all of the Gross Proceeds of the Series 2011A Bonds (which term “Gross Proceeds” shall not include, for purposes of this Section 2.2(d), amounts on deposit in any reasonably required reserve or replacement fund, amounts not reasonably expected to become Gross Proceeds on the Issue Date but which become Gross Proceeds more than six months after the Issue Date, sale or investment proceeds on a Purpose Investment and repayments of grants) have been expended for the purpose of the Issue within eighteen months after the Issue Date, then the amount of the Rebate Amount shall be zero provided that the expenditure test set forth in subparagraph (ii) below is satisfied until such time as either (A) amounts are received from the sale, condemnation, casualty or other disposition of the Project Facility or any part thereof, or (B) any other amounts are pledged as security for the Series 2011A Bonds, and neither of such amounts are expended on the payment of principal or interest on the Series 2011A Bonds within thirteen (13) months of the date of their receipt, and further provided that the rebate requirement under Section 2.2 hereof is satisfied from the Issue Date with respect to earnings on amounts in any reasonably required reserve or replacement fund. In order to qualify for this expenditure test, the Construction Portion of the Series 2011A Bonds must satisfy the temporary period requirements under Treas. Reg. §1.148-2(e)(2).

(ii) In order to satisfy the expenditure test, the following percentages of Gross Proceeds must be spent for the governmental or exempt purposes of the Issue within the following periods commenced on the date of issuance:

15% within 6 months
60% within 1 year, and
100% within 18 months.

(iii) With respect to the above requirement to expend 100 percent within 18 months, 100 percent will be treated as expended within 18 months if (A) 100 percent is expended within 30 months of the Issue Date and such requirement would have been met within 18 months but for a reasonable retainage (not exceeding five percent (5%) of the Proceeds of the Issue), *e.g.*, retainage to insure compliance with the terms of construction contracts or (B) the Company exercises due diligence to complete the Project and the unexpended amount at the end of 18 months does not exceed the lesser of three percent of the Issue Price of the Construction Portion of the Series 2011A Bonds or \$250,000.

(iv) For purposes of the eighteen-month expenditure exception, payments of principal on the Series 2011A Bonds which are part of the construction issue shall not be treated as an expenditure of the Gross Proceeds of the Issue.

(e) ***Two-Year Exception to Rebate Requirement.***

(i) Notwithstanding anything in this Section 2.2 to the contrary, if all of the Available Construction Proceeds (as defined below) of the Series 2011A Bonds have been expended within two (2) years of the Issue Date of the Series 2011A Bonds, then the amount of the Rebate Amount shall be zero provided that (A) after such two (2) year period the rebate requirement is met with respect to earnings on amounts in any reasonably required reserve or replacement fund, (B) the expenditure test set forth in subparagraph (ii) below is satisfied, (C) the Available Construction Proceeds are derived from a “construction issue” as defined in subparagraph (iii) below, (D) the ownership test in subparagraph (iv) is satisfied, and (E) the Series 2011A Bonds are “qualified bonds” as described in subparagraph (v) below.

(ii) In order to satisfy the expenditure test, the following percentages of Available Construction Proceeds must be spent for the governmental or exempt purposes of the Issue within the following periods commencing on the date of issuance:

- 10% within 6 months
- 45% within 1 year
- 75% within 18 months, and
- 100% within 2 years.

With respect to the above requirement to expend 100 percent within 2 years, 100 percent will be treated as expended within 2 years if (A) 100 percent is expended within three (3) years of the Issue Date and such requirement would have been met within 2 years but for a reasonable retainage (not exceeding 5 percent of the Available Construction Proceeds of the Issue), e.g., retainage to insure compliance with the terms of construction contracts or (B) the Company exercises due diligence to complete the Project Facility and the unexpended amount at the end of 2 years does not exceed the lesser of three percent of the Issue Price of the Construction Portion of the Series 2011A Bonds or \$250,000.

For purposes of the expenditure test set forth in this subparagraph (ii), the term “Available Construction Proceeds” shall equal the Issue Price of the construction issue, increased by earnings on the Issue Price, earnings on amounts in any reasonably required reserve or replacement fund not funded from the Issue, and earnings on all of the foregoing earnings, and reduced by the amount of the Issue Price in any reasonably required reserve or replacement fund and the issuance costs financed by the Issue and by any sale or investment proceeds derived from payments under a Purpose Investment or any repayments of grants.

If the Company on behalf of the Issuer so elects on the date of issuance of the Series 2011A Bonds, the term “Available Construction Proceeds” shall exclude investment earnings on any reasonably required reserve or replacement fund but in such event investment earnings on such fund will be subject to the

rebate requirement under Section 2.2 hereof from the date of issuance (rather than from the end of the two-year expenditure period or upon the completion of construction, whichever occurs earlier).

(iii) The two-year expenditure exception shall apply only to issues where at least seventy-five percent (75%) of the Available Construction Proceeds of the Issue are to be used for Construction Expenditures with respect to property which is owned by a Governmental Person or by a Section 501(c)(3) Organization. If only a portion of an Issue is to be used for Construction Expenditures, such portion and the portion which is not to be used for Construction Expenditures may, at the election of the Company on behalf of the Issuer, be treated as separate issues for the purposes of the application of the two-year expenditure exception and the six-month and eighteen-month expenditure exceptions under Sections 2.2(c) and 2.2(d) hereof, respectively.

In order to qualify as separate issues, (1) one of the separate issues must meet the definition of a construction issue; (2) the Company on behalf of the Issuer must reasonably expect, as of the Issue Date, that this construction issue will finance all of the Construction Expenditures to be financed by the entire Issue; and (3) on or before the Issue Date, the Company on behalf of the Issuer must make an election to apportion the Issue under Treas. Reg. § 1.148-7(j)(1) that specifically identifies the amount of the Issue Price of the Issue allocable to the construction issue.

(iv) All property to be financed by the Issue must be owned by a Governmental Person or a Section 501(c)(3) Organization. Property leased by a Governmental Person or Section 501(c)(3) Organization shall be treated as owned by such Governmental Person or Section 501(c)(3) Organization if (1) the lessee makes an irrevocable election (binding on the lessee and all successors in interest under the lease) not to claim depreciation or an investment tax credit with respect to the property, (2) the lease term is not more than 80 percent of the reasonably expected economic life of the property, and (3) the lessee has no option to purchase the property other than at fair market value as of the time the option is exercised.

(v) The two-year expenditure exception shall apply to: (1) bonds which are not private activity bonds, (2) qualified 501(c)(3) bonds and (3) private activity bonds to finance property to be owned by a Governmental Person or a Section 501(c)(3) Organization.

(vi) If the Company on behalf of the Issuer elects on or before the Issue Date of the Series 2011A Bonds to pay a penalty in lieu of payment of the Rebate Amount, the rebate requirement shall be deemed to be satisfied if the Company on behalf of the Issuer pays a penalty with respect to the close of each six-month period after the Issue Date of the Series 2011A Bonds equal to 1.5 percent of the amount of the Available Construction Proceeds of the Issue which, as of the close of such period, are not spent as required under the expenditure test in

subparagraph (ii) above. The 1.5 percent penalty shall cease to apply only as provided in subparagraph (vii) below or after the latest maturity date of any bond in the Issue (including any refunding bond with respect thereto).

(vii) At the election of the Company on behalf of the Issuer (made not later than ninety (90) days after the earlier of the end of the initial temporary period under Section 148(c) of the Code or the date the construction is substantially completed), the 1.5 percent penalty shall not apply after the initial temporary period if the requirements of (A), (B) and (C) below are met:

(A) The Company on behalf of the Issuer pays a penalty within ninety (90) days after the end of the initial temporary period equal to three percent (3%) of the amount of Available Construction Proceeds of the Issue which is not spent for the governmental purposes of the Issue as of the close of such initial temporary period multiplied by the number of years (including fractions of years computed to two decimal places) in the initial temporary period.

(B) The amount of the Available Construction Proceeds of the Issue which is not spent for the governmental purposes of the Issue as of the close of such initial temporary period is invested at a yield not exceeding the Yield on the Issue or which is invested in any Tax-Exempt Bond.

(C) The amount of the Available Construction Proceeds of the Issue that is not spent for the governmental purposes of the Issue as of the earliest date on which Bonds may be redeemed is used to redeem Bonds on such date.

(viii) If:

(A) the construction to be financed by a construction issue is substantially completed before the end of the initial temporary period,

(B) the Company on behalf of the Issuer identifies an amount of Available Construction Proceeds that will not be spent for the governmental purposes of the Issue,

(C) the Company on behalf of the Issuer has met all of the conditions to make the election to terminate the 1 1/2 percent penalty under subparagraph (vii) above, and

(D) the Company on behalf of the Issuer makes an election under this subparagraph (viii) before the close of the initial temporary period and not later than ninety (90) days after the date the construction is substantially completed to terminate the one and one-half percent (1-1/2%) penalty, then the one and one-half percent (1-1/2%) penalty under subparagraph (vi) above and the three percent (3%) penalty under

subparagraph (vii) above shall be applied to the Available Construction Proceeds so identified as if the initial temporary period ended as of the date the election is made.

(ix) For purposes of the two-year expenditure exception, payments of principal on the Series 2011A Bonds that are part of the construction issue shall not be treated as an expenditure of the Available Construction Proceeds of the Issue.

(x) The two-year expenditure exception shall not apply to any refunding bond and any portion of an Issue which is used to refund any Issue (or portion thereof) shall be treated as a separate Issue for purposes of subparagraph (iii) above.

(xi) The Company on behalf of the Issuer reasonably expects as of the Issue Date that at least seventy-five percent (75%) of the Available Construction Proceeds of the issue are to be spent for Construction Expenditures with respect to property owned by a Governmental Person or a Section 501(c)(3) Organization.

EXHIBIT C

CERTIFICATE WITH RESPECT TO ISSUE PRICE AND OTHER MATTERS

This Certificate is furnished by M&T Securities Inc. in connection with the issuance by the Buffalo and Erie County Industrial Land Development Corporation (the “*Issuer*”) of its \$43,875,000 aggregate principal amount Tax-Exempt Revenue Bonds (Enterprise Charter School), Series 2011A (the “*Bonds*”) to establish the Issue Price of the Series 2011A Bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “*Code*”) and certain other matters relating to the Series 2011A Bonds. Capitalized terms used but not defined herein shall have the meanings subscribed to them in the Tax Compliance Agreement (the “*Tax Compliance Agreement*”) to which this Certificate has been appended.

WE HEREBY CERTIFY as follows:

(i) All of the Series 2011A Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) at yields no lower than the yields shown on the inside cover page of the Official Statement relating to the Series 2011A Bonds (the “*Official Statement*”). The aggregate Issue Price of the Series 2011A Bonds is \$44,965,966.10, which represents the aggregate principal amount of \$43,875,000 plus net original issue premium of \$1,090,966.10. For purposes of this certificate, the “Issue Price” of each maturity of the Series 2011A Bonds equals the first price at which at least 10% of such maturity was sold to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers).

(ii) The Yield on the Series 2011A Bonds is not less than 5.1751487%. For purposes of this certificate, the term “Yield” means that Yield which is computed as described in Section 8.5(a) of the Tax Compliance Agreement. As part of this computation, we determined that using April 1, 2021 as the payment date of principal on the Bonds maturing October 1, 2021, October 1, 2026 and October 1 2031 produces a lower Yield for the Bonds than would result from the use of any combination of other assumed dates of optional redemption or dates of maturity of such bonds. Our calculations are attached hereto as Schedule A.

(iii) Based on the computations attached hereto as Schedule A, the weighted average maturity date of the Series 2011A Bonds is 19.591 years from the Issue Date.

We understand that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Compliance Agreement and Hiscock & Barclay, LLP, in connection with its opinion as to the exclusion from gross income of the interest on the Bonds for federal income tax purposes.

IN WITNESS WHEREOF, M&T Securities, Inc. has caused this certificate to be executed in its name on this 16th day of June, 2011, by one of its officers duly authorized as of such date.

M&T SECURITIES, INC.

By: 
Authorized Representative

SCHEDULE A

PROOF OF YIELD AND WEIGHTED AVERAGE MATURITY

Buffalo State College Foundation Housing Corporation

\$44,285,000.00 Series 2011 A and B

Fixed Rate Housing Refunding

Project Summary

Dated 06/16/2011 | Delivered 06/16/2011

	Series 2011 A Tax Exempt	Series 2011 B Taxable	Issue Summary
Sources Of Funds			
Par Amount of Bonds	\$43,875,000.00	\$410,000.00	\$44,285,000.00
Reoffering Premium	1,090,966.10	-	1,090,966.10
Total Sources	\$44,965,966.10	\$410,000.00	\$45,375,966.10
Uses Of Funds			
Total Underwriter's Discount (0.495%)	217,181.25	2,029.50	219,210.75
ILDC Fee (35 bps)	153,562.50	1,435.00	154,997.50
Issuer's Counsel	24,768.54	231.46	25,000.00
Title Insurance	79,515.95	743.05	80,259.00
Bond Counsel Fee	54,490.80	509.20	55,000.00
Corporation Counsel Fee (Less \$8,000 paid)	14,167.61	132.39	14,300.00
Underwriter's Counsel	35,344.71	330.29	35,675.00
Trustee's Fees	4,953.71	46.29	5,000.00
Trustee's Counsel	4,953.71	46.29	5,000.00
Printing Fee	2,476.85	23.15	2,500.00
Survey	3,229.82	30.18	3,260.00
Alumni Association Counsel Fee	3,090.82	28.88	3,119.70
CUSIP	416.11	3.89	420.00
Construction Fund (Costs to Complete)	5,070,081.71	3,621.94	5,073,703.65
Series 2009 A1	14,643,738.94	-	14,643,738.94
Series 2009 A2	10,388,293.45	-	10,388,293.45
Series 2009 A3	-	230,453.38	230,453.38
Series 2009 A4	-	170,335.11	170,335.11
Series 2010 A1	5,422,006.73	-	5,422,006.73
Series 2010 A2	3,824,942.89	-	3,824,942.89
Subordinated Series 2009 B	5,018,750.00	-	5,018,750.00
Total Uses	\$44,965,966.10	\$410,000.00	\$45,375,966.10
Bond Statistics			
Average Life	19.867 Years	1.292 Years	19.695 Years
Average Coupon	5.4600974%	1.2499959%	5.4575412%
Net Interest Cost (NIC)	5.3598562%	1.6332217%	5.3575935%
Bond Yield for Arbitrage Purposes	5.1751487%	5.1751487%	5.1751487%
True Interest Cost (TIC)	5.2787774%	1.6386663%	5.2752302%
All Inclusive Cost (AIC)	5.3530383%	2.3272505%	5.3500710%

Series 2011 A and B Final | Issue Summary | 6/10/2011 | 1:53 PM

Buffalo State College Foundation Housing Corporation

\$44,285,000.00 Series 2011 A and B

Fixed Rate Housing Refunding

Combined Net Semi-Annual Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
10/01/2011	-	-	-	-	-
04/01/2012	-	-	1,853,464.84	1,853,464.84	1,853,464.84
10/01/2012	670,000.00	1.929%	1,170,609.36	1,840,609.36	1,840,609.36
04/01/2013	-	-	1,164,146.88	1,164,146.88	1,164,146.88
10/01/2013	685,000.00	3.000%	1,164,146.88	1,849,146.88	1,849,146.88
04/01/2014	-	-	1,153,871.88	1,153,871.88	1,153,871.88
10/01/2014	705,000.00	3.000%	1,153,871.88	1,858,871.88	1,858,871.88
04/01/2015	-	-	1,143,296.88	1,143,296.88	1,143,296.88
10/01/2015	725,000.00	3.000%	1,143,296.88	1,868,296.88	1,868,296.88
04/01/2016	-	-	1,132,421.88	1,132,421.88	1,132,421.88
10/01/2016	750,000.00	4.000%	1,132,421.88	1,882,421.88	1,882,421.88
04/01/2017	-	-	1,117,421.88	1,117,421.88	1,117,421.88
10/01/2017	780,000.00	4.000%	1,117,421.88	1,897,421.88	1,897,421.88
04/01/2018	-	-	1,101,821.88	1,101,821.88	1,101,821.88
10/01/2018	820,000.00	5.000%	1,101,821.88	1,921,821.88	1,921,821.88
04/01/2019	-	-	1,081,321.88	1,081,321.88	1,081,321.88
10/01/2019	860,000.00	5.000%	1,081,321.88	1,941,321.88	1,941,321.88
04/01/2020	-	-	1,059,821.88	1,059,821.88	1,059,821.88
10/01/2020	905,000.00	5.000%	1,059,821.88	1,964,821.88	1,964,821.88
04/01/2021	-	-	1,037,196.88	1,037,196.88	1,037,196.88
10/01/2021	950,000.00	5.000%	1,037,196.88	1,987,196.88	1,987,196.88
04/01/2022	-	-	1,013,446.88	1,013,446.88	1,013,446.88
10/01/2022	1,005,000.00	5.750%	1,013,446.88	2,018,446.88	2,018,446.88
04/01/2023	-	-	984,553.13	984,553.13	984,553.13
10/01/2023	1,060,000.00	5.750%	984,553.13	2,044,553.13	2,044,553.13
04/01/2024	-	-	954,078.13	954,078.13	954,078.13
10/01/2024	1,125,000.00	5.750%	954,078.13	2,079,078.13	2,079,078.13
04/01/2025	-	-	921,734.38	921,734.38	921,734.38
10/01/2025	1,190,000.00	5.750%	921,734.38	2,111,734.38	2,111,734.38
04/01/2026	-	-	887,521.88	887,521.88	887,521.88
10/01/2026	1,265,000.00	5.750%	887,521.88	2,152,521.88	2,152,521.88
04/01/2027	-	-	851,153.13	851,153.13	851,153.13
10/01/2027	1,340,000.00	6.000%	851,153.13	2,191,153.13	2,191,153.13
04/01/2028	-	-	810,953.13	810,953.13	810,953.13
10/01/2028	1,420,000.00	6.000%	810,953.13	2,230,953.13	2,230,953.13
04/01/2029	-	-	768,353.13	768,353.13	768,353.13
10/01/2029	1,510,000.00	6.000%	768,353.13	2,278,353.13	2,278,353.13
04/01/2030	-	-	723,053.13	723,053.13	723,053.13
10/01/2030	1,605,000.00	6.000%	723,053.13	2,328,053.13	2,328,053.13
04/01/2031	-	-	674,903.13	674,903.13	674,903.13
10/01/2031	1,700,000.00	6.000%	674,903.13	2,374,903.13	2,374,903.13
04/01/2032	-	-	623,903.13	623,903.13	623,903.13
10/01/2032	1,800,000.00	5.375%	623,903.13	2,423,903.13	2,423,903.13
04/01/2033	-	-	575,528.13	575,528.13	575,528.13
10/01/2033	1,900,000.00	5.375%	575,528.13	2,475,528.13	2,475,528.13
04/01/2034	-	-	524,465.63	524,465.63	524,465.63
10/01/2034	2,005,000.00	5.375%	524,465.63	2,529,465.63	2,529,465.63
04/01/2035	-	-	470,581.25	470,581.25	470,581.25
10/01/2035	2,115,000.00	5.375%	470,581.25	2,585,581.25	2,585,581.25
04/01/2036	-	-	413,740.63	413,740.63	413,740.63
10/01/2036	2,235,000.00	5.375%	413,740.63	2,648,740.63	2,648,740.63
04/01/2037	-	-	353,675.00	353,675.00	353,675.00
10/01/2037	2,355,000.00	5.375%	353,675.00	2,708,675.00	2,708,675.00
04/01/2038	-	-	290,384.38	290,384.38	290,384.38
10/01/2038	2,485,000.00	5.375%	290,384.38	2,775,384.38	2,775,384.38
04/01/2039	-	-	223,600.00	223,600.00	223,600.00
10/01/2039	2,625,000.00	5.375%	223,600.00	2,848,600.00	2,848,600.00
04/01/2040	-	-	153,053.13	153,053.13	153,053.13
10/01/2040	2,770,000.00	5.375%	153,053.13	2,923,053.13	2,923,053.13
04/01/2041	-	-	78,609.38	78,609.38	78,609.38
10/01/2041	2,925,000.00	5.375%	78,609.38	3,003,609.38	3,003,609.38
04/01/2042	-	5.375%	-	-	-
Total	\$44,285,000.00	-	\$47,601,299.46	\$91,886,299.46	\$91,886,299.46

Series 2011 A and B Final | Issue Summary | 6/10/2011 | 1:53 PM

Buffalo State College Foundation Housing Corporation

\$44,285,000.00 Series 2011 A and B

Fixed Rate Housing Refunding

Net Fiscal Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
06/30/2011	-	-	-	-	-
06/30/2012	-	-	1,854,319.00	1,854,319.00	1,854,319.00
06/30/2013	670,000.00	1.929%	2,333,902.08	3,003,902.08	3,003,902.08
06/30/2014	685,000.00	3.000%	2,318,018.76	3,003,018.76	3,003,018.76
06/30/2015	705,000.00	3.000%	2,297,168.76	3,002,168.76	3,002,168.76
06/30/2016	725,000.00	3.000%	2,275,718.76	3,000,718.76	3,000,718.76
06/30/2017	750,000.00	4.000%	2,249,843.76	2,999,843.76	2,999,843.76
06/30/2018	780,000.00	4.000%	2,219,243.76	2,999,243.76	2,999,243.76
06/30/2019	820,000.00	5.000%	2,183,143.76	3,003,143.76	3,003,143.76
06/30/2020	860,000.00	5.000%	2,141,143.76	3,001,143.76	3,001,143.76
06/30/2021	905,000.00	5.000%	2,097,018.76	3,002,018.76	3,002,018.76
06/30/2022	950,000.00	5.000%	2,050,643.76	3,000,643.76	3,000,643.76
06/30/2023	1,005,000.00	5.750%	1,998,000.01	3,003,000.01	3,003,000.01
06/30/2024	1,060,000.00	5.750%	1,938,631.26	2,998,631.26	2,998,631.26
06/30/2025	1,125,000.00	5.750%	1,875,812.51	3,000,812.51	3,000,812.51
06/30/2026	1,190,000.00	5.750%	1,809,256.26	2,999,256.26	2,999,256.26
06/30/2027	1,265,000.00	5.750%	1,738,675.01	3,003,675.01	3,003,675.01
06/30/2028	1,340,000.00	6.000%	1,662,106.26	3,002,106.26	3,002,106.26
06/30/2029	1,420,000.00	6.000%	1,579,306.26	2,999,306.26	2,999,306.26
06/30/2030	1,510,000.00	6.000%	1,491,406.26	3,001,406.26	3,001,406.26
06/30/2031	1,605,000.00	6.000%	1,397,956.26	3,002,956.26	3,002,956.26
06/30/2032	1,700,000.00	6.000%	1,298,806.26	2,998,806.26	2,998,806.26
06/30/2033	1,800,000.00	5.375%	1,199,431.26	2,999,431.26	2,999,431.26
06/30/2034	1,900,000.00	5.375%	1,099,993.76	2,999,993.76	2,999,993.76
06/30/2035	2,005,000.00	5.375%	995,046.88	3,000,046.88	3,000,046.88
06/30/2036	2,115,000.00	5.375%	884,321.88	2,999,321.88	2,999,321.88
06/30/2037	2,235,000.00	5.375%	767,415.63	3,002,415.63	3,002,415.63
06/30/2038	2,355,000.00	5.375%	644,059.38	2,999,059.38	2,999,059.38
06/30/2039	2,485,000.00	5.375%	513,984.38	2,998,984.38	2,998,984.38
06/30/2040	2,625,000.00	5.375%	376,653.13	3,001,653.13	3,001,653.13
06/30/2041	2,770,000.00	5.375%	231,662.51	3,001,662.51	3,001,662.51
06/30/2042	2,925,000.00	5.375%	78,609.38	3,003,609.38	3,003,609.38
Total	\$44,285,000.00	-	\$47,601,299.46	\$91,886,299.46	\$91,886,299.46

Buffalo State College Foundation Housing Corporation

\$43,875,000.00 Series 2011 A

Fixed Rate Housing Refunding

Tax-Exempt Interest Rates

Project Summary

Dated 06/16/2011 | Delivered 06/16/2011

Sources Of Funds

Par Amount of Bonds	\$43,875,000.00
Reoffering Premium	1,090,966.10
Total Sources	\$44,965,966.10

Uses Of Funds

Total Underwriter's Discount (0.495%)	217,181.25
ILDC Fee (35 bps)	153,562.50
Issuer's Counsel	24,768.54
Title Insurance	79,515.95
Bond Counsel Fee	54,490.80
Corporation Counsel Fee (Less \$8,000 paid)	14,167.61
Underwriter's Counsel	35,344.71
Trustee's Fees	4,953.71
Trustee's Counsel	4,953.71
Printing Fee	2,476.85
Survey	3,229.82
Alumni Association Counsel Fee	3,090.82
CUSIP	416.11
Series 2009 A1	14,643,738.94
Series 2009 A2	10,388,293.45
Series 2010 A1	5,422,006.73
Series 2010 A2	3,824,942.89
Subordinated Series 2009 B	5,018,750.00
Construction Fund (Costs to Complete)	5,025,000.00
Rounding Amount	45,081.71
Total Uses	\$44,965,966.10

Bond Statistics

Average Life	19.867 Years
Average Coupon	5.4600974%
Net Interest Cost (NIC)	5.3598562%
Bond Yield for Arbitrage Purposes	5.1751487%
True Interest Cost (TIC)	5.2787774%
All Inclusive Cost (AIC)	5.3530383%

Series 2011 A and B Final | Series 2011 A Tax Exempt | 6/10/2011 | 1:53 PM

M&T Investment Banking Group

Higher Education Public Finance

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Buffalo State College Foundation Housing Corporation

\$43,875,000.00 Series 2011 A

Fixed Rate Housing Refunding

Tax-Exempt Interest Rates

Net Semi-Annual Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
10/01/2011	-	-	-	-	-
04/01/2012	-	-	1,849,407.55	1,849,407.55	1,849,407.55
10/01/2012	260,000.00	3.000%	1,168,046.88	1,428,046.88	1,428,046.88
04/01/2013	-	-	1,164,146.88	1,164,146.88	1,164,146.88
10/01/2013	685,000.00	3.000%	1,164,146.88	1,849,146.88	1,849,146.88
04/01/2014	-	-	1,153,871.88	1,153,871.88	1,153,871.88
10/01/2014	705,000.00	3.000%	1,153,871.88	1,858,871.88	1,858,871.88
04/01/2015	-	-	1,143,296.88	1,143,296.88	1,143,296.88
10/01/2015	725,000.00	3.000%	1,143,296.88	1,868,296.88	1,868,296.88
04/01/2016	-	-	1,132,421.88	1,132,421.88	1,132,421.88
10/01/2016	750,000.00	4.000%	1,132,421.88	1,882,421.88	1,882,421.88
04/01/2017	-	-	1,117,421.88	1,117,421.88	1,117,421.88
10/01/2017	780,000.00	4.000%	1,117,421.88	1,897,421.88	1,897,421.88
04/01/2018	-	-	1,101,821.88	1,101,821.88	1,101,821.88
10/01/2018	820,000.00	5.000%	1,101,821.88	1,921,821.88	1,921,821.88
04/01/2019	-	-	1,081,321.88	1,081,321.88	1,081,321.88
10/01/2019	860,000.00	5.000%	1,081,321.88	1,941,321.88	1,941,321.88
04/01/2020	-	-	1,059,821.88	1,059,821.88	1,059,821.88
10/01/2020	905,000.00	5.000%	1,059,821.88	1,964,821.88	1,964,821.88
04/01/2021	-	-	1,037,196.88	1,037,196.88	1,037,196.88
10/01/2021	950,000.00	5.000%	1,037,196.88	1,987,196.88	1,987,196.88
04/01/2022	-	-	1,013,446.88	1,013,446.88	1,013,446.88
10/01/2022	1,005,000.00	5.750%	1,013,446.88	2,018,446.88	2,018,446.88
04/01/2023	-	-	984,553.13	984,553.13	984,553.13
10/01/2023	1,060,000.00	5.750%	984,553.13	2,044,553.13	2,044,553.13
04/01/2024	-	-	954,078.13	954,078.13	954,078.13
10/01/2024	1,125,000.00	5.750%	954,078.13	2,079,078.13	2,079,078.13
04/01/2025	-	-	921,734.38	921,734.38	921,734.38
10/01/2025	1,190,000.00	5.750%	921,734.38	2,111,734.38	2,111,734.38
04/01/2026	-	-	887,521.88	887,521.88	887,521.88
10/01/2026	1,265,000.00	5.750%	887,521.88	2,152,521.88	2,152,521.88
04/01/2027	-	-	851,153.13	851,153.13	851,153.13
10/01/2027	1,340,000.00	6.000%	851,153.13	2,191,153.13	2,191,153.13
04/01/2028	-	-	810,953.13	810,953.13	810,953.13
10/01/2028	1,420,000.00	6.000%	810,953.13	2,230,953.13	2,230,953.13
04/01/2029	-	-	768,353.13	768,353.13	768,353.13
10/01/2029	1,510,000.00	6.000%	768,353.13	2,278,353.13	2,278,353.13
04/01/2030	-	-	723,053.13	723,053.13	723,053.13
10/01/2030	1,605,000.00	6.000%	723,053.13	2,328,053.13	2,328,053.13
04/01/2031	-	-	674,903.13	674,903.13	674,903.13
10/01/2031	1,700,000.00	6.000%	674,903.13	2,374,903.13	2,374,903.13
04/01/2032	-	-	623,903.13	623,903.13	623,903.13
10/01/2032	1,800,000.00	5.375%	623,903.13	2,423,903.13	2,423,903.13
04/01/2033	-	-	575,528.13	575,528.13	575,528.13
10/01/2033	1,900,000.00	5.375%	575,528.13	2,475,528.13	2,475,528.13
04/01/2034	-	-	524,465.63	524,465.63	524,465.63
10/01/2034	2,005,000.00	5.375%	524,465.63	2,529,465.63	2,529,465.63
04/01/2035	-	-	470,581.25	470,581.25	470,581.25
10/01/2035	2,115,000.00	5.375%	470,581.25	2,585,581.25	2,585,581.25
04/01/2036	-	-	413,740.63	413,740.63	413,740.63
10/01/2036	2,235,000.00	5.375%	413,740.63	2,648,740.63	2,648,740.63
04/01/2037	-	-	353,675.00	353,675.00	353,675.00
10/01/2037	2,355,000.00	5.375%	353,675.00	2,708,675.00	2,708,675.00
04/01/2038	-	-	290,384.38	290,384.38	290,384.38
10/01/2038	2,485,000.00	5.375%	290,384.38	2,775,384.38	2,775,384.38
04/01/2039	-	-	223,600.00	223,600.00	223,600.00
10/01/2039	2,625,000.00	5.375%	223,600.00	2,848,600.00	2,848,600.00
04/01/2040	-	-	153,053.13	153,053.13	153,053.13
10/01/2040	2,770,000.00	5.375%	153,053.13	2,923,053.13	2,923,053.13
04/01/2041	-	-	78,609.38	78,609.38	78,609.38
10/01/2041	2,925,000.00	5.375%	78,609.38	3,003,609.38	3,003,609.38
04/01/2042	-	5.375%	-	-	-
Total	\$43,875,000.00	-	\$47,594,679.69	\$91,469,679.69	\$91,469,679.69

Series 2011 A and B Final | Series 2011 A Tax Exempt | 6/10/2011 | 1:53 PM

Buffalo State College Foundation Housing Corporation

\$43,875,000.00 Series 2011 A

Fixed Rate Housing Refunding

Tax-Exempt Interest Rates

Net Fiscal Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
06/30/2011	-	-	-	-	-
06/30/2012	-	-	1,849,407.55	1,849,407.55	1,849,407.55
06/30/2013	260,000.00	3.000%	2,332,193.76	2,592,193.76	2,592,193.76
06/30/2014	685,000.00	3.000%	2,318,018.76	3,003,018.76	3,003,018.76
06/30/2015	705,000.00	3.000%	2,297,168.76	3,002,168.76	3,002,168.76
06/30/2016	725,000.00	3.000%	2,275,718.76	3,000,718.76	3,000,718.76
06/30/2017	750,000.00	4.000%	2,249,843.76	2,999,843.76	2,999,843.76
06/30/2018	780,000.00	4.000%	2,219,243.76	2,999,243.76	2,999,243.76
06/30/2019	820,000.00	5.000%	2,183,143.76	3,003,143.76	3,003,143.76
06/30/2020	860,000.00	5.000%	2,141,143.76	3,001,143.76	3,001,143.76
06/30/2021	905,000.00	5.000%	2,097,018.76	3,002,018.76	3,002,018.76
06/30/2022	950,000.00	5.000%	2,050,643.76	3,000,643.76	3,000,643.76
06/30/2023	1,005,000.00	5.750%	1,998,000.01	3,003,000.01	3,003,000.01
06/30/2024	1,060,000.00	5.750%	1,938,631.26	2,998,631.26	2,998,631.26
06/30/2025	1,125,000.00	5.750%	1,875,812.51	3,000,812.51	3,000,812.51
06/30/2026	1,190,000.00	5.750%	1,809,256.26	2,999,256.26	2,999,256.26
06/30/2027	1,265,000.00	5.750%	1,738,675.01	3,003,675.01	3,003,675.01
06/30/2028	1,340,000.00	6.000%	1,662,106.26	3,002,106.26	3,002,106.26
06/30/2029	1,420,000.00	6.000%	1,579,306.26	2,999,306.26	2,999,306.26
06/30/2030	1,510,000.00	6.000%	1,491,406.26	3,001,406.26	3,001,406.26
06/30/2031	1,605,000.00	6.000%	1,397,956.26	3,002,956.26	3,002,956.26
06/30/2032	1,700,000.00	6.000%	1,298,806.26	2,998,806.26	2,998,806.26
06/30/2033	1,800,000.00	5.375%	1,199,431.26	2,999,431.26	2,999,431.26
06/30/2034	1,900,000.00	5.375%	1,099,993.76	2,999,993.76	2,999,993.76
06/30/2035	2,005,000.00	5.375%	995,046.88	3,000,046.88	3,000,046.88
06/30/2036	2,115,000.00	5.375%	884,321.88	2,999,321.88	2,999,321.88
06/30/2037	2,235,000.00	5.375%	767,415.63	3,002,415.63	3,002,415.63
06/30/2038	2,355,000.00	5.375%	644,059.38	2,999,059.38	2,999,059.38
06/30/2039	2,485,000.00	5.375%	513,984.38	2,998,984.38	2,998,984.38
06/30/2040	2,625,000.00	5.375%	376,653.13	3,001,653.13	3,001,653.13
06/30/2041	2,770,000.00	5.375%	231,662.51	3,001,662.51	3,001,662.51
06/30/2042	2,925,000.00	5.375%	78,609.38	3,003,609.38	3,003,609.38
Total	\$43,875,000.00	-	\$47,594,679.69	\$91,469,679.69	\$91,469,679.69

Buffalo State College Foundation Housing Corporation

\$43,875,000.00 Series 2011 A

Fixed Rate Housing Refunding

Tax-Exempt Interest Rates

Tax-Exempt Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
10/01/2012	Serial Coupon	3.000%	1.050%	260,000.00	102.494%	266,484.40
10/01/2013	Serial Coupon	3.000%	1.500%	685,000.00	103.365%	708,050.25
10/01/2014	Serial Coupon	3.000%	1.940%	705,000.00	103.362%	728,702.10
10/01/2015	Serial Coupon	3.000%	2.350%	725,000.00	102.636%	744,111.00
10/01/2016	Serial Coupon	4.000%	2.600%	750,000.00	106.876%	801,570.00
10/01/2017	Serial Coupon	4.000%	3.000%	780,000.00	105.691%	824,389.80
10/01/2018	Serial Coupon	5.000%	3.320%	820,000.00	110.795%	908,519.00
10/01/2019	Serial Coupon	5.000%	3.610%	860,000.00	109.878%	944,950.80
10/01/2020	Serial Coupon	5.000%	3.840%	905,000.00	108.987%	986,332.35
10/01/2021	Serial Coupon	5.000%	4.040%	950,000.00	107.694% c	1,023,093.00
10/01/2026	Term 1 Coupon	5.750%	4.720%	5,645,000.00	107.993% c	6,096,204.85
10/01/2031	Term 2 Coupon	6.000%	5.070%	7,575,000.00	107.099% c	8,112,749.25
10/01/2041	Term 3 Coupon	5.375%	5.490%	23,215,000.00	98.302%	22,820,809.30
Total	-	-	-	\$43,875,000.00	-	\$44,965,966.10

Bid Information

Par Amount of Bonds	\$43,875,000.00
Reoffering Premium or (Discount)	1,090,966.10
Gross Production	\$44,965,966.10
Total Underwriter's Discount (0.495%)	\$(217,181.25)
Bid (101.992%)	44,748,784.85
Total Purchase Price	\$44,748,784.85
Bond Year Dollars	\$871,681.88
Average Life	19.867 Years
Average Coupon	5.4600974%
Net Interest Cost (NIC)	5.3598562%
True Interest Cost (TIC)	5.2787774%

Buffalo State College Foundation Housing Corporation

\$410,000.00 Series 2011 B Taxable Bond Issue

Refunding of Taxable Bank Debt

Taxable Interest Rates

Project Summary

Dated 06/16/2011 | Delivered 06/16/2011

Sources Of Funds

Par Amount of Bonds	\$410,000.00
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Total Sources	\$410,000.00
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Uses Of Funds

Total Underwriter's Discount (0.495%)	2,029.50
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ILDC Fee (35 bps)	1,435.00
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Issuer's Counsel	231.46
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Title Insurance	743.05
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Bond Counsel Fee	509.20
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Corporation Counsel Fee (Less \$8,000 paid)	132.39
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Underwriter's Counsel	330.29
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Trustee's Fees	46.29
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Trustee's Counsel	46.29
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Printing Fee	23.15
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Survey	30.18
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Alumni Association Counsel Fee	28.88
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CUSIP	3.89
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Series 2009 A3	230,453.38
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Series 2009 A4	170,335.11
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Rounding Amount	3,621.94
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Total Uses	\$410,000.00
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Bond Statistics

Average Life	1.292 Years
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Average Coupon	1.2499959%
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Net Interest Cost (NIC)	1.6332217%
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Bond Yield for Arbitrage Purposes	5.1751487%
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True Interest Cost (TIC)	1.6386663%
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All Inclusive Cost (AIC)	2.3272505%
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M&T Investment Banking Group

Higher Education Public Finance

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Buffalo State College Foundation Housing Corporation

\$410,000.00 Series 2011 B Taxable Bond Issue

Refunding of Taxable Bank Debt

Taxable Interest Rates

Net Semi-Annual Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
10/01/2011	-	-	-	-	-
04/01/2012	-	-	4,057.29	4,057.29	4,057.29
10/01/2012	410,000.00	1.250%	2,562.48	412,562.48	412,562.48
04/01/2013	-	1.250%	-	-	-
Total	\$410,000.00	-	\$6,619.77	\$416,619.77	\$416,619.77

Buffalo State College Foundation Housing Corporation

\$410,000.00 Series 2011 B Taxable Bond Issue

Refunding of Taxable Bank Debt

Taxable Interest Rates

Net Fiscal Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S
06/30/2011	-	-	-	-	-
06/30/2012	-	-	4,911.45	4,911.45	4,911.45
06/30/2013	410,000.00	1.250%	1,708.32	411,708.32	411,708.32
Total	\$410,000.00	-	\$6,619.77	\$416,619.77	\$416,619.77

Buffalo State College Foundation Housing Corporation

\$410,000.00 Series 2011 B Taxable Bond Issue

Refunding of Taxable Bank Debt

Taxable Interest Rates

Taxable Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
10/01/2012	Term 1 Coupon	1.250%	1.250%	410,000.00	100.000%	410,000.00
Total	-	-	-	\$410,000.00	-	\$410,000.00

Bid Information

Par Amount of Bonds	\$410,000.00
Gross Production	\$410,000.00
Total Underwriter's Discount (0.495%) Bid (99.505%)	\$(2,029.50) 407,970.50
Total Purchase Price	\$407,970.50
Bond Year Dollars	\$529.58
Average Life	1.292 Years
Average Coupon	1.2499959%
Net Interest Cost (NIC)	1.6332217%
True Interest Cost (TIC)	1.6386663%

EXHIBIT D-1

IRS LETTER REGARDING TAX-EXEMPT STATUS

4/17/09: copies to J. Thor, T. Gilbride
INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: APR 11 2009

BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION
C/O STANLEY KARDONSKY
1300 ELMWOOD AVE STE 505
BUFFALO, NY 14222

Employer Identification Number:
94-3462623
DLN:
17053082017009
Contact Person: DALE T SCHABER ID# 31175
Contact Telephone Number:
(877) 829-5500

Accounting Period Ending:

June 30

Public Charity Status:

509(a)(3)

Form 990 Required:

Yes

Effective Date of Exemption:

December 22, 2008

Contribution Deductibility:

Yes

Addendum Applies:

No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

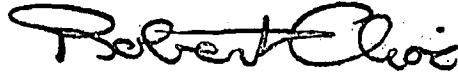
We have determined that you are a Type 1 supporting organization under section 509(a)(3). A Type 1 is operated, supervised, or controlled by, a Type 2 is supervised or controlled in connection with, and a Type 3 is operated in connection with one or more publicly supported organizations.

Letter 947 (DO/CG)

BUFFALO STATE COLLEGE FOUNDATION

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in cursive script that reads "Robert Choi".

Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Publication 4221-PC

EXHIBIT D-2

GENERAL CERTIFICATE OF THE ASSOCIATION

SEE TAB 41 OF THIS TRANSCRIPT

EXHIBIT E

EXCEPTIONS TO COMPANY'S REPRESENTATIONS AND COVENANTS

This Exhibit E to the Tax Compliance Agreement contains a description of any contracts, arrangements or other information which would, were such matters not described in this Exhibit, cause any of the Company's representations in such Agreement not be true and correct. The information provided below is numbered to correspond to the relevant provisions of Tax Compliance Agreement to which this Exhibit is attached. Any relevant contracts or other documents with respect to the information contained in this Exhibit E are attached hereto.

NONE

EXHIBIT F

DECLARATION OF OFFICIAL INTENT

RESOLUTION TAKING OFFICIAL ACTION TOWARDS, AND AUTHORIZING THE ISSUANCE AND SALE OF, THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION'S REVENUE BONDS (BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT), SERIES 2009A-1, ITS TAXABLE REVENUE BONDS (BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT), SERIES 2009A-2 AND ITS SUBORDINATE REVENUE BONDS (BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT), SERIES 2009B IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$55,000,000 AND THE EXECUTION OF RELATED DOCUMENTS TO FUND A LOAN BY THE ISSUER TO FINANCE CERTAIN COSTS RELATING TO A CERTAIN PROJECT CONSISTING OF THE ACQUISITION OF AN INTEREST IN LAND AND THE CONSTRUCTION AND INSTALLATION THEREON OF A STUDENT HOUSING COMPLEX, AT THE REQUEST OF THE BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION AND THE GRANTING OF CERTAIN FINANCIAL ASSISTANCE IN CONNECTION THEREWITH, INCLUDING THE ISSUANCE OF THE ISSUER'S TAX-EXEMPT AND TAXABLE REVENUE BONDS IN AN AMOUNT SUFFICIENT TO FINANCE THE COST THEREOF AND THE FUNDING OF ANY APPROPRIATE RESERVES AND THE COSTS OF SUCH ISSUANCE

WHEREAS, the Buffalo and Erie County Industrial Land Development Corporation (the "*Issuer*") is authorized and empowered by Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the "*State*"), as amended (the "*NFP Law*") and Resolution Nos. 218 and 22-4 adopted by the Erie County Legislature (together the "*County Resolutions*" and with the NFP Law, the "*Enabling Act*") to relieve and reduce unemployment, promote and provide for additional and maximum employment, better and maintain job opportunities in Erie County (the "*County*") and lessen the burdens of government and act in the public interest; and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered to construct, acquire, rehabilitate and improve for use by others, industrial or manufacturing plants in the County; to assist financially in such construction, acquisition, rehabilitation and improvement; and to issue negotiable revenue bonds, notes and other obligations on behalf of the County for the benefit of not-for-profit corporations and private entities to finance projects; and

WHEREAS, Buffalo State College Foundation Housing Corporation, a New York not-for-profit corporation (the "*Company*"), submitted an application to the Issuer on or about

December 5, 2009 (the "**Application**"), a copy of which is on file at the office of the Issuer, requesting that the Issuer undertake a project consisting of: (a)(i) the acquisition by the Company of subleasehold title to or other interest in certain parcels of land containing in the aggregate approximately 3.6 acres and located at the corner of Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York (the "**Land**"); (ii) the acquisition, installation and construction on the Land by the Company of an approximately 222,000 square foot seven (7) story student housing complex consisting of approximately 506 beds, together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements (collectively, the "**Improvements**") for use as housing for students and faculty; and (iii) the acquisition and installation in and around the Improvements of certain items of furniture, furnishings, equipment, machinery and other tangible personal property (collectively, the "**Equipment**" and, collectively with the Land and the Improvements, the "**Project**") and (b) the financing of all or a portion of the costs of the foregoing by the issuance of the Issuer's Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1 (the "**Series 2009A-1 Bonds**"), its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-2 (the "**Series 2009A-2 Bonds**" and with the Series 2009A-1 Bonds, the "**Series 2009A Bonds**") and its Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B (the "**Series 2009B Bonds**" and with the Series 2009A Bonds, the "**Bonds**"), in an aggregate principal amount of up to \$55,000,000; (v) the funding of a debt service reserve fund, if any and capitalized interest, if any; and (c) the granting of certain other financial assistance in the form of exemptions from mortgage recording tax, and, if applicable, sales and use taxation (collectively with the Bonds, the "**Financial Assistance**"); and

WHEREAS, notice of a public hearing with respect to the Project and the Bonds was printed in The Buffalo News, a newspaper of general circulation in the County on November 30, 2009, in accordance with Section 147(f) of the Internal Revenue Code of 1986, as amended (the "**Code**"); and

WHEREAS, pursuant to Section 147(f) of the Code, the Issuer will conduct a public hearing with respect to the Project and the Bonds on December 15, 2009, a transcript of which will be on file at the offices of the Issuer; and

WHEREAS, the Issuer has given due consideration to the Application and the representations by the Company that undertaking the Project and issuing the Bonds will be an inducement to the Company to acquire, construct and equip the Project, will reduce unemployment and will promote additional employment in the County; and

WHEREAS, on December 10, 2009, the SUNY College at Buffalo ("Buffalo State"), upon careful review of a full environmental assessment form, determined that this Project involved a "Type I" action (as such quoted term is defined in Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State, "SEQR"). The Issuer consented to Buffalo State's request to be Lead Agency, as defined under SEQR. Further, Buffalo State declared itself Lead Agency, and further determined that (i) the Project will not adversely affect the natural resources of the State and/or the health, safety and

welfare of the public; (ii) that the Project will not have a significant impact on the environment; and (iii) that no "environmental impact statement" (as such quoted term is defined under SEQR) need be prepared for this action (see Buffalo State Negative Declaration attached hereto as Exhibit A). This determination constitutes a "negative declaration" (as such quoted terms are defined under SEQR) for purposes of SEQR; and

WHEREAS, the Issuer has considered the policy, purposes and requirements of the Enabling Act in making its determinations with respect to taking official action regarding the Project; and

WHEREAS, the Company reasonably expects that it will (1) pay or incur certain capital expenditures in connection with the Project prior to the issuance of the Series 2009A-1 Bonds and the Series 2009B Bonds (together the "**Tax-Exempt Bonds**"), (2) use funds from sources other than proceeds of the Tax-Exempt Bonds which are or will be available on a short-term basis to pay for such capital expenditures, and (3) reimburse itself for the use of such funds with proceeds of the Tax-Exempt Bonds; and

WHEREAS, approval of the County Executive of Erie County, being the highest elected official of the County, is required as a condition to the tax-exempt status of the Tax-Exempt Bonds pursuant to the Code; and

WHEREAS, the Issuer and the Company will enter into a Loan Agreement (the "**Loan Agreement**"), pursuant to which the Issuer will make a loan of the Bond proceeds to the Company to finance a portion of the costs of the Project, fund a debt service reserve fund, if any, and pay capitalized interest, if any, and cost of issuance of the Bonds and the Company will, among other things, agree to make loan payments in an amount sufficient to pay debt service on the Bonds; and

WHEREAS, the Issuer by the terms of a proposed Trust Indenture (the "**Indenture**") with Manufacturers and Traders Trust Company, as trustee (the "**Trustee**"), will grant the Trustee a first lien on and a security interest in the Trust Estate (as defined in the Indenture) as security for the Bonds; and

WHEREAS, Manufacturers Traders and Trust Company and First Niagara Bank (together the "**Series 2009A Purchasers**") have offered to purchase the Series 2009A Bonds pursuant to the Bond Purchase Agreement and Building Loan Contract (the "**2009A Bond Purchase Agreement**"), substantially in the form presented to this meeting, to be entered into by the Issuer, the Company, Manufacturers Traders and Trust Company, as agent and the Series 2009A Purchasers; and

WHEREAS, Louis P. Ciminelli as trustee of the Louis P. Ciminelli Revocable Living Trust Agreement has offered to purchase the Series 2009B Bonds (the "**Series 2009B Purchasers**") and together with the Series 2009A Purchasers, the "**Purchasers**") pursuant to the Bond Purchase Agreement (the "**2009B Bond Purchase Agreement**"), substantially in the form presented to this meeting, to be entered into by the Issuer, the Company and the Series 2009B Purchaser; and

WHEREAS, State University of New York (“SUNY”) has granted a leasehold interest in the Land to the Buffalo State College Alumni Association, Inc. (the “*Association*”) pursuant to a certain Ground Lease dated as of July 1, 2009, between SUNY and the Association; and

WHEREAS, the Association has granted a sub-leasehold interest in the Land to the Company pursuant to a certain Sublease Agreement dated as of July 1, 2009, between the Association and the Company; and

WHEREAS, the Company and Association, to secure the Company’s obligations under the Loan Agreement, will grant the Issuer a first leasehold mortgage lien and security interest in the Project pursuant to a proposed leasehold mortgage and security agreement (the “*Mortgage*”) from the Company to the Issuer and the Issuer will assign to the Trustee for the benefit of the owners of the Series 2009A Bonds its rights (other than the Unassigned Rights (as defined in the Indenture)) under the Mortgage; and

WHEREAS, the Company and the Association, to secure the Company’s obligations under the Loan Agreement, will grant the Issuer a second mortgage lien and security interest in the Project pursuant to a proposed leasehold mortgage and security agreement (the “*Subordinate Mortgage*”) from the Company to the Issuer and the Issuer will assign to the Trustee for the benefit of the owners of the Series 2009B Bonds its rights (other than the Unassigned Rights (as defined in the Indenture)) under the Mortgage; and

WHEREAS, the Issuer has given due consideration to the Application and the representations by the Company that undertaking the Project and issuing the Bonds, (a) will induce the Company to acquire, construct and operate the Project in the County; and (b) will reduce unemployment and promote additional employment in the County; and

WHEREAS, the undertaking of the Project and the issuance of the Bonds in conjunction with the Project is for a proper purpose, to wit, to promote the reduction of unemployment, better and maintain additional job opportunities and lessen the burdens of government and is in the public interest;

NOW, THEREFORE, be it resolved by the Issuer as follows:

Section 1. It is the policy of the State to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration.

Section 2. It is among the purposes of the Issuer to promote, develop, encourage and assist in the acquisition, construction, rehabilitation and improvement of facilities for not-for profit corporations and thereby relieve and reduce unemployment, better and maintain job opportunities and lessen the burdens of government.

Section 3. Based upon representations made by the Company to the Issuer, the Issuer makes the following findings and determinations:

- a) The Project is in furtherance of the purposes of the Issuer.
- b) The issuance of the Bonds will be an inducement to the Company to acquire, construct and operate the Project in the County.
- c) It is desirable and in the public interest for the Issuer to issue its Bonds to finance the costs of the Project, together with certain related costs and amounts, in an aggregate amount not to exceed \$55,000,000.
- d) The Company is not undertaking the Project in place of, on behalf of, for the benefit of, or at the request of the Issuer.

Section 4. The Issuer hereby (i) affirms the status of Buffalo State as Lead Agency for the Project, within the meaning of, and for all purposes of complying with SEQR; (ii) determines that the proceedings undertaken by the Lead Agency under SEQR with respect to the acquisition, construction and equipping of the Project satisfy the requirements of SEQR; (iii) ratifies such proceedings by the Lead Agency and the Lead Agency's negative declaration; and (iv) determines that all of the provisions of SEQR that are required to be complied with as a condition precedent to the approval of the Financial Assistance hereby contemplated with respect to the Project and the participation by the Issuer in undertaking the Project have been satisfied.

Section 5. In consequence of the foregoing, the Issuer hereby determines to:

- (a) execute the Loan Agreement in substantially the form presented at this meeting, with such amendments or modifications as the Chair, President, any Vice President or other officer designated by the Chair (an "*Authorized Officer*") deems necessary under the circumstances, provided no such amendment or modification materially alters the risk to the Issuer;
- (b) execute the Indenture in substantially the form presented at this meeting, with such amendments or modifications as the Authorized Officer of the Issuer deems necessary under the circumstances, provided no such amendment or modification materially alters the risk to the Issuer;
- (c) execute the 2009A Bond Purchase Agreement and the 2009B Bond Purchase Agreement in substantially the forms presented at this meeting, with such amendments or modifications as the Authorized Officer of the Issuer deems necessary under the circumstances, provided no such amendment or modification materially alters the risk to the Issuer;
- (d) issue and deliver the Series 2009A Bonds and the Series 2009B Bonds to the Purchasers on or before December 31, 2009, subject however to the approval of the final terms for the Bonds and the terms and conditions of the 2009A Bond Purchase Agreement and the 2009B Bond Purchase Agreement, respectively, consistent with this Resolution, and the prior written approval of all terms contained therein, and of the terms of the Bonds, by the Authorized Officer of the Issuer and by the Company;

(e) execute the Mortgage and the Subordinate Mortgage in substantially the forms presented at this meeting, with such amendments or modifications as the Authorized Officer of the Issuer deems necessary under the circumstances, provided no such amendment or modification materially alters the risk to the Issuer and assign the Mortgage and the Subordinate Mortgage to the Trustee;

(f) use the proceeds of the Bonds to make a loan to the Company pursuant to the Loan Agreement, including to finance a portion of the costs of the acquisition, reconstruction and equipping of the Project and necessary incidental expenses in accordance with the Indenture and the Loan Agreement;

(g) appoint Manufacturers and Traders Trust Company as trustee;

(h) execute a Tax Compliance Agreement from the Company and the Issuer to the Trustee (the "***Tax Compliance Agreement***") and a completed Internal Revenue Service Form 8038 (Information Return for Private Activity Bonds) relating to the Bonds (the "Information Return") and file the Information Return with the Internal Revenue Service in connection with the issuance of the Tax-Exempt Bonds; and

(i) execute and deliver all other agreements, certificates and documents required in connection with issuance and sale of the Bonds including the documents identified on the draft Closing Memorandum and any other documents as may be required by the Purchasers or otherwise required to accomplish the Project, qualify the interest on the Tax-Exempt Bonds for tax-exempt status under Section 103 of the Code (collectively, the "***Financing Documents***").

Section 6. The law firm of Hiscock & Barclay, LLP is hereby appointed bond counsel to the Issuer in relation to the proposed issuance of the Bonds contemplated by the Application.

Section 7. This Resolution shall constitute the adoption of "official intent" (within the meaning of the United States Treasury Regulations Section 1.150-2(d)) with respect to issuance of the Tax-Exempt Bonds and the original expenditures which are reasonably expected to be reimbursed from the proceeds of the Tax-Exempt Bonds.

Section 8. The Issuer is hereby authorized to make a loan to finance the costs of acquisition, construction and equipping of the Project, the funding of a debt service reserve fund, if any, and capitalized interest, if any, and costs of issuance, by the issuance of the Bonds and to grant the other Financial Assistance and all acts previously taken by the Issuer with respect to the loan to the Company, the grant of Financial Assistance with respect to the Project and the issuance of the Bonds are hereby approved, ratified and confirmed.

Section 9. Subject to receipt of the approval of the County Executive of the issuance of the Tax-Exempt Bonds pursuant to, and solely for the purposes of, Section 147 of the Code, the Issuer is hereby authorized to issue, execute, sell and deliver the Bonds to the Purchasers in accordance with the provisions of the Indenture and the terms authorized in this Resolution. Each of the Authorized Officers of the Issuer is hereby authorized, on behalf of the Issuer, to execute (by

manual or facsimile signature) and deliver the Financing Documents, on such terms and conditions as shall be consistent with this Resolution and approved by an Authorized Officer, the execution thereof by such Authorized Officer constituting conclusive evidence of such approval.

Section 10. There is hereby expressly delegated to each Authorized Officer, subject to receipt of the approval of the County Executive of the issuance of the Tax-Exempt Bonds pursuant to, and solely for the purposes of, Section 147 of the Code and other the limitations contained herein, the power with respect to the Bonds and the Financing Documents to determine and carry out the following:

(a) The issuance and sale of the Series 2009A Bonds and the Series 2009B Bonds in accordance with the provisions of the Indenture and the provisions of the 2009A Bond Purchase Agreement and the 2009B Bond Purchase Agreement, respectively, provided that the purchase price paid by the Purchasers thereof shall not be less than ninety-five percent (95%) of the principal amount of the Bonds so sold;

(b) The principal amount of Bonds to be issued, not to exceed an initial aggregate principal amount of \$55,000,000;

(c) The date or dates, maturity date or dates and principal amount of each series and maturity of the Bonds, the amount and date of each sinking fund installment, if any, and which Bonds are serial bonds or term bonds, if any, provided that no Bond shall mature later than December 1, 2042;

(d) The interest rate or rates of the Bonds, the method for determining any variable interest rate, the date from which interest on the Bonds shall accrue and the first interest payment date therefor, provided that the initial interest rate on the Bonds shall not exceed ten percent (10%) per annum;

(e) The form of the Bonds, the place or places of payment of the Bonds, denomination or denominations of and the manner of numbering and lettering the Bonds;

(f) The redemption price or redemption prices, if any, and the redemption terms, if any, for the Bonds; provided, however, that the redemption price of any Bond subject to redemption at the election of the Issuer or the Company or in accordance with the Indenture shall not be greater than one hundred two percent (102%) of the principal amount of the Bonds or portion thereof to be redeemed, plus accrued interest thereon to the date of redemption;

(g) Directions for the application of the proceeds of the Bonds; and

(h) Any other provisions deemed desirable by the Authorized Officer not in conflict with the provisions hereof or of the Indenture.

Section 11. In addition to the authority hereinabove granted, the Authorized Officer of the Issuer is hereby authorized and directed, for and in the name and on behalf of the Issuer, to do and cause to be done any such other acts and things, to execute and deliver any such additional

certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Section 4 of this Resolution, as such Authorized Officer determines may be necessary or desirable to consummate the transactions contemplated by this Resolution, the Financing Documents and the other documents referred to above.

Section 12. The Bonds, together with interest payable thereon, shall be special obligations of the Issuer payable solely from revenues (other than with respect to the Unassigned Rights) derived from the sale or other disposition of the Project. No covenant, stipulation, obligation or agreement contained in this Resolution or the Financing Documents or any other document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, director, agent or employee of the Issuer in his or her individual capacity and neither the members or directors of the Issuer nor any officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof. Neither the member, directors or officers of the Issuer, nor any person executing the Bonds or any of the Financing Documents or other documents referred to above on behalf of the Issuer, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution, issuance or delivery thereof. The Bonds shall never be a debt of the State, the County or any political subdivision thereof. The State, the County or any political subdivision thereof shall not be liable thereon. None of the State, the County or any political subdivision thereof is obligated to pay, and neither the faith and credit nor the taxing power of the State, the County or any political subdivision thereof is pledged to the payment of, the principal or redemption price, if any, of or interest on, the Bonds.

Section 13. A copy of this Resolution, together with documents presented at this meeting and referred to herein, shall be placed on file in the office of the Issuer where the same shall be available for public inspection during business hours.

Section 14. Any expense incurred by the Issuer with respect to the Project and the financing thereof shall be reimbursed out of the proceeds of the Bonds or, in the event such proceeds are insufficient after payment of other costs of the Project, or the Bonds are not issued by the Issuer for any reason whatsoever, shall be paid by the Company. By acceptance hereof, the Company hereby agrees to pay such expenses and further agrees to indemnify the Issuer, its members, employees and agents and hold the Issuer and such persons harmless against claims for losses, damage or injury or any expenses or damages incurred as a result of action taken by or on behalf of the Issuer with respect to the Project and the financing thereof.

Section 15. Should the appropriate officers of the Issuer determine, in their absolute discretion, that there is reason to believe that the activities of any past or present owner or operator of the Project have resulted in the generation of any "hazardous substance" (as that term has been defined from time to time in any applicable federal or state law, rule or regulation), or that any party has stored, disposed or released any such substance on the Project or within a one (1) mile radius thereof, the Issuer shall be under no obligation to issue and sell the Bonds or make the loan contemplated by this Resolution.

STATE OF NEW YORK)
COUNTY OF ERIE) SS:

I, the undersigned, as Assistant Secretary of the Buffalo and Erie County Industrial Land Development Corporation, DO HEREBY CERTIFY:

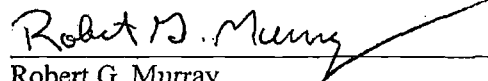
That I have compared the annexed extract of minutes of the meeting of the Buffalo and Erie County Industrial Land Development Corporation (the "Issuer"), including the resolution contained therein, held on December 14, 2009, with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the Issuer and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY, that all directors of the Issuer had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY, that all of the directors of the Issuer were present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Issuer this 26th day of December, 2009.



Robert G. Murray
Assistant Secretary

[SEAL]

SCHEDULE A

USE OF PROCEEDS OF THE SERIES 2011A BONDS

PART I: Application of Proceeds of Series 2011A Bonds to Qualified Costs.

1. The total Proceeds of the Series 2011A Bonds (exclusive of accrued interest) consist of sum of:

A. Sale Proceeds, equal to the initial offering price to the public:

Face amount of the Series 2011A Bonds	\$ 43,875,000.00
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Plus net original premium	\$ 1,090,966.10
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TOTAL SALE PROCEEDS	\$ 44,965,966.10
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B. Transferred Proceeds	\$ 00.00
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C. Investment Proceeds	\$ 00.00
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TOTAL PROCEEDS	\$ 44,965,966.10
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2. Issuance Costs allocable to the Series 2011A Bonds in the amount of \$371,959.59 will be paid from Sale Proceeds of the Series 2011A Bonds:

The total Issuance Costs of \$371,959.59 equals 0.827% of the Sale Proceeds of the Series 2011A Bonds and, therefore, is not greater than the two percent (2%) limitation established by the Code.

3. From the total Proceeds of the Series 2011A Bonds (\$44,965,966.10) subtract any amount used to fund a reasonably required reserve fund (\$0). The difference (\$44,965,966.10) is the amount referred to in this Schedule A as "Net Proceeds."

4. Net Proceeds will be applied as follows:

Refunding of Refunded Bonds	\$ 39,297,732.01
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Qualified Costs of Project Facility	\$ 5,063,196.05
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Other Qualified Costs, including Issuer Fee and Title Insurance Premium	\$ 233,078.45
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Issuance Costs	\$ 371,959.59
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TOTAL	\$ 44,965,966.10
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Part II: Information to be Submitted to Internal Revenue Service with respect to the Series 2011A Bonds.

The following information on the use of the Sale Proceeds of the Series 2011A Bonds must be furnished to the Internal Revenue Service by the Issuer on Form 8038. The amount shown in Item 6 below as "Non-Refunding Proceeds" may not equal Adjusted Net Proceeds reflected in Part I above because the Transferred Proceeds, if any, and expected Investment Proceeds, if any, have not been included.

1.	Issue Price (face amount plus net original premium)	\$ 44,965,966.10
2.	Issuance Costs	371,959.59
3.	Credit Enhancement	-0-
4.	Reasonably Required Reserve Fund Deposits	-0-
5.	Refunding Proceeds	39,297,732.01
6.	Non-Refunding Proceeds (amount on line 1, less amounts on lines 2 through 5)	\$ 5,296,274.50

Allocation of Non-Refunding Proceeds

a.	Acquisition of land.....	\$ -0-
b.	Building and Structures.....	5,063,196.05
c.	Equipment with an ACRS life of more than 5 years	-0-
d.	Equipment with an ACRS life of 5 years or less	-0-
e.	Other (title insurance, Issuer fee).....	233,078.45
	Total (Non-Refunding Proceeds)	\$ 5,296,274.50
7.	Accrued Interest	-0-

SCHEDULE B-1

AVERAGE ECONOMIC LIFE OF PROJECT FACILITY

Part I - Allocation of Loan Proceeds to Financed Assets

(A)	(B)	(C)	(D)
<u>Asset</u>	<u>Cost</u>	Ratio of Asset Cost to <u>Total Cost</u>	Proceeds Allocable <u>To Asset</u>
1. Structure - New Construction	43,465,966.00	96.7%	43,465,966.00
2. Equipment - Useful Life More than 5 Years	0.00	0.00000%	0.00
3. Equipment - Useful Life of 5 Years or Less	<u>1,500,000.00</u>	<u>3.3</u>	<u>1,500,000.00</u>
	44,965,966.10	100.00%	16,895,092.50

Part II - Economic Life

(A)	(B)	(C)
<u>Asset (Number/Description)</u>	<u>Economic Life In Years</u>	<u>Basis of Determination (CLADR, Rev Proc. 62-21, or Appraisal)</u>
1. Structure - New Construction	40	Rev. Proc. 62-21
2. Equipment - Useful Life More than 5 Years	10	Rev. Proc. 62-21
3. Equipment - Useful Life of 5 Years or Less	5	Rev. Proc. 62-21

Part III - Adjusted Life

(A)	(B)	(C)	(D)	(E)
<u>Asset (Number/Description)</u>	<u>Economic Life In Years</u>	<u>Years in Service Prior to Bond Issue Date</u>	<u>Acquisition / Const. Period Following Bond Issue (Years)</u>	<u>Adjusted Life (B-C or B+D)</u>
1. Structure - New Construction	40	0.0		40
2. Equipment - Useful Life More than 5 Years	10	0.0		10.0
3. Equipment - Useful Life of 5 Years or Less	5	0.0		5.0

Project to be Placed in Service in August 2011

Part IV - Average Economic Life

(A)	(B)	(C)	(D)
<u>Asset (Number/Description)</u>	<u>Loan Proceeds Allocable to Asset (Wksht I, Col D)</u>	<u>Adjusted Life (Wksht III, Col E)</u>	<u>Weighted Life (B x C)</u>
1. Structure - New Construction	43,465,966.00	40	1,738,638,640
2. Equipment - Useful Life More than 5 Years	\$0	10	0
3. Equipment - Useful Life of 5 Years or Less	<u>1,500,000</u>	5	<u>7,500,000</u>
	\$44,965,966.103		\$1,746,138,640

Average Economic Life	<u>Total (D) =</u>	<u>1,746,138,640</u>	38.83
	<u>Total (B)</u>	<u>44,965,966,103</u>	

Average Economic Life x 120% 46.6 Years

SCHEDULE B-2

AVERAGE MATURITY OF THE SERIES 2011A BONDS

(See Schedule A to Exhibit C)

SCHEDULE C

**FORM OF CERTIFICATION OF ACTUAL USE
OF PROCEEDS OF SERIES 2011A BONDS**

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION (the “Company”) provides this certificate to the BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (the “Issuer”) pursuant to Section 5.2(d) of the Tax Compliance Agreement by and among the Issuer, the Company and the Trustee dated May 3, 2011A, in connection with the issuance by the Issuer of its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A.

The Company hereby certifies that:

1. The Company has expended the Adjusted Net Proceeds of the Series 2011A Bonds (as defined in Schedule A to the Tax Compliance Agreement) as follows:

- a. **Qualified Costs of Project Facility**
(as described in Section 2.1 of the
Tax Compliance Agreement) \$ _____
- b. Issuer Fee \$ _____

ETC., ETC.

TOTAL \$ _____

2. The amount of Qualified Costs shown in paragraph 1 hereof (\$ _____) is equal to _____ percent of the Adjusted Net Proceeds reflected in Item 4 to Schedule A of the Tax Compliance Agreement ([\$ _____]) and therefore is not less than the ninety-five percent (95%) limitation established by the Code.

IN WITNESS WHEREOF, BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION has caused this certificate to be executed in its name this ____ day of _____, 201_, by one of its officers duly authorized as of such date.

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

By: _____
Name: _____
Title: _____

CLOSING RECEIPT

CLOSING RECEIPT executed as of June 16, 2011, by the **BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION** (the "*Issuer*"), **BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION** (the "*Company*"), **M&T SECURITIES, INC.** (the "*Underwriter*") and **MANUFACTURERS AND TRADERS TRUST COMPANY**, as trustee (the "*Trustee*") of the Issuer's Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "*Series 2011A Bonds*") and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Bonds*"). The Bonds were issued under and pursuant to an Trust Indenture dated as of June 1, 2011 (the "*Indenture*"), by and between the Issuer and the Trustee.

WITNESSETH:

Capitalized terms used herein which are not otherwise defined herein have the meaning given to them in the Schedule of Definitions attached to the Indenture as Schedule "A", except that, for purposes of this Closing Receipt, all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this Closing Receipt and not as of any future date or to any successor or assign.

(1) The Issuer (a) has executed and delivered to the Trustee the Bonds, and requested and authorized the Trustee to authenticate the same in accordance with the Indenture and to deliver them to or upon the order of the Underwriter upon payment by the Underwriter to the Trustee for the account of the Issuer of \$45,156,755.35 (the "*Purchase Price*"), representing the aggregate principal amount of the Bonds \$44,285,000.00, plus net original issue premium of \$1,090,966.10, less Underwriter's discount of \$219,210.75, (b) acknowledges receipt from the Trustee of notice that the Trustee has received the Purchase Price, (c) directs the Trustee to apply the Purchase Price in accordance with the terms of Section 4.2 of the Indenture, the initial cost of issuance requisition and the Construction Fund requisition, (d) has executed, delivered, sealed and acknowledged, where appropriate, the Bond Documents to which the Issuer is a party, (e) has executed and directed Bond Counsel to mail the Information Return required by Section 149(e) of the Internal Revenue Code of 1986, as amended, to the appropriate office of the Internal Revenue Service, (f) acknowledges receipt of the Bond Documents, the Security Documents and the Company Documents duly executed and acknowledged, where appropriate, by the Company, the Trustee and the Underwriter, and (g) acknowledges receipt from the Company of its administrative fee.

(2) The Company (a) has executed, delivered, sealed and acknowledged, where appropriate, the Company Documents, (b) has delivered to the Trustee the cost of issuance requisition and the Construction Fund requisition, and (c) acknowledges receipt from the Trustee of the amount requested in the cost of issuance requisition and Construction Fund requisition and directs the Trustee to disburse such amounts in accordance with the respective requisitions.

(3) The Trustee (a) has executed, delivered, sealed and acknowledged, where appropriate, the Indenture and other documents to which it is a party, (b) acknowledges receipt

from the Issuer of the Bonds, (c) confirms that it has authenticated the Bonds and has delivered them in accordance with the instructions received from the Underwriter, (d) acknowledges receipt of the Purchase Price, (e) confirms that it has deposited the Purchase Price in accordance with the Issuer's request, and (f) acknowledges satisfaction of Section 2.7 of the Indenture for delivery of the Bonds.

(4) The Underwriter (a) has caused to be paid to the Trustee for the account of the Issuer the Purchase Price, and (b) acknowledges receipt this day of the Bonds duly executed, sealed, attested and authenticated.

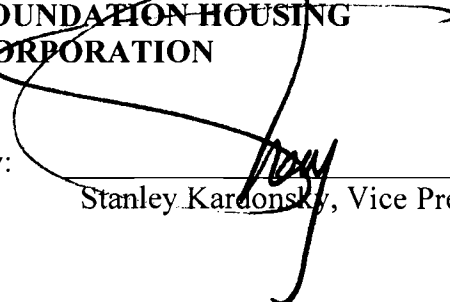
IN WITNESS WHEREOF, this Closing Receipt has been duly executed by the Issuer, the Company, the Trustee and the Underwriter.

**BUFFALO AND ERIE COUNTY
INDUSTRIAL LAND DEVELOPMENT
CORPORATION**

By: 

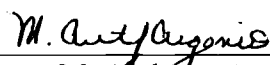
David W. Kerchoff
Assistant Treasurer

**BUFFALO STATE COLLEGE
FOUNDATION HOUSING
CORPORATION**

By: 

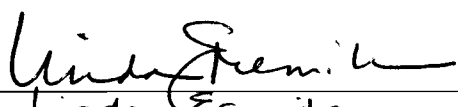
Stanley Kardonsky, Vice President

**MANUFACTURERS AND TRADERS
TRUST COMPANY, as Trustee**

By: 

M. Anthony Argenio
Assistant Vice President

M&T SECURITIES, INC.

By: 
Name: Linda Eremita
Title: Managing Director

ISSUER GENERAL CERTIFICATE

THIS CERTIFICATE is made in connection with the issuance by the Buffalo and Erie County Industrial Land Development Corporation (the "*Issuer*") of its (i) \$43,875,000 Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A (the "Series 2011A Bonds"), for the purpose of redeeming and defeasing the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1 in the aggregate principal amount of \$14,625,000, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-2 in the aggregate principal amount of \$10,375,000, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B in the aggregate principal amount of \$5,000,000, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1 in the aggregate principal amount of \$5,415,000, and the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2 in the aggregate principal amount of \$3,820,000 (collectively the "Prior Tax-Exempt Bonds), pay or reimburse certain costs of the hereinafter defined Project and pay certain costs of issuing the Series 2011A Bonds and (ii) its \$410,000 Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B (the "Series 2011B Bonds"; and, together with the Series 2011A Bonds, the "Bonds") for the purpose of redeeming and defeasing the Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-3 and Series 2009A-4 in the aggregate principal amount of \$400,000 (collectively, the "Prior Taxable Bonds"; and, together with the Prior Tax-Exempt Bonds, the "Outstanding Prior Bonds") and pay certain costs of issuing the Bonds. The Outstanding Prior Bonds financed a loan by the Issuer to provide for a project undertaken by the Buffalo State College Foundation Housing Corporation (the "Institution") consisting of: (a) the acquisition by the Institution of subleasehold title to approximately 3.9 acres of land located at the corner of Letchworth Street and Grant Street located on the campus of Buffalo State College located in the City of Buffalo, New York (the "Land"); (b) the construction thereon by the Institution of an approximately 225,000 square foot student housing complex consisting of approximately 507 beds, together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements (collectively, the "Improvements"); and (c) the acquisition and installation in and around the Improvements of certain items of furniture, furnishings, equipment, machinery and other tangible personal property (collectively, the "Equipment"; and, together with the Land and the Improvements, the "Project").

The Bonds will be issued under and in accordance with a Trust Indenture, dated as of June 1, 2011 (the "Indenture"), by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "Trustee"). The Bonds will be purchased by M&T Securities, Inc. (the "Underwriter") pursuant to a Bond Purchase Agreement, dated as of

May 26, 2011 (the “*Bond Purchase Agreement*”) by and among the Issuer, the Institution and the Underwriter. Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Indenture.

The undersigned, Assistant Treasurer of the Buffalo and Erie County Industrial Land Development Corporation, a not-for-profit corporation organized and existing under the laws of the State of New York, does HEREBY CERTIFY as follows:

1. The County of Erie (the “*County*”), through the County Executive of Erie County (the “*County Executive*”) is the sole member of the Issuer.

2. The following persons are officers of the Issuer, holding the offices set forth opposite their names:

The office of CEO of the Issuer is vacant.

Alfred D. Culliton is the Chief Operating Officer of the Issuer.

Andrew Schoeppich is the Treasurer/CFO of the Issuer.

John Cappellino is the Executive Vice President of the Issuer.

Karen M. Fiala and David W. Kerchoff are Assistant Treasurers of the Issuer.

Shawn M. Griffin is Secretary of the Issuer.

Robert G Murray is an Assistant Secretary of the Issuer.

Pietra Lettieri is an Assistant Secretary of the Issuer.

3. That attached hereto at **Exhibit “A”** are true, correct, and complete copies of Resolution Nos. 218 and 295 of 2009, and Resolution 5-3 (2010) of the Erie County Legislature, each as amended (collectively, the “*County Resolutions*”), and said County Resolutions are, to the best of the Issuer’s knowledge, in full force and effect in accordance with their terms as of the date of this certificate.

4. That attached hereto at **Exhibit “B”** is a certified copy of the certificate of incorporation of the Issuer.

5. That attached hereto at **Exhibit “C”** is a true, correct, and complete copy of the by-laws of the Issuer (the “*By-Laws*”), together with all amendments thereto or modifications thereof; and said By-Laws, as so amended and modified, are in full force and effect in accordance with their terms as of the date of this certificate.

6. That attached to the Record of Proceedings is a true, correct and complete copy of the Bonds, the Indenture, the Bond Purchase Agreement, the Loan Agreement, dated as of June 1, 2011, between the Issuer and the Institution (the "*Loan Agreement*"), the Amended and Restated Environmental Compliance and Indemnification Agreement, dated as of June 1, 2011, from the Institution to the Issuer and the Trustee (the "*Environmental Compliance and Indemnification Agreement*"), the Tax Compliance Agreement, dated June 1, 2011, between the Issuer and the Institution (the "*Tax Compliance Agreement*"), the Pledge and Assignment, dated as of June 1, 2011, from the Issuer to the Trustee with an acknowledgement by the Institution (the "*Pledge and Assignment*") and the Assignment of Mortgage, dated as of June 1, 2011, from the Issuer to the Trustee (the "Assignment of Mortgage"); and, together with the Indenture, the Bond Purchase Agreement, the Loan Agreement, the Environmental Compliance and Indemnification Agreement, the Tax Compliance Agreement and the Pledge and Assignment, the "*Issuer Documents*") and all of which were duly authorized by the Issuer by resolution adopted on March 21, 2011 and all of which were executed and delivered, where and as applicable, by officers of the Issuer authorized to do so, and none of the Issuer Documents have been modified, supplemented, amended or cancelled, but each continues in full force and effect.

7. That attached hereto at **Exhibit "D"** is a true, correct and complete copy of the Acceptance by the County Executive of the Appointment to act as the Member of the Issuer on behalf of the County.

8. That attached hereto at **Exhibit "E"** is a true, correct and complete copy of the notice or waiver thereof of the meeting of the Issuer held on March 21, 2011 which was given pursuant to the By-Laws of the Issuer and duly sent to each director of the Issuer, all in accordance with the applicable provisions of the By Laws of the Issuer.

9. That attached hereto at **Exhibit "F"** is a true, correct and complete copy of the resolution duly adopted on March 21, 2011 by the Issuer (the "*Resolution*") describing the Project and related financial assistance and authorizing the issuance of the Bonds in an aggregate principal amount not to exceed \$53,000,000 and making a determination that the Project is a Type II action under the State Environmental Quality Review Act (the "*SEQR*"), said Type II action being an action that has been found not to have a significant effect on the environment and therefore, not requiring preparation of an environmental impact statement and thus requiring no further processing under SEQR, and authorizing the execution, delivery and due performance of the Bonds and the Issuer Documents, and the taking of any and all such action as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by the Issuer Documents and all approvals necessary in connection with the foregoing have been received.

10. That the Resolution described above was duly adopted at a meeting of the Issuer duly called and held, and at which a quorum was present and acted throughout, and that said Resolution is in full force and effect and has not been modified or amended, and

the form of the Issuer Documents and the Bonds as submitted at such meetings are substantially in the form executed and delivered on the date hereof.

11. That attached hereto at **Exhibit “G”** is a true, correct and complete copy of the Affidavit of Publication of the Notice of Public Hearing pursuant to Section 147 (f) of the Code dated March 29, 2011.

12. That attached hereto at **Exhibit “H”** is a true, correct and complete copy of the transcript of the public hearing with respect to the issuance of Bonds to refund the Prior Tax-Exempt Bonds held on April 7, 2011, along with copies of any written submissions made by any party subsequent to the date of said public hearings with respect to the Project.

13. That attached hereto at **Exhibit “I”** is a true, correct and complete copy of the Affidavit of Publication of the Notice of Public Hearing pursuant to Section 147 (f) of the Code dated December 3, 2009 with respect to the Project and issuance of tax-exempt bonds to finance the Project.

14. That attached hereto at **Exhibit “J”** is a true, correct and complete copy of the transcript of the public hearing with respect to the Project and issuance of tax-exempt bonds therefor held on December 15, 2009, along with copies of any written submissions made by any party subsequent to the date of said public hearings with respect to the Project.

15. The Issuer is a not-for-profit local development corporation duly organized and existing under the laws of the State of New York. The Issuer is authorized to issue the Bonds in accordance with: (i) Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the “*State*”), as amended, and the County Resolutions; (ii) the Indenture; and (iii) the Resolution. The Issuer is authorized to use the proceeds thereof to finance a portion of the costs of the acquisition, construction and equipping of the Project for the purpose of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities in the County and lessening the burdens of government and acting in the public interest.

16. The Issuer has complied with the provisions of the County Resolutions and has full power and authority pursuant to law, the County Resolutions and its Certificate of Incorporation and By-Laws to act with respect to all transactions contemplated by the Bonds, the aforementioned Resolution and the Issuer Documents, to issue, sell and deliver the Bonds, and to carry out and consummate all other transactions contemplated by each of the aforesaid documents.

17. When delivered to and paid for by the Underwriter, the Bonds will have been duly authorized, issued, executed, authenticated and delivered, will constitute the legal, valid and binding special and limited obligations of the Issuer. The Bonds are payable solely from the Pledged Revenues and certain funds held under the Indenture.

18. The execution and delivery of the Bonds and the Issuer Documents, and compliance with the provisions thereof will not conflict with or constitute on the part of the Issuer a violation of the County Resolutions, or a violation or breach of or default under its Certificate of Incorporation or By-Laws nor will such execution and delivery require consent under or result in a breach or default under any statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the Issuer is a party or by which the Issuer is bound, or, to the knowledge of the Issuer, any law, judgment, order, writ, rule, injunction, decree or regulation of any court or governmental agency or body having jurisdiction over the Issuer or any of its activities or properties; and all consents, approvals, authorizations and orders of governmental or regulatory authorities which are required of the Issuer for the consummation of the transactions contemplated thereby have been obtained.

19. The Issuer will apply the proceeds from the sale of the Bonds for the purposes specified in the Indenture, the Loan Agreement and the Tax Compliance Agreement, as in force from time to time.

20. There is no action, suit, proceeding or investigation at law or in equity by or before any court or public agency, of which the Issuer has notice, or, to the best of the knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Issuer Documents or the Issuer's ability to perform its obligations thereunder, or which in any way would adversely affect the validity of the Bonds, the resolutions adopted by the Issuer above stated, any of the Issuer Documents or any agreement or instrument to which the Issuer is a party and which is used or contemplated for use in consummation of the transactions contemplated by the Issuer Documents.

21. The Issuer makes no representation or warranty concerning the financial position or business condition of the Institution nor does it represent or warrant as to the correctness of any statements or representations made or materials furnished by the Institution or any other party in connection with the sale of the Bonds.

22. The Bonds have been duly authorized, executed and delivered by the Issuer, constitute the valid and legally binding special and limited obligations of the Issuer, and are enforceable in accordance with their terms and the terms of the Loan Agreement.

23. To the best knowledge of the Issuer, no legislation, ordinance, rule or regulation has been enacted or introduced or favorably reported for passage by any governmental body, department or agency of the State or of the County and no decision by any court of competent jurisdiction of such State or County has been rendered that would adversely affect the exemption from all taxation (except for transfer and estate taxes) in the State or of any similar body and all properties owned by it or by such similar body.

24. The undersigned does hereby certify to the best of its knowledge that: (i) each of the representations and warranties of the Issuer set forth in the Bond Purchase Agreement is true, correct and complete on the Closing Date as if made on and as of the Closing Date; (ii) each of the agreements of the Issuer to be complied with and each of the obligations of the Issuer to be performed under the Bond Purchase Agreement, and under the Resolutions and the Issuer Documents, on or prior to the Closing Date has been complied with and performed; and (iii) no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein, in the light of the circumstances under which such statements and information were made or provided, not misleading.

THE UNDERSIGNED FURTHER DETERMINES, PURSUANT TO THE RESOLUTION ADOPTED BY THE ISSUER ON MARCH 21, 2011 THAT:

1. The aggregate principal amount of the Bonds shall be \$44,285,000.

THE UNDERSIGNED FURTHER CERTIFIES AS FOLLOWS:

1. On or before the date hereof the undersigned officially signed the Issuer's Bonds, being at the date of such signing and on this date, the duly chosen, qualified and acting officer authorized to execute the Bonds.

2. The Bonds have been duly executed in the name and on behalf of the Issuer by the manual signature of an Assistant Treasurer of the Issuer.

3. Each of the representations of the Issuer set forth in the Issuer Documents is true and accurate in all material respects at and as of the date hereof and each of the obligations of the Issuer thereunder to be performed at or prior to the Closing Date has been performed.

4. No controversy, proceeding or litigation of any nature is now pending or threatened (either in State or Federal Courts) against or affecting the Issuer or restraining or enjoining the issuance, sale, execution or delivery of the Bonds or the payment, collection or application of the proceeds derived from the sale of the Bonds, or loan payments or other monies and securities pledged or to be pledged under the Issuer Documents, or questioning or affecting directly or indirectly the validity of or the authority for, the issuance of the Bonds or of any provisions made or authorized for their payment or the making and entering into of any of the Issuer Documents, or any proceedings taken by the Issuer with respect to the foregoing or the organization, creation, corporate existence or powers of the Issuer or the title of any of the present officers of the Issuer to their respective offices, and that none of the proceedings or authority for the issuance, sale, execution or delivery of the Bonds has been repealed, revoked or rescinded.

5. The seal which has been impressed upon the Bonds and upon this Certificate is the legally adopted, proper and only official corporate seal of the Issuer.

6. A copy of the resolution adopted by the Issuer on March 21, 2011 attached hereto is a true, correct and complete copy of the resolution as adopted and said resolution has not been modified, amended or rescinded as of the date of this Certificate.

7. The Issuer Documents and any and all other agreements and documents executed and delivered by the Issuer in order to carry out, give effect to and consummate the transactions contemplated thereby have each been duly authorized, executed and delivered by the Issuer, and, as of the date of this Certificate each is in full force and effect and each constitutes the legal, valid, binding and enforceable obligation of the Issuer, and the Issuer is entitled to the benefits of the same, and all right, title and interest inuring to the Issuer under the Loan Agreement, including the payments thereunder, have been duly pledged and assigned to the Trustee (except for Unassigned Rights).

[Signature Page to Issuer Certificate]

IN WITNESS WHEREOF, the undersigned has hereunto set his official signature and the corporate seal of the Issuer this 16th day of June, 2011.

**BUFFALO AND ERIE COUNTY
INDUSTRIAL LAND DEVELOPMENT
CORPORATION**

By: _____

Name: David Kerchhoff

Title: Assistant Treasurer

EXHIBIT "A"

STATE OF NEW YORK

LEGISLATURE OF ERIE COUNTY
CLERK'S OFFICE

BUFFALO, N.Y., JULY 24, 2009

TO WHOM IT MAY CONCERN:

I HEREBY CERTIFY, *That at the 15th Session of the Legislature of Erie County, held in the Legislative Chambers, in the City of Buffalo, on the Twenty Fourth day of July, 2009 A.D., a Resolution was adopted, of which the following is a true copy:*

WHEREAS, it is the policy of the State to promote the economic welfare and prosperity of its inhabitants and to actively promote, attract, encourage, and develop economically sound commerce and industry; and

WHEREAS, it is in the interest of the County that the ILDC should support responsible businesses that will deliver on their promises to provide good jobs and services to the residents of Erie County and enhance local workforce development, and since the ILDC will provide not-for-profits significant local tax breaks, and local communities should get the promised benefits in exchange for sacrificing this much needed revenue; and

WHEREAS, Erie County is tasked with the responsibility and burden to promote the health, safety, and general welfare of its residents by, among other things, preventing unemployment and economic deterioration including by increasing and maintaining employment opportunities and attracting and sustaining economically sound commerce; and

WHEREAS, the number of facilities located within the County that are operated by not-for-profit corporations has increased and will continue to increase the employment opportunities for County residents; and

WHEREAS, the ability to provide financing through the issuance of tax exempt and taxable bonds to projects of not-for-profit corporations is essential to the continued development, construction, improvement, and operation of these facilities; and

WHEREAS, in furtherance of its public purposes, the County has traditionally supported the provision of tax-exempt financing by the Erie County Industrial Development Agency (ECIDA) and of certain other financial incentives to not-for-profit corporations to promote the creation and preservation of employment opportunities for Erie County residents and to develop economically sound commerce consistent with the County's burdens and responsibilities as expressed above; and

WHEREAS, the Buffalo and Erie County Industrial Land Development Corporation (ILDC), a local development corporation formed on January 13, 1982, under Sections 402 and 1411 of the Not-For-Profit Corporation Law, was established and is operated pursuant to its Certificate of Incorporation (a copy of which is on file with the County Clerk); and

WHEREAS, the exclusive public purpose of the ILDC is to relieve and reduce unemployment, promote and provide for additional and maximum employment, improve and maintain job opportunities, and lessen the burdens of government; and

WHEREAS, the ILDC, acting in the public interest, has the powers, among other things, to construct, to acquire, to rehabilitate, and to improve for use by others industrial or manufacturing plants and to assist financially in such construction, acquisition, rehabilitation, and improvement, to acquire real or personal property, and to issue bonds, notes, and other obligations thereof; and

ATTEST

ROBERT M. GRABER
Clerk of the Legislature of Erie County

STATE OF NEW YORK

LEGISLATURE OF ERIE COUNTY
CLERK'S OFFICE

BUFFALO, N.Y., JULY 24, 2009

TO WHOM IT MAY CONCERN:

I HEREBY CERTIFY, That at the 15th Session of the Legislature of Erie County, held in the Legislative Chambers, in the City of Buffalo, on the Twenty Fourth day of July, 2009 A.D., a Resolution was adopted, of which the following is a true copy:

WHEREAS, to accomplish its job creation and other economic development responsibilities and to relieve the burdens related to same and to facilitate the ability of not-for-profit corporations to access capital for projects that enhance, create, and preserve employment opportunities for County residents, the County desires to charge the ILDC with such burdens and responsibilities and to authorize the ILDC to issue bonds on behalf of the County for such purposes only and to work with the ECIDA to achieve such public purposes without in any way infringing on the powers of the Erie County Comptroller and Erie County Legislature to conduct, authorize or sell bonds or notes for County purposes.

NOW, THEREFORE, BE IT

RESOLVED, that Erie County hereby authorizes the ILDC to issue bonds on behalf of the County, subject to the third RESOLVED below for the sole purpose of issuing debt for the benefit of tax-exempt not-for-profit corporations and private entities who otherwise would seek assistance from the Erie County Industrial Development Agency in order to further job creation and economic development; and be it further

RESOLVED, that such powers shall include those powers described in Section 1411 of the New York Not-For-Profit Corporation Law and its Certificate of Incorporation, with the power to issue tax exempt and taxable bonds, notes, or other obligations on behalf of the County in furtherance of its purposes; and be it further

RESOLVED, that any obligations issued by the ILDC shall never be a debt of the State of New York, the County of Erie, or any political subdivision thereof, and neither the State of New York, the County of Erie, nor any political subdivision thereof shall be liable thereon; and be it further

RESOLVED, that the County is hereby authorized to covenant and agree with the ILDC in a transaction contemplated by this resolution for the benefit of the ILDC and the holders from time to time of any bonds, notes, or other obligations or other securities (hereinafter collectively, the "Securities") issued by the ILDC; and be it further

RESOLVED, that whenever a recipient of financial assistance from the ILDC enters into any contract, subcontract, lease, grant, bond, covenant or other agreement for or in connection with any construction, demolition, reconstruction, excavation, rehabilitation, repair, renovation, alteration, or improvement work on a project, such project shall be deemed to be a public work for the purposes of Article Eight of the New York State Labor Law and all the provisions of such Article shall apply. An employer shall pay employees no less than the prevailing rate of wage and supplements under Article Eight of the New York State Labor Law; and be it further

RESOLVED, that the County will not limit or alter the rights of the ILDC to fulfill the terms of its agreements with the holders of the Securities or in any way impair the rights and remedies of such holders of the security for the Securities until the Securities, together with the interest due thereon or payable in respect thereof and all costs and expenses in connection with any action or proceeding by or on behalf of such holders, are fully met and discharged; and be it further

ATTEST

ROBERT M. GRABER
Clerk of the Legislature of Erie County

STATE OF NEW YORK

LEGISLATURE OF ERIE COUNTY
CLERK'S OFFICE

BUFFALO, N. Y., JULY 24, 2009

TO WHOM IT MAY CONCERN:

I HEREBY CERTIFY, That at the 15th Session of the Legislature of Erie County, held in the Legislative Chambers, in the City of Buffalo, on the Twenty Fourth day of July, 2009 A.D., a Resolution was adopted, of which the following is a true copy:

RESOLVED, that authorized representatives of the County are hereby granted the power to make such a covenant to and agreement with the ILDC and to take any and all actions necessary or desirable to cause such covenant and agreement to be made or enforced; and be it further

RESOLVED, that the ILDC is required to provide to the Erie County Legislature and the Erie County Comptroller a report no later than the sixtieth day after any bond issuance which report shall include (1) a list of any Securities issued or sold during the past thirty (30) days or proposed to be issued during the next thirty (30) days, (2) the transacting parties to such issued or proposed to be issued Securities, and (3) the details of each closed transaction, including, but not limited to, the purchasers of such Securities, the interest rate for each transaction, the term of each transaction, the underwriter, if any, of each transaction, and a copy of any official statement or other offering document issued pursuant to each transaction and the ILDC is required to provide the Erie County Legislature and the Erie County Comptroller copies of any New York State PAAA reports; and be it further

RESOLVED, that the chairperson of the Legislature, chairperson of the Legislature's Economic Development Committee, and the President of the local AFL-CIO shall be appointed as members of the seven-member Board of Directors of the ILDC and in the event those appointments are not made, any County authorization shall expire immediately; and be it further

RESOLVED, that a copy of the By Laws of the ILDC shall be filed with the Erie County Legislature within five (5) days after adoption; be it further

RESOLVED, that these resolutions shall take effect immediately; and be it further

RESOLVED, that upon the enactment of legislation by the New York State Legislature permitting Industrial Development Agencies to issue taxable and tax exempt bonds, notes or other obligations, this Resolution and the powers delegated to the ILDC hereunder shall expire immediately; and be it further

RESOLVED, that certified copies of this resolution shall be forwarded to the Erie County Executive; the County Attorney; the Western New York Legislative Delegation; the Director of Budget and Management; the Commissioner of Environment and Planning; Deputy Commissioner of the Department of Environment and Planning; the Board of Directors of the ILDC; Counsel for the ILDC; and the County Comptroller.

REFERENCE: **COMM. 14E-2 (2009) AS AMENDED**

ATTEST

ROBERT M. GRABER
Clerk of the Legislature of Erie County

STATE OF NEW YORK

LEGISLATURE OF ERIE COUNTY
CLERK'S OFFICE

BUFFALO, N.Y., NOVEMBER 19, 2009

TO WHOM IT MAY CONCERN:

I HEREBY CERTIFY, That at the 22nd Session of the Legislature of Erie County, held in the Legislative Chambers, in the City of Buffalo, on the Nineteenth day of November, 2009 A.D., a Resolution was adopted, of which the following is a true copy:

A RESOLUTION TO BE SUBMITTED BY LEGISLATORS MARINELLI & KENNEDY

WHEREAS, pursuant to resolutions adopted on July 24, 2009, the Erie County Legislature authorized the Buffalo and Erie County Industrial Land Development Corporation ("ILDC") to issue revenue bonds and provide financial assistance on behalf of Erie County (the "County") in conjunction with certain economic development activities; and

WHEREAS, the ILDC filed its Certificate of Incorporation with the New York State Department of State on December 14, 1981 and a Certificate of Amendment to the Certificate of Incorporation of the Buffalo and Erie County Industrial Land Development Corporation with the New York State Department of State on September 11, 1996 (collectively, the "Certificate of Incorporation"), a copy of which such Certificate of Incorporation is on file with the Erie County Clerk; and

WHEREAS, on November 9, 2009, the members of the ILDC amended the by-laws of the ILDC to restructure the ILDC so as to comply with the County resolutions and facilitate such economic development activities; and

WHEREAS, the Certificate of Incorporation and the amended by-laws of the ILDC are attached hereto; and

WHEREAS, in order to facilitate the issuance of bonds by the ILDC, bond counsel to the ILDC has requested that the County Legislature ratify and confirm the reconstituted ILDC by approving the Certificate of Incorporation and By-Laws.

NOW, THEREFORE, BE IT

RESOLVED, that the County Legislature hereby approves the attached Certificate of Incorporation and By-laws of the ILDC and the restructuring of the ILDC and its operations as reflected in the attached form of amended by-laws; and be it further

RESOLVED, that any obligations issued by the ILDC shall never be a debt of the State of New York, the County of Erie, or any political subdivision thereof, and neither the State of New York, the County of Erie, nor any political subdivision thereof shall be liable thereon; and be it further

RESOLVED, that the ILDC shall, in all respects, comply with all terms and conditions contained within of Erie County Legislature Resolution No. 218 dated July 25, 2009 as if the Resolution had been specifically adopted by the ILDC; and be it further

RESOLVED, that failure to comply with a material term or condition of the above noted resolution will render the prior authorization to issue tax exempt bonds null and void for all projects for which bonds have not been issued; and be it further

RESOLVED, that these resolutions shall take effect immediately.

ATTEST

ROBERT M. GRABER
Clerk of the Legislature of Erie County

STATE OF NEW YORK

LEGISLATURE OF ERIE COUNTY
CLERK'S OFFICE

BUFFALO, N.Y., NOVEMBER 19, 2009

TO WHOM IT MAY CONCERN:

I HEREBY CERTIFY, *That at the 22nd Session of the Legislature of Erie County, held in the Legislative Chambers, in the City of Buffalo, on the Nineteenth day of November, 2009 A.D., a Resolution was adopted, of which the following is a true copy:*

REFERENCE: INTRO 22-4 (2009) AS AMENDED

ATTEST

ROBERT M. GRABER
Clerk of the Legislature of Erie County

STATE OF NEW YORK

LEGISLATURE OF ERIE COUNTY
CLERK'S OFFICE

BUFFALO, N.Y., March 25, 2010

TO WHOM IT MAY CONCERN:

I HEREBY CERTIFY, *That at the 6th Session of the Legislature of Erie County, held in the Legislative Chambers, in the City of Buffalo, on the Twenty-Fifth day of March, 2010 A.D., a Resolution was adopted, of which the following is a true copy:*

members of the seven-member Board of Directors of the ILDC for the ILDC to issue any obligations on behalf of the County; and be it further

RESOLVED, that to the extent that the County issues RZEDBs, such obligations will be issued following the procedures and policies in place that currently govern the issuance of the County's general obligation bonds and nothing in this resolution shall act to amend such policies and procedures for any debt issued by the County; and be it further

RESOLVED, that in the event the Committee recommends an allocation of RZEDBs in which such RZEDBs will be issued by a municipality other than the County, said recommendation shall be confirmed by the Erie County Legislature; and be it further

RESOLVED, that certified copies of this resolution be sent to the County Executive; the Director of Budget and Management; Kathy Konst, Commissioner of Environment and Planning; Daniel D. Barry, Deputy Commissioner of Environment and Planning; the Legislative Chairperson of the Economic Development Committee; the Chairperson of the Buffalo Economic Renaissance Corporation; and Chairperson of the Town of Amherst Industrial Development Agency; the County Comptroller; and the County Attorney.

REFERENCE: **INTRO 5-3 (2010) AS AMENDED**

ATTEST


ROBERT M. GRABER

Clerk of the Legislature of Erie County

STATE OF NEW YORK

LEGISLATURE OF ERIE COUNTY

CLERK'S OFFICE

BUFFALO, N. Y., March 25, 2010

TO WHOM IT MAY CONCERN:

I HEREBY CERTIFY, *That at the 6th Session of the Legislature of Erie County, held in the Legislative Chambers, in the City of Buffalo, on the Twenty-Fifth day of March, 2010 A.D., a Resolution was adopted, of which the following is a true copy:*

WHEREAS, as part of the collective and collaborative effort, the County, the City, and the Town will establish a committee ("Committee") to assist with the issuance of the ARRA Bonds; and

WHEREAS, the Committee will consist of the Erie County Legislature's Chairperson of the Economic Development Committee, the Erie County Commissioner of the Department of Environment and Planning, a representative from the City of Buffalo appointed by the Mayor of Buffalo, and the Town Board's Amherst Industrial Development Agency's liaison or the Chair of the Amherst Industrial Development Agency; and

WHEREAS, the County desires to task the Committee to make recommendations to the County Executive for the use of the County's allocation of ARRA Bonds; and

WHEREAS, each of the County, the City, and the Town specifically lacks the authority under the Laws of New York State to issue RZFBs for the benefit of private entities; and

WHEREAS, Empire State Development ("ESD") is the duly authorized New York State government entity responsible for providing guidance related to ARRA Bonds and RZFBs in particular; and

WHEREAS, ESD has specifically requested the County, in the event the County does not intend to use its RZFB allocation, to immediately waive said allocation in full or in part, and assign such amounts to ESD for reallocation to other essential projects throughout New York State; and

WHEREAS, the County does intend to utilize its RZFB allocation within the County and does not desire to waive said allocation for reallocation through ESD for use in other areas of New York State; and

WHEREAS, to ensure that the County's RZFB allocation is utilized in the County and not otherwise reallocated by or to ESD for use outside of Erie County, the County may designate the Erie County Industrial Development Agency (the "ECIDA") and the Buffalo and Erie County Industrial Land Development Corporation (the "ILDC") to act on behalf of the County as the exclusive issuer of RZFBs for purposes of utilizing the financial benefit offered by these bonds; and

WHEREAS, in furtherance of its public purposes, the County has supported the provision of taxable and tax-exempt financing by the ECIDA and the ILDC, and of certain other financial incentives to for-profit entities and not-for-profit corporations to promote the creation and preservation of employment opportunities for residents of the County and development of economically sound commerce consistent with the County's burdens and responsibilities.

NOW, THEREFORE, BE IT

RESOLVED, that the County determines that all areas of Erie County have significant unemployment, rate of home foreclosures, or general distress, and, therefore, the County hereby designates that all of Erie County is a Recovery Zone pursuant to the criteria set forth by the ARRA and projects to be designated as eligible for ARRA Bonds allocation shall also be compliant with the Erie Niagara Framework for Regional Growth; and be it further

ATTEST



ROBERT M. GRABER

Clerk of the Legislature of Erie County

STATE OF NEW YORK

LEGISLATURE OF ERIE COUNTY
CLERK'S OFFICE

BUFFALO, N.Y., March 25, 2010

TO WHOM IT MAY CONCERN:

I HEREBY CERTIFY, *That at the 6th Session of the Legislature of Erie County, held in the Legislative Chambers, in the City of Buffalo, on the Twenty-Fifth day of March, 2010 A.D., a Resolution was adopted, of which the following is a true copy:*

RESOLVED, that the Erie County Legislature's Chairperson of the Economic Development Committee and the Commissioner of the Department of Environment and Planning are hereby appointed as the County's representatives on the Committee, said Committee to make recommendations to the County Executive for the use of the County allocation of RZFBs and RZEDBs; and be it further

RESOLVED, that the County hereby designates the ECIDA and the ILDC as the exclusive issuers of the County for the purposes of issuing RZFBs and each an eligible issuer of RZEDBs, and to exercise on the County's behalf all lawful powers as may be deemed necessary to accomplish the issuance of the ARRA Bonds; provided, however, that any obligations issued by the ECIDA or the ILDC shall never be a debt of the State of New York, the County or any political subdivision thereof (other than the ECIDA or the ILDC, as the case may be) and neither the State of New York, the County, or any political subdivision thereof (other than the ECIDA or the ILDC, as the case may be) shall be liable; and be it further

RESOLVED, that the County Executive or the County Executive's designated representative is hereby authorized and directed on behalf of the County to do all things required of the County or provided for by the provision of the ARRA with respect to the County in connection with the issuance of RZFBs, including, but not limited to, all approvals in connection with the use and or beneficiary of the County RZFB allocation, and to execute and deliver all such additional certificates, instruments and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the County Executive or the County Executive's designated representative, desirable and proper to effect the purposes of the foregoing resolution and to cause compliance by the County with all of the terms, covenants and provisions of the ARRA with respect to the County in connection with the issuance of RZFBs; and be it further

RESOLVED, that in an effort to spur economic activity within the County, (i) the ILDC Board, solely in connection with the issuance of bonds created or modified pursuant to ARRA including qualified 501(c)(3) bonds and RZFBs, is hereby authorized, by majority vote, to waive the requirements imposed upon the ILDC by that certain resolution adopted by the County Legislature on July 24, 2009 (more particularly described as Resolution No. 218 of 2009), as amended by that certain resolution adopted by the County Legislature on November 19, 2009 (more particularly described as Resolution No. 295 of 2009), upon ten (10) days written notice to the chairperson of the Legislature explaining how such waiver will either generate economic or community development activities, or assist with the development of the not-for-profit community within the County; (ii) such authorization shall apply to all such projects which have received an Inducement Resolution by the ILDC Board on or before December 31, 2010 notwithstanding the enactment of legislation by the New York State Legislature permitting Industrial Development Agencies to issue taxable and tax exempt bonds, notes or other obligations on behalf of not-for-profit corporations prior to such date; (iii) the ability for the ILDC Board to authorize the waiver of those certain requirements as specified in the aforementioned County resolutions shall expire on December 31, 2010; (iv) the requirements of Resolutions No. 218 of 2009 and No. 295 of 2009 shall, in all other respects, remain in full force and effect; (v) the obligations issued by the ILDC shall never be a debt of the State of New York, the County of Erie or any political subdivision thereof, and neither the State of New York, the County of Erie or any political subdivision thereof shall be liable thereon; and (vi) the chairperson of the Legislature, chairperson of the Legislature's Economic Development Committee, and the President of the local AFL-CIO must remain as

ATTEST



ROBERT M. GRABER

Clerk of the Legislature of Erie County

STATE OF NEW YORK

LEGISLATURE OF ERIE COUNTY
CLERK'S OFFICE

BUFFALO, N.Y., March 25, 2010

TO WHOM IT MAY CONCERN:

I HEREBY CERTIFY, *That at the 6th Session of the Legislature of Erie County, held in the Legislative Chambers, in the City of Buffalo, on the Twenty-Fifth day of March, 2010 A.D., a Resolution was adopted, of which the following is a true copy:*

A RESOLUTION TO BE SUBMITTED BY LEGISLATOR KENNEDY

WHEREAS, the enactment by the United States Congress of the American Recovery and Reinvestment Act (ARRA) of 2009 created a new type of exempt facility bond entitled Recovery Zone Facility Bonds (RZFBs) which must be issued prior to January 1, 2011; and

WHEREAS, the ARRA also created a new type of interest rate subsidized taxable direct payment bond entitled Recovery Zone Economic Development Bonds, which also must be issued prior to January 1, 2011 ("RZEDBs"; and, together with the RZFBs, "ARRA Bonds") in which the federal government requires the payment of Davis-Bacon prevailing wages in connection with the construction and equipping of any project financed with RZEDBs and provides a subsidy of forty-five percent (45%) of the interest payable on such RZEDBs; and

WHEREAS, the RZFBs are designed to assist counties and large municipalities with local job creation and economic development activities by providing access to tax-exempt financing for certain kinds of businesses (e.g., redevelopment projects, large manufacturing plants, distribution centers, hotels, research parks, etc.); and

WHEREAS, the RZEDBs are designed to be used to finance "qualified economic development purposes" (as defined in ARRA) and may only be issued for projects or purposes for which tax-exempt governmental bonds could be issued under current law; and

WHEREAS, ARRA Bonds can be issued for expenses incurred only within a designated Recovery Zone as defined by the ARRA; and

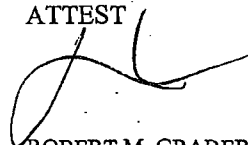
WHEREAS, the County of Erie (the "County") meets the necessary criteria required by the ARRA to be so designated; and

WHEREAS, the County desires to designate all of Erie County as a Recovery Zone to maximize potential qualifying projects; and

WHEREAS, pursuant to the ARRA, the County received authority to cause to be issued, up to \$17,102,000 of RZFBs and \$11,401,000 of RZEDBs; the City of Buffalo (the "City") received authority to cause to be issued, up to \$7,151,000 of RZFBs and \$4,767,000 of RZEDBs; and the Town of Amherst (the "Town") received authority to cause to be issued up to \$3,699,000 of RZFBs and \$2,466,000 of RZEDBs; and

WHEREAS, as a means of maximizing the benefits of their respective allocations of ARRA Bonds, the County, the City, and the Town are contemplating, in the spirit of regionalism, to cooperate and collectively approve the use of the allocation of ARRA Bonds to further economic development activities with and within the County; and

ATTEST



ROBERT M. GRABER

Clerk of the Legislature of Erie County

EXHIBIT "B"

STATE OF NEW YORK
DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on December 29, 2009.

A handwritten signature in black ink, appearing to read "Daniel E. Shapiro".

Daniel E. Shapiro
First Deputy Secretary of State

THE UNIVERSITY OF THE STATE OF NEW YORK
THE STATE EDUCATION DEPARTMENT
ALBANY, NEW YORK 12234

OFFICE OF THE COUNSEL

November 9, 1981

4882031

TO: Department of State
Division of Corporations

FROM: Office of Counsel and
Deputy Commissioner for Legal Affairs

By: Mary L. Gammon
Legal Assistant

Mary L. Gammon

SUBJECT: BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION

REFERENCE: Proposed Certificate of Incorporation

The attached document was submitted to this Office for review to determine whether the provisions of section 114 of the Education Law require the consent of the Commissioner of Education to its filing with the Department of State. Whether the provisions of section 114 have any effect on the filing.

The Office of Counsel for the Office of the Deputy Commissioner for Legal Affairs has reviewed the attached document and has no objection to its filing.

This review of counsel is being prepared with the understanding and upon the conditions set forth on the reverse side of this memorandum.

Att.

This waiver of consent to filing is granted with the understanding that nothing contained in the annexed document shall be construed as authorizing the corporation to engage in the practice of law, except as provided by subdivision 7 of section 495 of the Judiciary Law, or of any of the professions designated in Title VIII of the Education Law, or to use any title restricted by such law, or to conduct a school for any such profession, or to hold itself out to the public as offering professional services.

This waiver of consent to filing is granted with the further understanding that nothing contained in the annexed document shall be construed as authorizing the corporation to operate a nursery school, kindergarten, elementary school, secondary school, institution of higher education, cable television facility, educational television station pursuant to section 236 of the Education Law, library, museum, or historical society, or to maintain an historic site.

This waiver of consent to filing shall not be deemed to be or to take the place of registration for the operation of a private business school in accordance with the provisions of section 5002 of the Education Law, nor shall it be deemed to be, or to take the place of, a license granted by the Board of Regents pursuant to the provisions of section 5001 of the Education Law, a license granted by the Commissioner of Motor Vehicles pursuant to the provisions of section 394 of the Vehicle and Traffic Law, a license as an employment agency granted pursuant to section 172 of the General Business Law, or any other license, certificate, registration, or approval required by law.

CERTIFICATE OF INCORPORATION

OF

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION

Under Section 402 of the Not-For-Profit Corporation Law

The undersigned, for the purpose of forming a local development corporation under Sections 402 and 1411 of the Not-For-Profit Corporation Law, hereby certifies:

FIRST: The name of the corporation is:

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION

SECOND: The Corporation is a corporation as defined in Subparagraph (a)(5) of Section 102 (Definitions) of the Not-For-Profit Corporation Law, is a Type C corporation, and is a local development corporation under Section 1411 of said Law.

THIRD: (a) The Corporation is incorporated and shall be operated for the exclusive 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, carrying on scientific research for the purpose of aiding a community or geographical area by attracting new industry to the community or area or 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.

3

(b) In furtherance of its purposes ~~set forth in~~ Paragraph (a), but not for any other purpose, the Corporation shall have, in addition to all other powers (including all powers in furtherance of its corporate purposes mentioned in Section 202 of the Not-For-Profit-Corporation Law), the following powers: to construct, acquire, rehabilitate and improve for use by others, industrial or manufacturing plants in the territory in which its operations are principally to be conducted, to assist financially in such construction, acquisition, rehabilitation and improvement, to maintain such plants for others in such territory, to disseminate information and furnish advice, technical assistance and liaison with federal, state and local authorities with respect thereto, to acquire by purchase, lease, gift, bequest, devise or otherwise real or personal property or interests therein, to borrow money and to issue negotiable bonds, notes and other obligations therefor, and, notwithstanding Section 510 of the Not-For-Profit Corporation Law (Disposition of all or substantially all assets), without leave of the Court, to sell, lease, mortgage or otherwise dispose of or encumber any such plants or any of its real or personal property or any interest therein upon such terms as it may determine, and, in connection with loans from the New York Job Development Authority, to enter into covenants and agreements and to comply with all the terms, conditions and provisions thereof and otherwise to carry out its corporate purposes and to foster and encourage the location or expansion of industrial or manufacturing plants in the territory in which the operations of such corporation are principally to be conducted,

provided, however, that the corporation shall not attempt to influence legislation, by propaganda or otherwise, or participate or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office.

(c) The lawful or quasi-public objectives which each power and business purpose of the Corporation will achieve are as set forth in Paragraph (a) of this Article.

FOURTH: (a) The purposes of the corporation do not extend to or include any of the purposes mentioned in Paragraphs (b) through (t) of Section 404 of the Not-for-Profit Corporation Law.

(b) The Corporation shall not engage in the solicitation of contributions or any other activity that would require registration under Article 7-A of the Executive Law.

(c) No substantial part of the activities of the Corporation shall be the carrying on of propaganda or otherwise attempting to influence legislation; and the Corporation shall not participate in, nor intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.

(d) All income and earnings of the Corporation shall be used exclusively for its corporate purposes or accrue and be paid to the New York Job Development Authority.

(e) No part of the income or earnings of the Corporation shall inure to the benefit or profit of, nor shall any

distribution of its property or assets be made to any member or private person, corporate or individual, or any other private interest, except that the repayment of loans is hereby authorized, and the repayment of contributions (other than dues) to the corporation is hereby authorized, but only if and to the extent that any such contribution may not be allowable as a deduction in computing taxable income under the Internal Revenue Code of 1954.

(f) If the Corporation accepts a mortgage loan or loans from the New York Job Development Authority, the Corporation shall be dissolved in accordance with the provisions of Section 1411 of the Not-For-Profit Corporation Law upon the repayment or other discharge in full by the Corporation of all such loans.

(g) Notwithstanding any other provision of this Certificate, the Corporation shall not carry on any other activities not permitted to be carried on (1) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or, (2) by a corporation contributions of which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

FIFTH: In the event of dissolution, all of the remaining assets and property of the Corporation shall, after necessary expenses thereof, be distributed to such organizations as shall qualify under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, or,

to another organization to be used in such manner as in the judgment of a Justice of the Supreme Court of the State of New York will best accomplish the general purposes for which this Corporation was formed.

SIXTH: The office of the Corporation shall be located in the City of Buffalo, County of Erie, State of New York.

SEVENTH: The territory in which the activities of the Corporation are principally to be conducted is the County of Erie.

EIGHTH: The names and addresses of the initial directors of the Corporation are:

<u>NAME</u>	<u>ADDRESS</u>
David Edelman	Suite 500 Crosby Building 170 Franklin Street Buffalo, New York 14202

Dean J. Sallak	Suite 500 Crosby Building 170 Franklin Street Buffalo, New York 14202
----------------	--

Charles F. Korman	Suite 500 Crosby Building 170 Franklin Street Buffalo, New York 14202
-------------------	--

Edward Galley	Suite 500 Crosby Building 170 Franklin Street Buffalo, New York 14202
---------------	--

Anthony D. [unclear]	Suite 500 Crosby Building 170 Franklin Street Buffalo, New York 14202
----------------------	--

NINTH: The Secretary of the State of New York has designated as the agent of the Corporation upon whom process shall

may be served. The post office address within the State of New York to which the Secretary of State shall mail a copy of any process against the Corporation served upon him as agent for the Corporation is:

Suite 500, Grosby Building
170 Franklin Street
Care of the Erie County Industrial
Development Agency
Buffalo, New York 14202

TENTH: The subscriber is of the age of eighteen (18) years or over.

ELEVENTH: Prior to delivery to the Department of State for filing, all approvals or consents required by law will be endorsed upon or annexed to this Certificate.

TWELFTH: The Corporation is authorized by resolution of its Board of Directors to accept subscriptions from members of the Corporation on terms not inconsistent with the laws of the Corporation, and to issue certificates therefor.

EDWwD

STATE OF NEW YORK)

COUNTY OF ERIE)

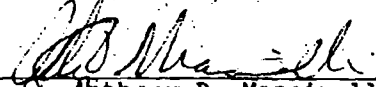
On the 14th day of December, 1981, before me personally came WILLIAM J. DONOHUE, to me known and known to me to be the same person described in and who executed the foregoing Certificate of Incorporation, and he duly acknowledged to me that he executed the same.

James P. Donohue
Notary Public


Notary Public, State of New York
Qualified in Erie County
My Commission Expires March 31, 1983

STATE OF NEW YORK)
)
COUNTY OF ERIE)

ANTHONY D. MANCINELLI, being duly sworn, deposes and says that he is the attorney for the subscribers of the annexed Certificate of Incorporation of BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, and that no previous application for the approval of said Certificate by any Justice of the Supreme Court, has ever been made.


Anthony D. Mancinelli

Subscribed and sworn to before me
this 26 day of December, 1981.

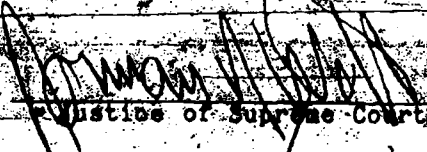

Notary Public

GARY R. MAAS
Notary Public, State of New York
Qualified in Erie County
My Commission Expires March 30, 1982

APPROVAL OF JUSTICE OF SUPREME COURT

I, NORMAN J. WOLF, J.S.C., a Justice of the Supreme Court of the Eighth Judicial District, do hereby approve the foregoing Certificate of Incorporation of BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, and consent that the same be filed.

Dated: December 31, 1981


Justice of Supreme Court



STATE OF NEW YORK

DEPARTMENT OF LAW

ALBANY, N.Y. 12224

Telephone: 474-7206

ROBERT ABRAMS
ATTORNEY GENERAL

JAMES G. MCSPARRON
ASSISTANT ATTORNEY GENERAL
IN CHARGE
LITIGATION BUREAU

August 17, 1981

Anthony D. Mancinelli, Esq.
Magavern, Magavern, Lowe, Bellewech,
Dopkins & Fadale
20 Cathedral Park
Buffalo, New York 14202

Dear Mr. Mancinelli:

Re: BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT
CORPORATION

Due and timely service of the notice of application
for the approval of the proposed articles of incorporation
of the above entitled corporation is hereby admitted.

Very truly yours,
Richard J. Pella
Assistant Attorney General

Assistant Attorney General

Kenneth J. Braun
Sheriff

Thomas F. Higgins
Under Sheriff



Ten Delaware Avenue
Buffalo, New York 14202
(716) 846-7600

Sheriff of Erie County

Re: Buffalo and Erie County Industrial
Land Development Corporation

Dear Sir:

The records of the Erie County Sheriff's Department disclose no reference identifiable with the following listed persons who executed a certificate of incorporation for the above-referenced corporation, dated December 14th 1981, nor with the persons listed therein as directors until the first annual meeting.

David Edelman	08-20-46
Dean J. Sallak	04-23-45
Charles P. Rosenow	02-02-45
Leonard Baljay	04-16-24
Anthony Mancinelli	12-17-50
William Donohue	07-16-38

This identification is by name only, and is not to be construed as a positive identification. Please be advised that the files of the Sheriff's Department contain arrests only when made by our Department or where a person is or has been in the custody of the Sheriff of Erie County.

Very truly yours,

KENNETH J. BRAUN,
SHERIFF OF ERIE COUNTY

By: CHARLES P. FINK, CHIEF
IDENTIFICATION BUREAU

cc: Loretta Chrosniak, Clerk
Supreme Court, Special Term



12



1832031

13

CERTIFICATE OF INCORPORATION

OF

BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION

7/11/54

Handwritten: 0/18

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED IN 1313

Handwritten signature: [Illegible]

MAGAVERN, MAGAVERN, LOWE,
BEILWECH, DOPKINS & FADALE
29 CATHEDRAL PARK
BUFFALO, NEW YORK 14203

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the Department of State, at the City of Albany, on December 29, 2009.

A handwritten signature in black ink, appearing to read "Daniel E. Shapiro".

Daniel E. Shapiro
First Deputy Secretary of State

CERTIFICATE OF CHANGE

OF

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION

Under Section 803-A of the Not-for-Profit Corporation Law

We, the undersigned, the President and Secretary, respectively, of BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, certify:

1. The name of the corporation is BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION.
2. Its Certificate of Incorporation was filed by the Department of State on January 13, 1982.
3. The Certificate of Incorporation is changed to change the post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon him to: Suite 300 - Liberty Building, 424 Main Street, Buffalo, New York, 14202.

4. The manner in which the change of the Certificate of Incorporation was authorized was by vote of a majority of the entire Board of Directors.

IN WITNESS WHEREOF, the undersigned have executed and signed this Certificate this 17th day of May, 1985.

BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION

By: Richard T. Swist
Richard T. Swist, President

By: Arthur J. Mansfield
Arthur J. Mansfield, Secretary

5230615

8230615

STATE OF NEW YORK)
) SS.
COUNTY OF ERIE)

RICHARD T. SWIST, being duly sworn, deposes and says that he is the President of BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, the corporation named in the within entitled matter; that he has read the foregoing Certificate of Change and knows the contents thereof; and same is true to his own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters he believes same to be true.

Richard T. Swist
Richard T. Swist, President.

Sworn to before me this
17th day of May, 1985.

Stephen J. Ladd
Notary Public,
Qualified in Erie County
My Commission Expires March 30, 1987

STATE OF NEW YORK)
) SS.
COUNTY OF ERIE)

ANTHONY D. MANCINELLI, being duly sworn, deposes and says that he is the Secretary of BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION, the corporation named in the within entitled matter; that he has read the foregoing Certificate of Change and knows the contents thereof; and same is true to his own knowledge, except as to the matters therein stated to be alleged upon information and belief, and as to those matters he believes same to be true.

Anthony D. Mancinelli
Anthony D. Mancinelli, Secretary

Sworn to before me this
17th day of May, 1985.

Stephen J. Ladd
Notary Public

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION

B230615

1/13/82 Type C
Buffalo, Ill. 6
#A832831-13

S/S to Erie Co. Industrial
Devel. Agency
170 Franklin St.
Buffalo, NY 14202

agave...
Cathedral Park
Buffalo, NY 14202

N/A
JH 5/23/85

[Handwritten initials]

STATE OF NEW YORK
DEPARTMENT OF STATE

FILED MAY 28 1985

AMT. OF CHECK \$ 20
FILING FEE \$ _____
TAX \$ _____
COUNTY FEE \$ _____
COPY \$ _____
CERT \$ _____
REFUND \$ _____
SPEC. HANDL. \$ _____

MAY 24 2 PM '85

BY Erie
Type C

9.11.85
6211

STATE OF NEW YORK
DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of
the Department of State, at the City of
Albany, on December 29, 2009.

A handwritten signature in black ink, appearing to read "Daniel E. Shapiro".

Daniel E. Shapiro
First Deputy Secretary of State

**CERTIFICATE OF AMENDMENT
OF THE CERTIFICATE OF INCORPORATION OF
BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT
CORPORATION**

Under Section 803 of the
New York Not-for-Profit Corporation Law

We, the undersigned, being the President and Authorized Secretary of
**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT
CORPORATION** (the "Corporation") do hereby certify the following:

FIRST: The name of the Corporation is **BUFFALO AND ERIE
COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION.**

SECOND: The Certificate of Incorporation of **BUFFALO AND ERIE
COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION** was filed by the
New York Department of State on the 13th day of January, 1962 under the Not-for-Profit
Corporation Law.

THIRD: The Corporation is a corporation as defined in subparagraph
(a)(5) of Section 102 of the Not-for-Profit Corporation Law, is a Type C corporation as
defined in subparagraph (b) of Section 201 of the Not-for-Profit Corporation Law and is
a local development corporation under Section 1411 of the Not-for-Profit Corporation Law,
and shall remain a Type C corporation and a local development corporation upon the filing
of this Certificate of Amendment.

BILLED

FOURTH: The Certificate of Incorporation is amended to include the purposes for which the Corporation is to be formed, organized and operated. A new Paragraph 4(h) is hereby added, as follows:

New Paragraph 4(h):

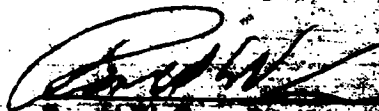
"(h) Should the Corporation be licensed as an insurance broker by the New York State Department of Insurance, (1) the Corporation shall not participate in any transaction involving the sale of insurance to members of the Corporation, (2) the Corporation shall limit its insurance brokerage activities to export-related insurance products, and (c) any commissions received by the Corporation from the sale of such export-related insurance products shall be used to defray the Corporation's operating expenses."

FIFTH: The Secretary of State is designated as agent of the Corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Corporation served upon it is: c/o Hurwitz & Fine, P.C., 1300 Liberty Building, Buffalo, New York 14202.

SIXTH: The manner in which this amendment to the Certificate of Incorporation of Buffalo and Erie County Industrial Land Development Corporation, was authorized was by the consent of a majority of the members of the entire Board of

Director, followed by the affirmative vote of a majority of the Board of Directors
thereof at a meeting of said Board, held on the _____ day of _____, 1936,
the contents.

IN WITNESS WHEREOF, we have hereunto signed our hands and the corporate seal
of said Corporation, at the City of New York, New York, on the _____
day of September, 1936, and affirm that the statements made herein are true under the
penalties of perjury.


Ronald W. Co., President


Christopher J. Farley, Assistant Secretary

STATE OF NEW YORK
Office of the Attorney General

Dennis C. Vacco
Attorney General

William D. Maldovan
Assistant Attorney General

October 2, 1994

Telephone: (716) 847-7175

Christopher J. Hurley, Esq.
Hurwitz & Fine, P.C.
1100 Liberty Building
Buffalo, NY 14202-3670

Re: Buffalo and Erie County Industrial Land Development Corp.
Certificate of Amendment

Dear Mr. Hurley:

Based upon our review of the proposed Certificate of Amendment for the above not-for-profit corporation together with additional information you provided us regarding the registration and recording status of the corporation with our Charities Bureau, please be advised that the Attorney General has no objection to the filing of the Certificate of Amendment with the Secretary of State.

Please forward a copy of the judicially approved Certificate of Amendment and with proof of filing of same with the Secretary of State so that we may close our file in this matter.

Thank you for your continuing cooperation.

Very truly yours,



WILLIAM D. MALDOVAN
Assistant Attorney General

WDM:sam

The undersigned, a Justice of the Peace of the
Eight Judicial District, does hereby certify that the
the Certificate of Incorporation of *[illegible]* and *[illegible]*
Corporation and consents that the same be filed.

Dated: OCI - 9 1906 1906

GRANTED

October 9, 1906
Wm. H. Marshall
COURT CLERK

6

CERTIFICATE OF AMENDMENT OF THE

CERTIFICATE OF INCORPORATION

OF

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT
CORPORATION

Under Section 803 of the New York Not-for-Profit Corporation Law

Filed By: Harwitz & Fine, P.C.
1300 Liberty Building
Buffalo, NY 14207-3670

STATE OF NEW YORK
DEPARTMENT OF STATE

REC OCT 15 1996

RECEIVED

OCT 11 2 33 PM '96

NOV 15 1996

BILLED

FILED

961015000

EXHIBIT "C"

AMENDED AND RESTATED

BYLAWS

OF

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION

Amended and Adopted July 10, 2006
Amended and Adopted September 10, 2007
Amended and Adopted April 20, 2009
Amended and Adopted November 9, 2009
Amended and Restated and Adopted December 8, 2009
Amended and Adopted March 21, 2011

ARTICLE I – OFFICES

The principal offices of the Buffalo and Erie County Industrial Land Development Corporation (the "Corporation") shall be in the City of Buffalo, County of Erie, and State of New York. The Corporation may also have offices at such other places within or without the State of New York as the Board of Directors (the "Board") may from time to time determine or the business of the Corporation may require.

ARTICLE II – PURPOSES AND POWERS

1. The Corporation is incorporated and shall be operated for the exclusive 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, carrying on scientific research for the purpose of aiding a community or geographical area by attracting new industry in the community or area, and lessening the burdens of government and acting in the public interest.

2. In furtherance of its purposes set forth in paragraph (1) but not for any other purpose, the Corporation shall have, in addition to all other powers (including all powers in furtherance of its corporate purposes mentioned in Section 202 of the Not-for-Profit Corporation Law) the following powers: to construct, acquire, rehabilitate and improve for use by others, industrial or manufacturing plants in the territory in which its operations are principally to be conducted; to assist financially in such construction, acquisition, rehabilitation and improvement; to maintain such plants for others in such territory; to disseminate information and furnish advice, technical assistance and liaison with federal, state and local authorities with respect thereto; to acquire by purchase, lease, gift, bequest, devise or otherwise, real or personal property or interests therein; to borrow money and to issue negotiable bonds, notes and other obligations therefor; to issue negotiable revenue bonds, notes and other obligations on behalf of Erie County for the benefit of not-for-profit corporations and private entities to finance projects thereof in furtherance of the purposes of the Corporation and solely for the purposes set forth in the July 24, 2009, Erie County Legislature Resolution No. 218, as may amended by the Erie County Legislature from time to time, and notwithstanding Section 510 of the Not-For-Profit

Corporation Law (Disposition of all or substantially all assets), without leave of the Court, to sell, lease, mortgage or otherwise dispose of or encumber any such plants or any of its real or personal property or any interest therein upon such terms as it may determine; and, in connection with loans from the New York Job Development Authority, to enter into covenants and agreements and to comply with all the terms, conditions and provisions thereof and otherwise to carry out its corporate purposes; and to foster and encourage the location or expansion of industrial or manufacturing plants in the territory in which the operations of the Corporation are principally to be conducted; provided, however, that the Corporation shall not attempt to influence legislation, by propaganda or otherwise, or participate or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office; and provided, further, that any revenue bonds, notes or obligations of the Corporation issued on behalf of Erie County shall (a) never be the debt of the State of New York, Erie County or any political subdivision and neither the State of New York, Erie County nor any political subdivision thereof shall be liable thereon and (b) shall be payable solely out of revenues and receipts derived from the leasing or sale by the Corporation of the applicable project.

ARTICLE III – MEMBERSHIP

1. MEMBERSHIP. The sole member of the Corporation (the “Member”) shall be the County of Erie acting by and through the Erie County Executive, ex officio.

2. RIGHTS AND POWERS OF MEMBER. The Member shall have and exercise all the rights and powers of corporate membership created by the laws of the State of New York, the Certificate of Incorporation or the By-laws of the Corporation.

3. ANNUAL MEETING OF THE CORPORATION. The Member shall hold an annual meeting of the Corporation, once during the first fiscal year of the Corporation’s existence and thereafter within six months after the end of each fiscal year, in all cases at a convenient time and place designated by the Member. At the annual meeting, the Member shall receive the annual report if and to the extent required under Section 4 of these By-Laws and transact such other business as may properly come before the meeting, including the appointment of Directors when appropriate.

4. SPECIAL MEETING. Special meetings of the membership of the Corporation may be called by the Chief Executive Officer (CEO) or the Chief Operating Officer (COO) in the absence of the CEO and shall be called by the CEO or the COO, in the absence of the CEO, upon written request of the Member or the board of directors. The CEO or Secretary shall cause notice of such meeting to be given personally to the Member or mailed to the Member at his/her addresses as it appears in the membership roll book or sent via electronic mail not less than ten (10) days nor more than fifty (50) days before the scheduled date of such meeting. Such notice shall state the date, time, place and purpose of the meeting and by whom called. No other business but that specified in the notice may be transacted at such special meeting without the unanimous consent of all present at such meeting.

5. WAIVER OF NOTICE. Notice of meetings, annual, regular or special, need not be given to any member who submits a signed waiver of notice in person, whether before or after the meeting. The attendance of any member at a meeting, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him or her.

6. NO ACTION BY MEMBER WITHOUT A MEETING. Whenever the Member is required or permitted to take any action by vote, no such action may be taken without a meeting where the Member entitled to vote thereon is present.

7. ANNUAL REPORT TO MEMBER. At the annual meeting of the Corporation, except for the annual meeting during the first fiscal year of the Corporation's existence, the CEO and the Treasurer of the Corporation shall present an annual report showing in appropriate detail the complete audited financial statement of the Corporation for the fiscal year immediately preceding the date of the report showing the assets and liabilities, principal changes in assets and liabilities, revenue, receipts, expenses and disbursements of the Corporation; and a summary of the activities of the Corporation during the preceding year. The annual report shall be filed with the minutes of the annual meeting.

ARTICLE IV – DIRECTORS

1. MANAGEMENT OF THE CORPORATION. The Corporation shall be managed by the Board. Each director shall be at least eighteen (18) years of age.

2. NUMBER, ELECTION AND TERM OF DIRECTORS.

(a) The number of Directors shall be seven. As used in these By-laws, "the entire Board of Directors" means the total number of Directors which the Corporation would have in accordance with the preceding sentence if there were no vacancies on the Board.

(b) One director shall be the chairperson of the Erie County Legislature, ex officio; one director shall be the chairperson of the Erie County Legislature's Economic Development Committee, ex officio; one director shall be the President of the local AFL-CIO, ex officio (collectively, the aforementioned three directors are sometimes hereinafter referred to as the "Designated Directors" or individually as a "Designated Director"); and four directors to be appointed by the Member and who shall serve at the Member's pleasure. The membership of a Designated Director shall terminate upon the inauguration or appointment of his or her successor in such office, which successor in office shall thereupon become the Designated Director.

(c) Directors are eligible to serve an unlimited number of consecutive terms.

3. RESIGNATIONS AND REMOVAL OF DIRECTORS. Any Director of the Corporation may resign at any time by giving written notice to the President or the Secretary. Such resignation shall take effect at the time specified therein or, if no time is specified, then on delivery. Any or all of the directors may be removed for cause or without cause, however, a Designated Director shall only be removed for cause by the Member.

4. QUORUM OF DIRECTORS. The presence at any directors' meeting of a majority of the individuals then serving as directors shall constitute a quorum for the transaction of business or of any specified item of business.

5. ACTION OF THE BOARD. Unless otherwise required by law, the vote of a majority of the directors shall be the act of the Board. Each director present shall have one vote.

6. PLACE AND TIME OF BOARD MEETINGS. The Board may hold its meetings at the office of the Corporation or at such other places, either within or without the State of New York, as it may from time to time determine.

7. REGULAR AND ANNUAL MEETINGS. Monthly meetings of the Board shall be held at such time and place as directed by the Chair. One such monthly meeting per year shall be designated by the Board as its annual meeting.

8. NOTICE OF MEETINGS OF THE BOARD, ADJOURNMENT. Written notice stating the time and place of each regular meeting of the directors shall be given by the Secretary, personally or by mail or by electronic mail, not less than ten (10) days before the date of the meeting, to each director. The Secretary shall cause to be mailed, via U.S. or electronic mail, not less than ten (10) days nor more than fifty (50) days before the annual meeting to every director a notice stating the time and place of the annual meeting. Notice of a meeting need not be given to any director who submits a waiver of notice, whether before or after the meeting, or who attends the meeting without protesting prior thereto or at its commencement, the lack of notice to him or her. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of the adjournment shall be given all directors who were absent at the time of the adjournment and, unless such time and place are announced at the meeting, to the other directors.

9. SPECIAL MEETINGS. Special meetings of the Board of the Corporation may be called by the Chief Executive Officer (CEO) or the COO in the absence of the CEO, or the directors and shall be called by the CEO or the COO, in the absence of the CEO, upon written request of at least four (4) members. The Secretary shall cause a notice of such meeting to be given personally to or mailed to directors or sent via electronic mail not less than two (2) days nor more than fifty (50) days before the scheduled date of such meeting. Such notice shall state the date, time, place and purpose of the meeting and by whom called. No other business but that specified in the notice may be transacted at such special meeting without the unanimous consent of all present at such meeting.

10. NO ACTION WITHOUT A MEETING. Whenever directors are required or permitted to take any action by vote, no such action may be taken without a meeting where the directors entitled to vote thereon are present.

11. ORDER OF BUSINESS. The order of business at all meetings of directors shall be as follows:

- Roll call
- Reading of the minutes of the preceding meeting
- Reports of committees
- Reports of officers
- Old and unfinished business
- New business
- Adjournments

Notwithstanding the foregoing, the Chair shall have the authority to vary the order of business, as the need arises.

12. WAIVER OF NOTICE. Notice of meetings, annual, regular or special, need not be given to any director who submits a signed waiver of notice in person, whether before or after the meeting. The attendance of any director at a meeting, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him or her.

13. VOTING OF SECURITIES HELD BY THE CORPORATION. Stocks or other securities owned by the Corporation may be voted in person or by proxy as the Board of Directors shall specify. In the absence of any direction by the Board of Directors, such stocks or securities shall be voted by the CEO, or the COO in the absence of the CEO, as he or she shall determine.

14. CHAIR. During any period when the individual acting by and on behalf of the Sole Member appoints himself/herself as a director, that individual shall be the Chair. At all other times, the Chair shall be designated by a majority of the Board. The Chair will preside at all meetings of the Corporation. The Chair shall have the authority to sign all agreements, contracts, deeds and any other instruments on behalf of the Corporation. The Chair shall submit his/her recommendation and such information as he/she shall deem pertinent concerning the business, affairs, and policies of the Corporation at each meeting of the Board. In the event of a vacancy on a committee of the Corporation, the Chair will designate a successor to fill the unexpired portion of the term, if the number of committee members is specified by these bylaws. In the event of a vacancy on a committee of the Corporation, the Chair may designate a successor to fill the unexpired portion of the term, if the number of committee members is not specified by these bylaws. In the event of a vacancy in the chair of a committee of the Corporation, the Chair will designate a successor to fill the unexpired portion of the term.

15. COMPENSATION. All Directors shall serve without compensation. All Directors may be reimbursed for reasonable expenses incurred in the performance of corporate duties.

ARTICLE V – COMMITTEES OF THE CORPORATION

1. NOMINATING COMMITTEE. There shall be a nominating committee which shall consist of such individuals selected by the Board to nominate such candidates as they deem appropriate for the Chair, officers of the Corporation, and such directors of the Corporation to serve upon its Committees. Members of the Nominating Committee shall serve a term of one (1) year.

2. STANDING COMMITTEES. The Board, by resolution adopted by a majority of the entire Board, may designate standing committees to include individuals who are not members of the Board. Each committee shall have such authority of the Board as may be delegated and as is set forth in the resolution adopted by the Board. Each committee shall keep minutes of proceedings and report to the Board.

3. LIMITATION OF AUTHORITY OF COMMITTEES. No standing committee shall have authority as to the following matters:

(a) The submission to the Member of any action requiring Member approval under this Article V;

(b) The filling of vacancies in the Board or in any committee;

(c) The amendment or repeal of the By-Laws or the adoption of new By-Laws; and

(d) The amendment or repeal of any resolution of the Board which by its terms shall not be so amendable or repealable.

4. TERM OF OFFICE OF COMMITTEE MEMBERS. Whenever the term of office of any member of a committee shall expire, the Board may designate a successor member. Any member of the committee may be designated or elected to succeed himself or herself.

5. SPECIAL COMMITTEES. The Board at any time and from time to time, by resolution adopted by a majority of the entire Board, may create such special committees as may be deemed desirable, to serve at the pleasure of the Board, and the members of which shall be appointed by the Chair with the consent of the Board. These committees shall have only the lawful powers specifically delegated to them by the Board, except that no such committee shall have powers which are not authorized for any standing committees of the Board under Section (2) hereof and by law.

6. POLICY COMMITTEE.

(a) The Policy Committee shall be comprised of the following:

(i) Such individuals appointed with the consent of the Board at the annual meeting of the Board, who shall serve for terms of one (1) year, and thereafter until their successors are appointed; and

(b) The committee chair for the Policy Committee shall be designated by a majority of the Board.

(c) The Policy Committee shall:

(i) Have the power to call for such reports and documentation as it deems necessary to properly monitor the Corporation's operation;

(ii) Propose to the Board policy guidelines and policy statements appropriate to the Corporation and its mission; and

(iii) Perform such other duties as may be delegated to them by the Board, from time to time.

7. FINANCE & AUDIT COMMITTEE.

(a) The Finance & Audit Committee shall be comprised of the following:

(i) At least three (3) independent individuals whom, to the extent practicable, shall be familiar with corporate financial and accounting practices, appointed with the consent of the Board at the annual meeting of the Board, who shall serve for terms of one (1) year, and thereafter until their successors are appointed;

(b) The committee chair for the Finance & Audit Committee shall be designated by a majority of the Board.

(c) The Finance & Audit Committee shall be responsible:

(i) To provide assistance to the Board in fulfilling its fiduciary responsibilities relating to accounting, reporting and regulatory compliance practices;

(ii) To maintain, by way of regularly scheduled meetings (at least once prior to the commencement and once after the completion of the annual audit process), a direct line of communication between the Board and the Corporation's independent accountants and auditors to provide for exchanges of views and information;

(iii) To maintain, as appropriate, a direct line of communication between the Board and the governmental authorities having audit authority or official oversight of the Corporation;

(iv) To approve the budget of the Corporation for submission to the Board; and

(v) To approve and/or direct the transfers of moneys under the budget.

Particularly, and without limiting the generality of the foregoing, the Financing & Audit Committee shall be responsible for recommending to the Board the level of cash reserves and the level of fund balances. The Finance & Audit Committee shall also recommend to the Board the hiring of a certified independent accounting firm, establish the compensation to be paid to such accounting firm, provide direct oversight of the performance of the independent audit performed by the accounting firm hired for such purposes and receive reports from such accounting firm. The Finance & Audit Committee shall report to the Board on a periodic basis, at least annually, the findings of its independent accountants and auditors. These reports shall include careful consideration of the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses, if any, in the Corporation's internal controls, regulatory compliance, organizational structure and operations. These reports may include the adequacy of the audit effort by the Corporation's independent accountants and auditors, the financial and regulatory compliance reporting decisions of management, the adequacy of disclosure of information essential to a fair presentation of the financial affairs and regulatory compliance efforts of the Corporation, and the organization and quality of the Corporation's system of management and internal accounting control.

(d) Each member of the Finance & Audit Committee must be an "independent

member” within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time.

8. GOVERNANCE COMMITTEE.

(a) The Governance Committee shall be comprised of the following:

(i) At least three (3) independent individuals appointed with the consent of the Board at the annual meeting of the Board, who shall serve for terms of one (1) year, and thereafter until their successors are appointed.

(b) The committee chair for the Governance Committee shall be designated by a majority of the Board.

(c) The Governance Committee shall be responsible to:

(i) Keep the Board informed of current best governance practices;

(ii) Review corporate governance trends;

(iii) Update the Corporation’s corporate governance principles; and

(iv) Advise those responsible for appointing members to the Board of the skills and experience required of potential Board members.

(d) Each member of the Governance Committee must be an “independent member” within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as the same may be amended from time to time.

ARTICLE VI – OFFICERS

1. OFFICERS, APPOINTMENT, TERM.

(a) Appointed Officers

The officers of the Erie County Industrial Development Agency (the “ECIDA”) shall hold the same positions with this Corporation. Their term of office as officers of the Corporation shall be concurrent with their term of office as officers of the ECIDA. The Board will appoint such other officers as it may determine, who shall have such duties, powers and functions as hereinafter provided. Such officers’ term of office shall be concurrent with the term of office of the ECIDA officers. Should the term of a director expire, or should the term of employment with the Corporation of an officer who is not a director expire, his or her term as an officer shall simultaneously expire. Notwithstanding the provisions set forth in this Article, the powers to perform and exercise the duties and functions of any of the officers of the Corporation may be limited from time to time via resolution of the Board.

(b) Removal, Resignation, Salary

Any officer appointed by the Board may be removed by the Board with or without

cause. In the event of the death, resignation or removal of an officer, the Board in its discretion may appoint a successor to fill the unexpired term. Any two (2) or more offices may be held by the same person, except the offices of CEO and Secretary.

2. CHIEF EXECUTIVE OFFICER (CEO). The CEO shall be the chief executive officer of the Corporation; he or she shall not be a member and/or director of the Corporation; he or she shall have the general management of the affairs of the Corporation; shall exercise supervision and control of all administrative functions of the Corporation, including personnel, budgeting, program and policy implementation; and shall see that all orders and resolutions of the Board are carried into effect. The Board will appoint the CEO of the ECIDA as the CEO of the Corporation. The CEO shall have the authority to sign all agreements, contracts, deeds and any other instruments on behalf of the Corporation.

3. CHIEF OPERATING OFFICER (COO). The COO may not be a member and/or director of the Corporation. He/She shall be hired by the Corporation for such term of employment as the Corporation deems proper. He/She shall exercise supervision and control of all administrative functions of the Corporation, including personnel, budgeting, program and policy implementation. He/She shall be responsible to the Corporation for the implementation of all resolutions, orders, programs or projects of the Corporation. The COO shall have the authority to sign all agreements, contracts, deeds and any other instruments on behalf of the Corporation. He/She shall attend all meetings of the Corporation and its committees with the right to take part in discussions and to recommend such measures as he/she may deem necessary or expedient, and he/she shall perform such other duties and shall have such other powers as may be prescribed for him/her by law or by the Corporation. The COO shall have all necessary incidental powers to perform and exercise any of the duties and functions as specified above or lawfully delegated to him/her. In the absence or inability of the CEO to perform his or her duties or exercise his or her powers, the COO shall have all the powers and functions of the CEO.

4. VICE PRESIDENTS. During the absence or disability of the CEO and the COO, the Executive Vice President shall have all the powers and functions of the CEO and COO. The Executive Vice President shall also solicit and guide the preparation of loan, grant or assistance applications in conformance with applicable plans, contracts and regulations, and shall, along with the CEO, have authority to present such applications to the Loan Committee for its review and approval.

5. TREASURER. The Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit said funds in the name of the Corporation in such bank or trust company as the directors may elect; he or she shall, when duly authorized by the Board, sign and execute all contracts in the name of the Corporation, he or she shall also sign all checks, drafts, notes and orders for the payment of money, which shall be duly authorized by the Board and shall be countersigned by the CEO, COO, or a Vice President; he or she shall at all reasonable times exhibit his or her books and accounts to any director or member of the Corporation upon application at the office of the Corporation during ordinary business hours. The Treasurer shall not be a member and/or director of the Corporation. At the end of the corporate year, he or she shall present the results of the independent audit performed by the accounting firm hired for such purposes at the annual meeting of the members, at which time he or she shall also present an annual report setting forth in full the financial conditions of the Corporation. During the absence or disability of the Executive Vice President, the Treasurer shall also solicit and guide the preparation of loan, grant or assistance applications and have

authority to present such applications to the Board for its review and approval.

6. ASSISTANT TREASURER. During the absence or disability of the Treasurer the Assistant Treasurer, or if there are more than one, the one so designated by the Chair, shall have the powers and functions of the Treasurer. The Assistant Treasurer shall not be a member and/or director of the Corporation.

7. SECRETARY. The Secretary shall keep the minutes of the Board and also the minutes of the members. He or she shall have the custody of the seal of the Corporation and shall affix and attest the same to documents when duly authorized by the Board. He or she shall attend to the giving and serving of all notices of the Corporation and shall have charge of such books and papers as may be assigned to him or her and perform all the duties incidental to his or her office. He or she shall keep a membership roll containing the names, alphabetically arranged, of all persons who are members of the Corporation, showing their places of residence and the time when they became members.

8. ASSISTANT SECRETARY. During the absence or disability of the Secretary, the Assistant Secretary, or if there are more than one, the one so designated by the Chair, shall have all the powers and functions of the Secretary.

9. SURETIES AND BONDS. In case the Board shall so require, any officer or agent of the Corporation shall execute to the Corporation a bond in such sum and with such surety or sureties as the Board may direct, conditioned upon the faithful performance of his or her duties to the Corporation and including responsibility for negligence and for the accounting for all property, funds or securities of the Corporation which may come into his or her hands.

ARTICLE VII – SEAL

The seal of the Corporation shall be in the form of a circle and shall bear the name of the Corporation and the year of its organization.

ARTICLE VIII – CONSTRUCTION

If there be any conflict between the provisions of the Certificate of Incorporation and these By-Laws, the provisions of the Certificate of Incorporation shall govern.

ARTICLE IX - ETHICAL STANDARDS

1. In the event that any member or director of the Corporation has a business or other interest in any contract or matter involving the Corporation, in and regard to which such member or director has authority to act on behalf of the Corporation, the member or director shall disclose such interest and abstain from action.

2. Prior to the making or approval by the Corporation of any loan, grant or assistance to, any contract with, and/or employment of any person or private entity, each member, director, officer or employee of the Corporation who has received any communication from or in favor of such private entity shall make written disclosure of such communication to the Board and the fact of such communication shall be noted in the minutes of the next Board meeting.

3. In all other respects, members and directors of the Corporation shall operate in accordance with ethical standards as enumerated in the Not-For-Profit Corporation Law of the State of New York, as the same may be amended from time to time, and any ethics or conflicts of interest policy statement approved by the Board.

4. In addition to any other ethical standards applicable to any member or director of the Corporation pursuant to these By-Laws or other applicable law, a majority of the members and directors of the Corporation, other than those who serve by virtue of holding a civil office of the State of New York, shall, to the extent required by law, be “independent members,” as defined in Section 2825 of the New York Public Authorities Law, as amended from time to time.

ARTICLE X - INDEMNIFICATION OF MEMBERS, DIRECTORS AND OFFICERS

Any person made a party to any action, suit or proceeding by reason of the fact that he or she is or was a member, director, officer or employee of this Corporation, or of any corporation which he or she served as such at the request of this Corporation, shall be indemnified by this Corporation against the reasonable expenses, including attorney's fees, actually and necessarily incurred by him or her in connection with the defense of such action, suit or proceeding or in connection with any appeal therein, except in relation to the matters as to which it shall be adjudged and such action, suit or proceeding that (i) such member, officer, director or employee acted in bad faith, (ii) liability resulted from the active and deliberate dishonesty of such individual, or (iii) such individual gained in fact a financial profit or other advantage to which he or she was not legally entitled. Such right of indemnification shall not be exclusive of any other right to which such director, officer or employee may be entitled apart from the provisions of this Article.

ARTICLE XI – AMENDMENTS

The By-Laws may be adopted, amended or repealed by the affirmative vote of at least a majority of the individuals then serving as directors or by the affirmative vote of the Member of the Corporation.

ARTICLE XII – DISSOLUTION

In the event of the dissolution of the Corporation or the winding up of its affairs, the Board of Directors shall, after paying or making provision for the payment of all debts and liabilities of the Corporation of whatsoever kind or nature, distribute all of the remaining assets and property of the Corporation to Erie County for furtherance of the purposes set forth in paragraph (a) of Section 1411 of the Not For Profit Corporation Law. Any of such assets not so disposed of shall be disposed of by order of the Supreme Court of the State of New York pursuant to Section 1008 of the Not For Profit Corporation Law.

ARTICLE XIII – MISCELLANEOUS


It shall be the policy of the Corporation to adopt By-Laws, rules, regulations, policies, procedures and conduct its operations in accordance with all applicable State, Federal and local laws.

EXHIBIT "D"

**CERTIFICATE OF THE COUNTY EXECUTIVE, ON BEHALF OF ERIE
COUNTY, NEW YORK, ACCEPTING THE APPOINTMENT OF ERIE,
COUNTY, NEW YORK AS THE SOLE MEMBER OF THE BUFFALO AND
ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION**

The undersigned County Executive, acting on behalf of Erie County, New York, the sole member (the "Member") of the Buffalo and Erie County Industrial Land Development Corporation, (the "Corporation"), a local development corporation organized pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, hereby accepts, effective as of November 9, 2009, the appointment of Erie County, New York as the sole member of the Corporation. The undersigned further hereby acknowledges that the Member shall act by and through the County Executive and accepts such rights and duties.

Dated: December 17, 2009



Erie County, New York
Chris Collins
County Executive, Erie County, New York

EXHIBIT "E"

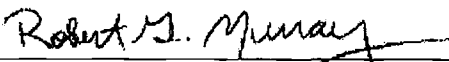


Buffalo and Erie County Industrial Land Development Corporation
Board of Directors Meeting

DATE: **Monday, March 21, 2011**

TIME: **10:15 a.m.**

PLACE: ECIDA
275 Oak Street
Buffalo, New York 14203


Robert G. Murray, Assistant Secretary

Please confirm your attendance plans with Carrie A. Hocienec, ECIDA (856-6525 ext. 136) as soon as possible. Thank you.

cc: Shawn M. Griffin, Esq.
Pietra G. Lettieri, Esq.
Robert Murray, Esq.
Debra Mantelli
Kathy Drumm

EXHIBIT “F”

**THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION (ILDC)
FINANCE & AUDIT COMMITTEE**

RESOLUTION

A Meeting of the Buffalo and Erie County Industrial Land Development Corporation's Finance & Audit Committee was convened on March 17, 2011, at 9:00 a.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION OF THE MEMBERS OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION FINANCE & AUDIT COMMITTEE RECOMMENDING THAT THE ILDC FINANCE CERTAIN COSTS RELATING TO, AND APPROVING THE UNDERTAKING OF A CERTAIN PROJECT CONSISTING OF THE ISSUANCE AND SALE OF THE ISSUER'S TAX-EXEMPT REFUNDING REVENUE BONDS AND INCIDENTAL TAXABLE REFUNDING REVENUE BONDS (BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$53,000,000 FOR THE PURPOSE OF UNDERTAKING THE PROJECT AND THE COSTS OF SUCH ISSUANCE

WHEREAS, the Finance & Audit Committee (the "Committee") has reviewed the application submitted by Buffalo State College Foundation Housing Corporation, a corporation organized under the Not-for-Profit Corporation Law of the State of New York (the "Company") requesting that the Buffalo and Erie County Industrial Land Development Corporation (the "ILDC" or "Issuer") issue one or more series of its tax-exempt and incidental taxable Refunding Revenue Bonds (the "Bonds") in an aggregate principal amount not to exceed \$53,000,000 to provide funds to refund all or a portion of the Issuer's Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1 and Series A-2, its Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B, its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-3 and Series A-4 and its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1 and Series A-2, pay issuance costs and costs of credit enhancement, if any, of the Bonds and fund a debt service reserve fund, if any; and

WHEREAS, the Public Authorities Accountability Act of 2005 (the "PAAA"), which was signed into law on January 13, 2006 as Chapter 766 of the Laws of 2005, was enacted by the New York State (the "State") Legislature to insure greater accountability and openness of public authorities throughout the State; and

WHEREAS, pursuant to Section 2 of the Public Authorities Law ("PAL") of the State, the provisions of the PAAA apply to certain defined "local authorities," including the ILDC; and

WHEREAS, pursuant to Section 2824(8) of the PAL, it shall be the responsibility of the members of the Finance & Audit Committee to review proposals for the issuance of debt by the ILDC and make recommendations related thereto; and

WHEREAS, Under Article IV(E) of the Committee's Charter, the "Finance & Audit Committee shall review proposals for the issuance of debt and make recommendations regarding such proposed debt issuance"; and

WHEREAS, the Committee understands that the Bonds will be special limited obligations of the ILDC payable from only the sources derived from the Company pursuant to the documents executed and delivered in connection with the issuance of the Bonds and purchased by a qualified institutional buyer or an accredited investor (a "Purchaser") subject to a private placement offering to be made to private investors or commercial lenders; and

WHEREAS, the Committee further understands that the Purchaser has or will have investigated independently the circumstances surrounding the issuance of the Bonds and the security and sources of payment for the Bonds; and

WHEREAS, the Committee has reviewed information relating to the proposed issuance of the Bonds and recommends that the ILDC undertake the Project and proceed with the issuance thereof.

NOW, THEREFORE, BE IT RESOLVED BY THE FINANCE & AUDIT COMMITTEE OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION AS FOLLOWS:

1. That it is in the best interest of economic development in Erie County for the ILDC to provide the Financial Assistance to the Project facility, provided (a) that the Bonds shall never be a debt of the State of New York, the County of Erie, or any political subdivision thereof, and neither the State of New York, the County of Erie, nor any political subdivision thereof shall be liable thereon, and (b) that the Bonds shall be limited obligations of the ILDC payable from only the sources derived from the Company pursuant to the documents executed and delivered in connection with the issuance of the Bonds.

2. This resolution shall take effect immediately.

Dated: March 17, 2011

STATE OF NEW YORK)
COUNTY OF ERIE) SS:

I, the undersigned Assistant Secretary of the Buffalo and Erie County Industrial Land Development Corporation, DO HEREBY CERTIFY:

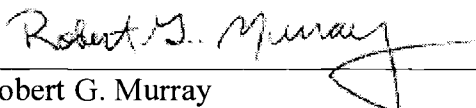
That I have compared the annexed extract of minutes of the meeting of the Buffalo and Erie County Industrial Land Development Corporation (the "ILDC"), including the resolution contained therein, held on March 21, 2011 with the original thereof on file in my office, and that the same is a true and correct copy of the proceedings of the ILDC and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY, that all members of the ILDC had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY, that there was a quorum of the members of the ILDC present throughout said meeting.

I FURTHER CERTIFY, that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand on this 21st day of March, 2011.



Robert G. Murray
Assistant Secretary

EXHIBIT "G"

THE BUFFALO NEWS

-Affidavit-

Lisa Stephan-Kozlowski of the City of Buffalo, New York, being duly sworn, deposes and says that he/she is Principal Clerk of THE BUFFALO NEWS INC., Publisher of THE BUFFALO NEWS, a newspaper published in said city, that the notice of which the annexed printed slip taken from said newspaper is a copy, was inserted and published therein **1** times, the first insertion being on **03/23/2011** and the last insertion being on **03/23/2011**

Lisa Stephan-Kozlowski

Dates Ad Ran:

Buffalo News (P1) 03/23/11

Sworn to before me this 29th day of, March 2011

Shukriyyah Hawkins

Notary Public, Erie County, New York

SHUKRIYYAH HAWKINS
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 9/30/13

EXHIBIT “H”

PUBLIC HEARING SCRIPT

**Buffalo State College Foundation
Housing Corporation Project**

Public Hearing to be held on April 7, 2011, at 9:15 a.m.
at the Buffalo and Erie County Industrial Land Development Corporation,
143 Genesee Street, Buffalo, New York 14203

ATTENDANCE

No Members of the Public were in attendance.

Members of the General Public

First Option: To be followed when no Members of the Public are in attendance:

Hearing Officer noted that no Members of the Public are in attendance.

ADJOURNMENT.

As there were no comments, the Hearing Officer closed the hearing at 9:30 a.m.

Second Option: To be followed when Members of the Public are in attendance:

1. WELCOME: Call to Order and Identity of Hearing Officer.

Hearing Officer: *Welcome. This public hearing is now open; it is 9:15 a.m.*

My name is Grant Lesswing, I am the Business Development Officer of the Erie County Industrial Development Agency acting on behalf of the Buffalo and Erie County Land Development Corporation, and I have been designated by the Agency to be the hearing officer to conduct this public hearing.

2. PURPOSE: Purpose of the Hearing.

Hearing Officer: *We are here to hold the public hearing on the Buffalo State College Foundation Housing Corporation project. The transcript of this hearing will be reviewed and considered by the Agency in determination of this project. Notice of this hearing appeared in The Buffalo News on Thursday, March 24, 2011.*

3. PROJECT SUMMARY: Description of Project and Contemplated Agency Benefits.

Hearing Officer: *Buffalo State College Foundation Housing Corporation, a corporation organized under the New York Not-For-Profit Corporation Law (the "Company"), has requested that the Issuer issue one or more series of its tax-exempt Refunding Revenue Bonds (the "Refunding Bonds") in an aggregate principal amount not to exceed \$53,000,000 to provide funds to refund all or a portion of the Issuer's Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A, its Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B and its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A (collectively, the "Prior Bonds"), pay issuance costs and costs of credit enhancement, if any, of the Refunding Bonds and fund a debt service reserve fund, if any.*

The proceeds of the Prior Bonds were used to finance the costs of a project (the "Project") undertaken by the Company consisting of the acquisition by the Company of subleasehold title to approximately 3.9 acres of land located at the corner of Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York; the construction thereon of an approximately 245,000 square foot seven (7) story student housing complex consisting of approximately five hundred and seven (507) beds, together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements; and the acquisition and installation therein of furniture, furnishings, equipment, machinery and other tangible personal property. The Project is owned

and operated by the Company for the purpose of providing housing to students of Buffalo State College.

The Refunding Bonds will be special limited obligations of the Issuer payable solely from loan payments received by the Issuer from the Company and certain other property of the Company pledged to the repayment of the Refunding Bonds.

A representative of the Issuer will, at the above-stated time and place, hear and accept written comments from all persons with views in favor of or opposed to the issuance of the Refunding Bonds. At said public hearing, interested parties will be provided reasonable opportunity to present their views, both orally and in writing, with respect to the issuance of the Refunding Bonds.

Under the Code, approval of the issuance of the Refunding Bonds by the County Executive of Erie County is necessary in order for the interest on the Refunding Bonds to be excluded from the gross income for federal income tax purposes.

4. FORMAT OF HEARING: Review rules and manner in which the hearing will proceed.

Hearing Officer: *All those in attendance are required to register by signing the sign-in sheet at the front of the room; you will not be permitted to speak unless you have registered. If you have a written comment to submit for the record, you may do so. Written comments may also be delivered to the Agency at 143 Genesee Street, Buffalo, New York 14203 until the comment period closes on April 8, 2011. There are no limitations on written comments.*

5. PUBLIC COMMENT: Hearing Officer gives the Public an opportunity to speak.

Hearing Officer: *If anyone is interested in making a comment, please raise your hand, state your name and address; if you are representing a company, please identify the company. I request that speakers keep comments to 5 minutes, and if possible, 3 minutes.*

The Hearing Officer calls on those who raise their hand.

[Insert transcription of public comments here.]

-OR-

Hearing Officer: *Note that no one in attendance wished to make a comment.*

6. ADJOURNMENT.

As there were no further comments, the Hearing Officer closed the public hearing at _____ a.m.

SIGN IN SHEET

PUBLIC HEARING

April 7, 2011, at 9:15 a.m.

at Erie County Industrial Development Agency, 143 Genesee Street, Buffalo, New York 14203
regarding:

Buffalo State College Foundation Housing Corporation

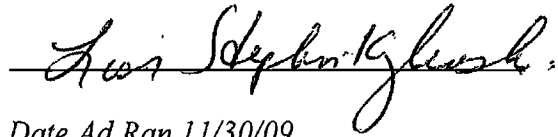
Project Location: Corner of Rockwell Road and Grant Street,
City of Buffalo, Erie County, New York

Name	Company and/or Address

EXHIBIT "I"

Lisa Stephan-Kozlowski

of the City of Buffalo, New York, being
duly sworn, deposes and says that
he/she is Principal Clerk of THE
BUFFALO NEWS, DIV. OF
BERKSHIRE HATHAWAY, INC.,
Publisher of the BUFFALO NEWS, a
newspaper published in said city, that
the notice of which the annexed printed
slip taken from said newspaper is a
copy, was inserted and published
therein 1 time, the insertion being on
the 30th day of, November 2009.



Date Ad Ran 11/30/09

Sworn to before me this *3rd* day
of, December, 2009.


Notary Public, Erie County, New York

SHUKRIYYAH HAWKINS
Notary Public, State of New York
Qualified in Erie County
My Commission Expires 9/30/13

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that provide extensive nursing, medical, psychological and counseling supports services for children. Such rates will remain in effect until the department, in consultation with representatives of the nursing home industry, develops a regional pricing or alternative methodology for determining such rates.

- Effective for the period December 1, 2009 through March 31, 2010, regarding inpatient rates of payment for RHCs which reflect the benefit of the rebase to 2002 costs, the Commissioner of Health and the Division of the Budget, will make proportional adjustments to rates of payments, as computed pursuant to section 2808(2-b)(b) of the Public Health Law and as modified by section 2 of part D of Chapter 38 of the Laws of 2009, such that the aggregate total increase in the rates for the period April 1, 2009 through March 31, 2010, will be reduced from \$210 million to an amount no greater than \$52.5 million.
- For the period April 1, 2010 through March 31, 2011, further proportional adjustments will be made to such rates as are necessary to ensure such rates for such period, do not, in aggregate, reflect any further net increase in excess of \$157.5 million from the rates in effect for the preceding state fiscal year. The operating component of such rates will not be subjected to case mix

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adjustments as otherwise scheduled to be implemented January 1, 2010 in accordance with current statute. **Non-Institutional Services**
• Effective for services

PUBLIC HEARING

Pursuant to Title 1 of Article 18-A of the New York State General Municipal Law and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), the Buffalo and Erie County Industrial Land Development Corporation (the "ILDC") and the Erie County Industrial Development Agency (the "Agency"); and, together with the ILDC, the "Issuer") will hold a public hearing on December 15, 2009 at 9:00 a.m. in the City of Buffalo at the Erie County Industrial Development Agency offices, 275 Oak Street, Buffalo, NY 14203, regarding the following matter:

The Buffalo State College Housing Funding Corporation, a corporation organized under the New York Not-For-Profit Corporation Law on behalf of itself and/or the principals of the Buffalo State College Housing Foundation and/or an entity formed or to be formed on behalf of any of the foregoing (collectively, the "Company"), has requested that the Issuer finance the acquisition, construction, renovation and equipping of a project through the issuance of its tax-exempt revenue bonds under Section 145 of the Code (the "Tax-Exempt Bonds") or its taxable revenue bonds (the "Taxable Bonds" and

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together with the Tax-Exempt Bonds, collectively, the "Bonds") in an aggregate principal amount presently estimated to be \$47,500,000 but not to exceed \$55,000,000 consisting of (A)(i) the acquisition by the Company of subleasehold title to or other interest in certain parcels of land containing in the aggregate approximately 3.9 acres and located at the corner of Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York (the "Land"); and (ii) the acquisition, installation, and construction on the Land by the Company of a certain 245,000 square foot seven (7) story student housing complex consisting of approximately five hundred and seven (507) beds, together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements (collectively, the "Improvements"); (B) the acquisition and installation in and around the Improvements of certain items of furniture, furnishings, equipment, machinery and other tangible personal property (collectively, the "Equipment" and, collectively with the Land and the Improvements, the "Project") and (C) funding a debt service reserve fund, if any, and paying capitalized interest, if any, and certain other costs incidental to the issuance of the Bonds. The Company will be the initial owner of the Project.

In addition to the Bonds, the financial assistance requested to be provided by the Issuer consists generally of sales tax exemptions and mortgage

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recording tax exemptions in connection with any financing or subsequent refinancing of the Project, if required. The Company has requested that the ILDC issue the Bonds and in the alternative, that the Agency issue the Bonds in the event it becomes authorized to do so and the ILDC's authority to issue the Bonds lapses. The Bonds will be special limited obligations of the issuer payable solely from the revenues derived from the lease or sale of the Project by the issuer and certain other related assets of the Company pledged to the repayment of the Bonds.

A representative of the issuer will, at the above-stated time and place, hear and accept written comments from all persons with views in favor of or opposed to either the issuance of the Bonds, the granting of other financial assistance to the Company contemplated by the Issuer or the location or nature of the Project. At said public hearing, interested parties will be provided reasonable opportunity to present their views, both orally and in writing, with respect to the Project. A copy of the Company's application including a cost benefit analysis is available at the office of the Agency for review by interested persons.

Under the Code, approval of the issuance of the Tax-Exempt Bonds (if Tax-Exempt Bonds are issued), by the County Executive of Erie County is necessary in order for the interest on the Tax-Exempt Bonds to be excluded from the gross income for federal income tax purposes.

THE BONDS SHALL NOT BE A DEBT OF THE STATE OF NEW YORK OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING ERIE COUNTY, AND NEITHER THE STATE OF NEW YORK NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING ERIE COUNTY, SHALL BE LIABLE THEREON.
Dated: November 25, 2009

Buffalo and Erie County Industrial Land Development Agency
Erie County Industrial Development Agency

STATE UNIVERSITY CONSTRUCTION FUND

NOTICE TO BIDDERS

The State University Construction Fund will receive sealed Proposals for Project No. 30A76 Tilted: Cooling Tower Replacement - Baker Chilled Water, the State University of New York at Buffalo - North Campus until 2:00 p.m. Local Time on January 5, 2010 at the Fund's Office at State Univ. Plaza, 353 Broadway, Albany, NY 12246, where such proposals will

Crossword Solution

ACROSS

- 1 Energy
- 4 Manila he
- 9 Legume
- 12 "— Kapita
- 13 Man of La
- 14 Jamaican bottle
- 15 Plaster in
- 17 Rage
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DOWN

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PUZZLE CORNER

Kakuro Puzzle

EXHIBIT “J”

PUBLIC HEARING SCRIPT

**The Buffalo State College Housing
Funding Corporation Project**

Public Hearing to be held on December 15, 2009 at 9:00 a.m.
at the Erie County Industrial Development Agency offices, 275 Oak Street, Buffalo, NY 14203

ATTENDANCE

Members of the General Public

First Option: To be followed when no Members of the Public are in attendance:

Hearing Officer noted that no Members of the Public are in attendance.

ADJOURNMENT.

As there were no comments, the Hearing Officer closed the hearing at 9:15 a.m.

SIGN IN SHEET

PUBLIC HEARING

Tuesday, December 15, 2009, at 9:00 a.m.
at the Erie County Industrial Development Agency offices, 275 Oak Street, Buffalo, NY 14203
regarding:

The Buffalo State College Housing Funding Corporation

Project Location: Rockwell Road and Grant Street,
City of Buffalo, Erie County, New York

Name	Company and/or Address

APPROVAL OF COUNTY EXECUTIVE OF ERIE COUNTY

WHEREAS, Buffalo State College Foundation Housing Corporation, a not-for-profit corporation organized and existing under the laws of the State of New York (the "**Company**"), has requested that Buffalo and Erie County Industrial Land Development Corporation (the "**Issuer**") issue one or more series of its tax-exempt Revenue Bonds (the "**Refunding Bonds**") in an aggregate principal amount not to exceed \$53,000,000 to provide funds to refund all or a portion of the Issuer's Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A, its Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B and its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A (collectively, the "**Prior Bonds**") and pay issuance costs of the Refunding; and

WHEREAS, the proceeds of the Prior Bonds were used to finance the costs of a project (the "**Project**") undertaken by the Company consisting of the acquisition by the Company of subleasehold title to approximately 3.9 acres of land located at the corner of Letchworth and Grant Streets on the campus of Buffalo State College (the "**College**") located at Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York; the construction thereon of an approximately 225,000 square foot student housing complex consisting of approximately five hundred and seven (507) beds, together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements; and the acquisition and installation therein of furniture, furnishings, equipment, machinery and other tangible personal property; and

WHEREAS, the Project is owned and operated by the Company for the purpose of providing housing to students of the College; and

WHEREAS, the Issuer proposes to issue the Refunding Bonds in an aggregate principal amount not to exceed \$53,000,000; and

WHEREAS, pursuant to Sections 103 and 145 of the Internal Revenue Code of 1986, as amended (the "**Code**"), it is intended that interest on the Refunding Bonds will be excluded from gross income of the holders for purposes of federal income taxation; and

WHEREAS, the Issuer by resolution duly adopted on March 14, 2011, approved the issuance of the Refunding Bonds for the aforesaid purpose;


WHEREAS, notice of the public hearing conducted with respect to the Refunding Bonds pursuant to Section 147(f) of the Code was published in *The Buffalo News* on March 23, 2011 and such public hearing was conducted on April 7, 2011; and

NOW, THEREFORE,

Section 1. The undersigned, the County Executive of Erie County, New York, being the “applicable elected representative” (as such term is defined in Section 147(f) of the Code) of such governmental unit and having considered the transcript of the public hearing does hereby approve the issuance by the Issuer of the Refunding Bonds in an aggregate principal amount not to exceed \$53,000,000 for the purpose of refunding the Prior Bonds.

Section 2. The Refunding Bonds are not and shall not be a debt of the State of New York nor Erie County, New York and neither the State of New York nor Erie County, New York shall be liable thereon. The Refunding Bonds shall not give rise to a pecuniary liability or charge against the general credit or taxing power of the State of New York or Erie County, New York.

Dated: June 8, 2011

A handwritten signature in cursive script, reading "Chris Collins", written over a horizontal line.

Chris Collins
County Executive
Erie County, New York

SUSAN R. KATZOFF
PARTNER

ONE PARK PLACE
300 SOUTH STATE STREET
SYRACUSE, NEW YORK 13202
T 315.425.2700 • F 315.425.2701

DIRECT DIAL 315 425 2880
DIRECT FAX 315 425 8597
SKATZOFF@HBLAW.COM

August 2, 2011

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Department of the Treasury
Internal Revenue Service Center
Ogden, Utah 84201

Re: Buffalo and Erie County Industrial Land Development Corporation
\$43,875,000 Revenue Bonds
(Buffalo State College Foundation Housing Corporation Project), Series 2011A

Dear Madam or Sir:

Enclosed herewith for filing is an original IRS Form 8038 prepared in connection with the above-referenced matter.

As evidenced on the Form 2848 Power of Attorney enclosed, the Buffalo and Erie County Industrial Land Development Corporation has appointed me as its representative and I hereby request a Notice CP152 be sent to me in the self-addressed, stamped envelope provided.

Please do not hesitate to call should you have any questions.

7008 1300 0000 1722 4494

Sent To: **IRS**

Street, Apt. No., or PO Box No.:

City, State, ZIP+4:

PS Form 3800, August 2006

See Reverse for Instructions

Postage \$

Certified Fee

Return Receipt Fee (Endorsement Required)

Restricted Delivery Fee (Endorsement Required)

Total Postage & Fees \$

Postmark Here

OFFICIAL USE

SENDER: COMPLETE THIS SECTION

1. Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.

2. Print your name and address on the reverse so that we can return the card to you.

3. Attach this card to the back of the mailpiece, or on the front if space permits.

Article addressed to:

*Internal Revenue Service
Department of Housing
Ogden UT 84201*

Article Number (transfer from service label)

7008 1300 0000 1722 4494

PS Form 3800, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature: Agent Addressee

B. Received by (Printed Name): _____ A. Date of Delivery: _____

C. Is delivery address different from item 3? Yes No
If YES, enter delivery address below: _____

D. Service Type: Certified Mail Express Mail Registered Return Receipt for Merchandise Insured Mail G.O.D.

E. Restricted Delivery/Extra Fees: Yes No

**Information Return for Tax-Exempt
 Private Activity Bond Issues**
 (Under Internal Revenue Code section 149(e))
 ▶ See separate instructions.

OMB No. 1545-0720

Part I Reporting Authority		Check if Amended Return <input type="checkbox"/>
1 Issuer's name Buffalo and Erie County Industrial Land Development Corporation		2 Issuer's employer identification number 22-2413596
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a
4 Number and street (or P.O. box if mail is not delivered to street address) 143 Genesee Street	Room/suite	5 Report number (For IRS Use Only) <input type="checkbox"/> 1 <input type="checkbox"/> <input type="checkbox"/>
6 City, town, or post office, state, and ZIP code Buffalo, New York 14203		7 Date of issue (MM/DD/YYYY) 06/16/2011
8 Name of issue Revenue Bonds (Buffalo State College Foundation Housing Corporation Project) Series 2011A		9 CUSIP number 11943K AY8
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information David W. Kerchoff, Assistant Treasurer		10b Telephone number of officer or other employee shown on 10a 716-856-6525

Part II Type of Issue (Enter the issue price.)	Issue Price
11 Exempt facility bond:	
a Airport (sections 142(a)(1) and 142(c))	11a
b Docks and wharves (sections 142(a)(2) and 142(c))	11b
c Water furnishing facilities (sections 142(a)(4) and 142(e))	11c
d Sewage facilities (section 142(a)(5))	11d
e Solid waste disposal facilities (section 142(a)(6))	11e
f Qualified residential rental projects (sections 142(a)(7) and 142(d)) (see instructions)	11f
Meeting 20–50 test (section 142(d)(1)(A)) <input type="checkbox"/>	
Meeting 40–60 test (section 142(d)(1)(B)) <input type="checkbox"/>	
Meeting 25–60 test (NYC only) (section 142(d)(6)) <input type="checkbox"/>	
Has an election been made for deep rent skewing (section 142(d)(4)(B))? . . . <input type="checkbox"/> Yes <input type="checkbox"/> No	
g Facilities for the local furnishing of electric energy or gas (sections 142(a)(8) and 142(f))	11g
h Facilities allowed under a transitional rule of the Tax Reform Act of 1986 (see instructions)	11h
Facility type _____	
1986 Act section _____	
i Qualified enterprise zone facility bonds (section 1394) (see instructions)	11i
j Qualified empowerment zone facility bonds (section 1394(f)) (see instructions)	11j
k District of Columbia Enterprise Zone facility bonds (section 1400A)	11k
l Qualified public educational facility bonds (sections 142(a)(13) and 142(k))	11l
m Qualified green building and sustainable design projects (sections 142(a)(14) and 142(l))	11m
n Qualified highway or surface freight transfer facilities (sections 142(a)(15) and 142(m))	11n
o Other (see instructions) _____	
p Qualified New York Liberty Zone bonds (section 1400L(d)) _____	11p
q Other (see instructions) _____	11q
12a Qualified mortgage bond (section 143(a))	12a
b Other (see instructions) _____	12b
13 Qualified veterans' mortgage bond (section 143(b)) (see instructions) ▶	13
Check the box if you elect to rebate arbitrage profits to the United States <input type="checkbox"/>	
14 Qualified small issue bond (section 144(a)) (see instructions) ▶	14
Check the box for \$10 million small issue exemption <input type="checkbox"/>	
15 Qualified student loan bond (section 144(b))	15
16 Qualified redevelopment bond (section 144(c))	16
17 Qualified hospital bond (section 145(c)) (attach schedule—see instructions)	17
18 Qualified 501(c)(3) nonhospital bond (section 145(b)) (attach schedule—see instructions)	18 44,965,966.10
Check box if 95% or more of net proceeds will be used only for capital expenditures <input checked="" type="checkbox"/>	
19 Nongovernmental output property bond (treated as private activity bond) (section 141(d))	19
20a Other (see instructions) _____	
b New York Liberty Zone advance refunding bond (section 1400L(e)) (see instructions) _____	20b
c Other. Describe (see instructions) ▶ _____	20c

Part III Description of Bonds (Complete for the entire issue for which this form is being filed.)

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	10/01/2041	\$ 44,965,966.10	\$ 43,875,000.00	19.591 years	5.1751 %

Part IV Uses of Proceeds of Issue (including underwriters' discount)

	Amount
22 Proceeds used for accrued interest	22 0
23 Issue price of entire issue (enter amount from line 21, column (b))	23 44,965,966.10
24 Proceeds used for bond issuance costs (including underwriters' discount)	24 371,959.59
25 Proceeds used for credit enhancement	25 0
26 Proceeds allocated to reasonably required reserve or replacement fund	26 0
27 Proceeds used to currently refund prior issue (complete Part VI)	27 39,297,732.01
28 Proceeds used to advance refund prior issue (complete Part VI)	28 0
29 Add lines 24 through 28	29 39,669,691.60
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30 5,296,274.50

Part V Description of Property Financed by Nonrefunding Proceeds

Caution: The total of lines 31a through e below must equal line 30 above. Do not complete for qualified student loan bonds, qualified mortgage bonds, or qualified veterans' mortgage bonds.

31 Type of Property Financed by Nonrefunding Proceeds:	Amount
a Land	31a
b Buildings and structures	31b 5,063,196.05
c Equipment with recovery period of more than 5 years	31c
d Equipment with recovery period of 5 years or less	31d
e Other. Describe (see instructions) Issuer Fee, Title Insurance Premium	31e 233,078.45

32 North American Industry Classification System (NAICS) of the projects financed by nonrefunding proceeds.

a	NAICS Code	Amount of nonrefunding proceeds	c	NAICS Code	Amount of nonrefunding proceeds
a	611310	\$ 5,296,274.50	c		\$
b		\$	d		\$

Part VI Description of Refunded Bonds (Complete this part only for refunding bonds.)

33 Enter the remaining weighted average maturity of the bonds to be currently refunded	17.36 years
34 Enter the remaining weighted average maturity of the bonds to be advance refunded	n/a years
35 Enter the last date on which the refunded bonds will be called	06 / 16 / 2011
36 Enter the date(s) the refunded bonds were issued	December 31, 2009; May 3, 2010

Part VII Miscellaneous

- 37 Name of governmental unit(s) approving issue (see the instructions) ▶ Erie County County Executive: December 18, 2009, June 8, 2011. Public Hearings: December 15, 2009, April 17, 2011
- 38 Check the box if you have designated any issue under section 265(b)(3)(B)(i)(III)
- 39 Check the box if you have elected to pay a penalty in lieu of arbitrage rebate
- 40a Check the box if you have identified a hedge and enter the following information
- b Name of hedge provider _____
- c Type of hedge ▶ _____
- d Term of hedge ▶ _____
- 41 Check the box if the hedge is superintegrated
- 42a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) ▶ _____
- b Enter the final maturity date of the GIC ▶ / /
- c Enter the name of the GIC provider ▶ _____
- 43 Check the box if the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated in accordance with the requirements under the Code and Regulations (see instructions)
- 44 Check the box if the issuer has established written procedures to monitor the requirements of section 148
- 45a Enter the amount of reimbursement if some portion of the proceeds was used to reimburse expenditures ▶ _____
- b Enter the date the official intent was adopted ▶ / /
- 46 Check the box if the issue is comprised of qualified redevelopment, qualified small issue, or exempt facilities bonds and provide name and EIN of the primary private user
- Name ▶ _____ EIN _____

Part VIII	Volume Caps	Amount
47	Amount of state volume cap allocated to the issuer. Attach copy of state certification	47
48	Amount of issue subject to the unified state volume cap	48
49	Amount of issue not subject to the unified state volume cap or other volume limitations:	49
	a Of bonds for governmentally owned solid waste facilities, airports, docks, wharves, environmental enhancements of hydroelectric generating facilities, or high-speed intercity rail facilities	49a
	b Under a carryforward election. Attach a copy of Form 8328 to this return	49b
	c Under transitional rules of the Tax Reform Act of 1986. Enter Act section ▶	49c
	d Under the exception for current refunding (section 146(i) and section 1313(a) of the Tax Reform Act of 1986)	49d
50a	Amount of issue of qualified veterans' mortgage bonds	50a
	b Enter the state limit on qualified veterans' mortgage bonds	50b
51a	Amount of section 1394(f) volume cap allocated to issuer. Attach copy of local government certification	51a
	b Name of empowerment zone ▶	51a
52	Amount of section 142(k)(5) volume cap allocated to issuer. Attach copy of state certification	52

Signature and Consent Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized.

Signature of issuer's authorized representative: *[Handwritten Signature]* Date: *6-16-11* Type or print name and title: David W. Kerchoff, Assistant Treasurer

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	Preparer's PTIN
	Jean S. Everett	<i>[Handwritten Signature]</i>	7-22-2011		1285587
	Firm's name ▶ Hiscock & Barclay, LLP	Firm's EIN ▶		15 0339022	
	Firm's address ▶ One Park Place, 300 South State Street, Syracuse, NY 13202	Phone no.		315-425-2700	

ATTACHMENT TO FORM 8038

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
REVENUE BONDS (BUFFALO STATE COLLEGE FOUNDATION HOUSING
CORPORATION PROJECT), SERIES 2011A**

18. A. Name of 501(c)(3) Organization:

Buffalo State College Foundation Housing Corporation

B. Employer Identification Number:

94-3462623

C. Amount of issue benefiting this organization:

\$43,875,000

**REQUEST AND AUTHORIZATION OF BUFFALO AND ERIE COUNTY
INDUSTRIAL LAND DEVELOPMENT CORPORATION TO THE TRUSTEE
PURSUANT TO SECTION 2.7 OF THE TRUST INDENTURE TO AUTHENTICATE
AND DELIVER THE SERIES 2011 BONDS**


The undersigned, Assistant Treasurer of the Buffalo and Erie County Industrial Land Development Corporation (the “*Issuer*”), pursuant to Section 2.7 of a certain Trust Indenture dated as of June 1, 2011 (the “*Indenture*”), by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “*Trustee*”) providing for the issuance of the Issuer’s Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the “*Series 2011A Bonds*”) and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the “*Series 2011B Bonds*” and with the Series 2011A Bonds, the “*Bonds*”), does hereby, on behalf of the Issuer:

1. request and authorize the Trustee to authenticate the Bonds;
2. request and authorize the Trustee to deliver the Bonds, in substantially the form provided in the Indenture, on behalf of the Issuer, to M&T Securities, Inc. or its designee(s), upon delivery of the purchase price therefor.

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of June, 2011.

**BUFFALO AND ERIE COUNTY
INDUSTRIAL LAND DEVELOPMENT
CORPORATION**

By:



David W. Kerchoff, Assistant Treasurer

MORTGAGE RECORDING TAX EXEMPTION AFFIDAVIT

ROBERT G. MURRAY, being duly sworn, deposes and says:

1. That he resides in Erie County, New York, and is a member of Harris Beach PLLC, counsel to the BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (the "Corporation").

2. That the Corporation is a not-for-profit local development corporation formed pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York, with offices at 143 Genesee Street, Suite 150, Buffalo, New York 14203.

3. That the Corporation has entered into certain agreements with the BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION (the "Company") relating to a certain project to be developed in the City of Buffalo, Erie County, New York (the "Project"), as is more specifically described on Exhibit A, attached hereto.

4. That the Corporation has, pursuant to that certain Trust Indenture, dated as of June 1, 2011 (the "Indenture") by and between the Corporation and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), issued its Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A (the "Series 2011A Bonds") in the aggregate principal amount of \$43,875,000 and its Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B (the "Series 2011B Bonds"; and, together with the Series 2011A Bonds, the "Bonds") in the aggregate principal amount of \$410,000 to pay for a portion of the Project costs.

5. That the Corporation has loaned to the Company the proceeds of the Bonds issued in connection with the Project pursuant to the terms and conditions of that certain Loan Agreement, dated as of June 1, 2011 (the "Loan Agreement"), by and between the Corporation and the Company.

6. That the Corporation has assigned substantially all of its rights (other than Unassigned Rights, as such term is defined in the Indenture) to the Trustee pursuant to the terms and conditions of that certain Pledge and Assignment, dated as of June 1, 2011 (the "Pledge and Assignment"), by and between the Corporation and the Trustee, with an acknowledgment by the Company, which such Pledge and Assignment will be recorded in the Office of the Erie County Clerk.

7. That as collateral for said loan, the Company has executed a certain Leasehold Mortgage and Security Agreement dated as of June 1, 2011 (the "Mortgage") in favor of the Corporation, as mortgagee, in the principal sum of Forty-Four Million Two Hundred Eighty-Five Thousand and 00/100 Dollars (\$44,285,000).

8. That the Corporation has covenanted that it will cause the Mortgage to be recorded in all offices where recordation thereof is necessary.

9. That the Corporation has assigned the Mortgage to the Trustee pursuant to the terms and conditions of that certain Assignment of Leasehold Mortgage and Security Agreement, dated as of June 1, 2011 (the "Assignment of Mortgage").

10. That, additionally, the Mortgage will be recorded in the Office of the Erie County Clerk following recordation of the Pledge and Assignment and after the Mortgage is recorded as hereinbefore described, the Assignment of Mortgage will be recorded in the Office of the Erie County Clerk followed by a certain Assignment of Rents and Leases, dated as of June 1, 2011 (the "Assignment of Rents and Leases"), from the Company to the Trustee, all of which will be recorded in the Erie County Clerk's Office exempt from mortgage recording tax under Section 255 of the Tax Law.

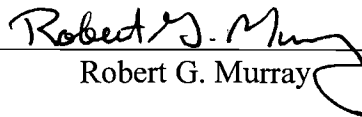
11. That, in the opinion of your deponent, while the Corporation would ordinarily pay the mortgage recording tax with respect to the Mortgage, the Assignment of Mortgage, and the Assignment of Rents and Leases, deponent respectfully submits that no mortgage recording tax should be imposed with respect to the Mortgage, the Assignment of Mortgage, and the Assignment of Rents and Leases because: (1) the Mortgage, the Assignment of Mortgage, and the Assignment of Rents and Leases are being executed and delivered by a local not-for-profit corporation incorporated under Section 1411 of Not-For-Profit Corporation Law of the State of New York; (2) the use by the Corporation of its powers is deemed by Section 1411 of Not-For-Profit Corporation Law of the State of New York to be a public purpose essential to the public interest; (3) based on Section 1411(f) of Not-For-Profit Corporation Law of the State of New York, the Commissioner of the Tax Department has indicated in several advisory opinions that the involvement of a local not-for-profit development corporation in the construction and/or finance aspects of a qualifying project may allow for an exemption from mortgage recording tax imposed by Article 11 of the Tax Law of the State of New York. (See, TSB-A-09-R, TSB-A-93(13)-R, TSB-A-95(16)-R, TSB-A-97(7)-R, and TSB-A-97(54)-S).

12. That, the Mortgage will be recorded in the Office of the Erie County Clerk following the recordation of the Pledge and Assignment and before the Assignment of Mortgage, and the Assignment of Rents and Leases are recorded in the Office of the Erie County Clerk.

13. That, therefore, I request that the Erie County Clerk record the Pledge and Assignment, and the Mortgage as exempt from mortgage recording tax, and that the Erie County Clerk record the Assignment of Mortgage and the Assignment of Rents and Leases as exempt from mortgage recording tax.

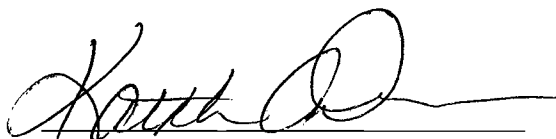
14. That this affidavit exempts the Pledge and Assignment, the Mortgage, the Assignment of Mortgage and the Assignment of Rents and Leases from mortgage recording tax.

[Signature Page to the Mortgage Recording Tax Exemption Affidavit]


Robert G. Murray

Subscribed and sworn to before me

this 15 day of June, 2011.


Notary Public

KATHLEEN A. DRUMM
Notary Public State of New York
Qualified in Erie County
My Commission Expires: June 30, 20 14.

The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be completed by issuer and Co-issuer(s), if applicable)

Buffalo and Erie County Industrial Land Development Corporation

(Name of Issuer and Co-Issuer(s), if applicable)

December 7, 2009

(Date)

Attention: Underwriting Department
The Depository Trust Company
55 Water Street, 15L
New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request to be made eligible for deposit by The Depository Trust Company ("DTC").

Issuer is: (Note: issuer shall represent one and cross out the other.)

~~[Incorporated in]~~ [formed under the laws of] the State of New York

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Received and Accepted
THE DEPOSITORY TRUST COMPANY

By: [Signature]



The Depository Trust &
Clearing Corporation

Very truly yours,

Buffalo and Erie County Industrial Land
Development Corporation

By: [Signature]
(Authorized Officer's Signature)

Al Culliton, COO
(Print Name)

275 Oak Street
(Street Address)

Buffalo, New York, United States of America
(City) (State) (Country) (Zip Code)

716.866.6525
(Phone Number)

acullit@ecidary.com
(E-mail Address)

BLOR 03/25/08

(To Issuer Letter of Representations)

**SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). 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.

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

4. To facilitate subsequent transfers, all Securities 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 Securities 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 Securities; DTC's records reflect only the identity

of the Direct Participants to whose accounts such Securities 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.

5. 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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.]

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

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities 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 Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, 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.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

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

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION**

**\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION PROJECT), SERIES 2011A**

**\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION PROJECT), SERIES 2011B**

GENERAL CERTIFICATE OF THE COMPANY

THIS CERTIFICATE is made in connection with the issuance by the Buffalo and Erie County Industrial Land Development Corporation (the “*Issuer*”) pursuant to the Trust Indenture dated as of June 1, 2011 (the “*Indenture*”), by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “*Trustee*”), of (A) its Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the “*Series 2011A Bonds*”) to redeem and defease the Issuer’s Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1 in the aggregate principal amount of \$14,625,000, its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-2 in the aggregate principal amount of \$10,375,000, its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1 in the aggregate principal amount of \$5,415,000, its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2 in the aggregate principal amount of \$3,820,000 and its Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B in the aggregate principal amount of \$5,000,000 (collectively, the “*Tax-Exempt Bonds*”), pay or reimburse certain costs of the Project (as defined in the Indenture referred to hereinbelow) and pay costs of issuing the Series 2011A Bonds and (B) its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the “*Series 2011B Bonds*” and with the Series 2011A Bonds, the “*Bonds*”) to redeem and defease the Issuer’s Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-3 and Series 2009A-4 in the aggregate principal amount of \$400,000 (together the “*Taxable Bonds*” and together with the Tax-Exempt Bonds, the “*Outstanding Prior Bonds*”), and pay costs of issuing the Bonds. Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Indenture. The Issuer will make a loan of Bond proceeds to the Company and the Company will agree, among other things, to make payments in an amount sufficient to pay principal and Redemption Price of, and interest on, the Bonds.

The undersigned, the President of the Buffalo State College Foundation Housing Corporation, does hereby certify as follows:

1. Attached hereto as **Exhibit "A"** is a true, correct and complete copy of the Company's Certificate of Incorporation which was in full force and effect at the time the Company Resolution (as defined herein) was adopted and is in full force and effect on the date hereof.

2. Attached hereto as **Exhibit "B"** is a true, correct and complete copy of the Company's By-laws and such By-laws were in full force and effect at the time the Company Resolution was adopted and are in full force and effect on the date hereof.

3. The Company is a not-for-profit corporation duly organized, validly existing and in good standing under and pursuant to the laws of the State of New York (the "*State*"). The Company is qualified to own its properties and conduct its business in the State. Attached hereto as **Exhibit "C"** is a Good Standing Certificate issued by the Secretary of State of the State of New York.

4. The Company is an organization exempt from federal income taxation as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "*Code*"). Attached hereto as **Exhibit "D"** is a true and correct copy of the determination letter of the Internal Revenue Service under Section 501(c)(3) thereof and the Company has not received notice that such determination letter is not in full force and effect as of the Closing Date. The Company is organized and operated exclusively for religious, educational, benevolent, fraternal, charitable or reformatory purposes and not for pecuniary profit and no part of the net earnings of which inures to the benefit of any person, private stockholder or individual. The Company does not have unrelated business income to such an extent as would threaten the status of the Company as an organization described in Section 501(c)(3) of the Code.

5. Attached hereto as **Exhibit "E"** is a certified copy of the Resolution duly adopted by the Company on May 18, 2011 (the "***Company Resolution***") and said Company Resolution has not been amended, modified, repealed or rescinded and is in full force and effect on the date hereof.

6. The agreements identified in **Schedule "A"** hereto, and all other documents and certificates executed by the Company in connection with the Bonds are hereinafter collectively referred to as the "*Company Documents*"; the Company Documents have been duly authorized, executed and delivered and are in full force and effect as of the date hereof.

7. Pursuant to the authority granted to the undersigned in the Company Resolution, I hereby designate the Vice President as an Authorized Signatory.

8. That I or the Authorized Signatory did officially cause all of the Company Documents and all certificates necessary for the transactions contemplated by the Company Documents and the Indenture and included in the Official Transcript of Closing to be executed, as required, in the name of the Company.

9. The Company has full legal power and authority to own its property, conduct its business and execute, enter into and perform its obligations and duties under the Company Documents and has taken all actions and obtained all approvals required in connection therewith by any applicable laws and regulations.

10. Each of the representations and warranties of the Company set forth in the Bond Purchase Agreement and the other Company Documents are true and complete in all respects on the date hereof, and each of the agreements of the Company to be complied with, and each of the obligations to be performed by the Company, under the Bond Purchase Agreement, the other Company Documents and the Indenture required to be complied with or performed on or prior to the date hereof have been complied with or performed.

11. The execution, delivery and performance of all agreements, certificates and documents required to be executed, delivered and performed by the Company in order to carry out, give effect to and consummate the transactions contemplated by the Company Documents have been duly authorized by all necessary action of the Company.

12. The Company Documents, when executed and delivered by the other parties thereto, constitute legally valid and binding obligations of the Company, enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

13. The Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date.

14. The Company has obtained all necessary material licenses, approvals, consents and orders of any Governmental Authority which would constitute a condition precedent to or are otherwise required of the Company in connection with the performance by the Company of any of its obligations under any of the Company Documents, and any and all instruments delivered pursuant to or in connection therewith.

15. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by an court, Governmental Authority, pending or, to the best of the Company's knowledge, threatened, against the Company affecting the existence of the Company or the titles of its officers to their respective offices or in any way contesting or affecting the validity or enforceability of the Bonds or the Company Documents or contesting the powers of the Company to execute and deliver or to consummate the transactions contemplated in such documents, or adversely affecting the federal tax-exempt status of the Series 2011A Bonds.

16. The consummation of the transactions on the part of the Company contemplated in the Company Documents and any and all instruments and documents required to be executed or delivered pursuant to or in connection therewith, and the compliance by the Company with the terms, conditions and provisions of such documents, do not contravene any provision of applicable law, administrative regulation, court decree, writ, injunction, the By-laws of the Company, or any agreement, resolution, indenture, note, contract, or other instrument to which the Company is a party or by which it may be bound or by which its properties may be affected.

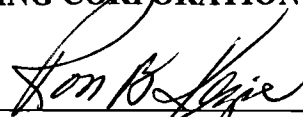
17. To the best of the undersigned's knowledge, after reasonable investigation, no event affecting the Company, the College, SUNY, the Association or the Buffalo State College Foundation has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to disclose

therein in order to make the statements and information therein, in the light of the circumstances under which such statements and information were made or provided, not misleading.

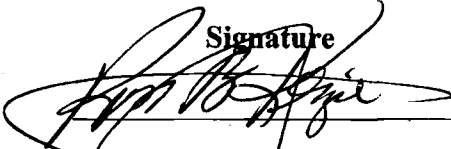

18. The Company has reviewed the continuing disclosure requirements set forth in the Continuing Disclosure Agreement and understands and accepts its responsibilities thereunder.

IN WITNESS WHEREOF, I have set my hand and signature this 16th day of June, 2011.

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**


By: 
Ross B. Kenzie, President

The officers of the Company whose names and signatures appear below have full authority to execute and deliver the Company Documents and the signature opposite such officer's name is such officer's genuine signature.

Name	Signature	Title
Ross B. Kenzie	<u></u>	President
Stanley Kardonsky	<u></u>	Vice President

IN WITNESS WHEREOF, I have hereunto set my signature as Secretary of the Company dated this 16th day of June, 2011.

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

By: 
Gerald Cornish, Secretary

SCHEDULE "A"
COMPANY DOCUMENTS

Loan Agreement dated as of June 1, 2011, between the Issuer and the Company.

Leasehold Mortgage and Security Agreement dated as of June 1, 2011, granted by the Company to the Issuer.

Guaranty Agreement dated as of June 1, 2011, from the Company to the Trustee.

Assignment of Rents and Leases dated as of June 1, 2011, from the Company to the Issuer.

Assignment of Agreements dated as of June 1, 2011, by the Company to the Trustee.

Bond Purchase Agreement dated May 26, 2011, by and among the Issuer, the Company and M&T Securities, Inc.

Continuing Disclosure Agreement dated as of June 1, 2011, between the Company and the Trustee.

Tax Compliance Agreement dated the date of delivery of the Series 2011A Bonds between the Issuer and the Company.

Environmental Compliance and Indemnification Agreement dated as of June 1, 2011, from the Company to the Issuer and the Trustee.

Pledge and Assignment dated as of June 1, 2011, between the Issuer and the Trustee, with an acknowledgment by the Company.

Direction to Redeem dated June 6, 2011.

EXHIBIT "A"

N. Y. S. DEPARTMENT OF STATE
DIVISION OF CORPORATIONS AND STATE RECORDS

ALBANY, NY 12231-0001

FILING RECEIPT

=====

ENTITY NAME: BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION

DOCUMENT TYPE: INCORPORATION (NOT-FOR-PROFIT)

TYPE: B COUNTY: ERIE

=====

FILED:12/22/2008 DURATION:PERPETUAL CASH#:081222000789 FILM #:081222000700

FILER:

EXIST DATE

HODGSON RUSS LLP
THE GUARANTY BUILDING
140 PEARL STREET, SUITE 100
BUFFALO, NY 14202-4040

12/22/2008

ADDRESS FOR PROCESS:

C/O BUFFALO STATE COLLEGE FOUNDATION
1300 ELMWOOD AVENUE
BUFFALO, NY 14222

CLEVELAND HALL, ROOM 511

REGISTERED AGENT:

=====

SERVICE COMPANY: CT CORPORATION SYSTEM - 07

SERVICE CODE: 07

FEEs 135.00

FILING 75.00
TAX 0.00
CERT 0.00
COPIES 10.00
HANDLING 50.00

PAYMENTS 135.00

CASH 0.00
CHECK 0.00
CHARGE 0.00
DRAWDOWN 135.00
 OPAL 0.00
REFUND 0.00

=====

7410387MY

DOS-1025 (04/2007)

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and official seal of the
Department of State, at the City of Albany, on
December 23, 2008.

Paul LaPointe

Paul LaPointe
Special Deputy Secretary of State

CT-07

081222000 700

**CERTIFICATE OF INCORPORATION
OF
BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION**

Under Section 402 of the
Not-for-Profit Corporation Law

The undersigned, being the sole incorporator, for the purpose of forming a corporation under Section 402 of the Not-for-Profit Corporation Law of the State of New York, does hereby certify:

FIRST: The name of the corporation is **BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION.**

SECOND: The corporation is a corporation as defined in subparagraph (a)(5) of section 102 (Definitions) of the Not-for-Profit Corporation Law. The purposes for which the corporation is formed are:

(1) To support (a) Buffalo State College, (b) Buffalo State College Foundation, Inc. ("Buffalo State College Foundation"), a New York not-for-profit corporation, or (c) subsidiaries, departments or divisions of, or other entities owned or controlled by, either Buffalo State College or Buffalo State College Foundation (collectively, the "Supported Organizations"), by performing the following activities or services:

(a) Providing and maintaining residential and other facilities for the use of the students and faculty of Buffalo State College and by obtaining financing to accomplish the foregoing;

(b) Receiving and administering funds for the benefit of the Supported Organizations and to that end (i) to take and hold by bequest, devise, gift, grant, purchase, lease or otherwise, either absolutely or jointly with any other person, persons or corporations, any property, whether real, personal, tangible or intangible, or any undivided interest therein, without limitation as to amount or value; (ii) to sell, convey, lease or otherwise dispose of any such

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property; and (iii) to invest, reinvest, or deal with the principal or income thereof, all in such manner as, in the judgment of the directors of the corporation, will best promote the purposes of the corporation without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received, this certificate of incorporation or any laws applicable to such property; provided, however, that all activities in furtherance of such purposes shall be subject to any prohibition, condition or limitation imposed by applicable law, including, without limitation, the obtaining of any necessary governmental permits, licenses or approvals; and

(c) Doing any other act or thing incidental to or in connection with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of the corporation's directors, officers or employees.

(2) The corporation is organized exclusively for charitable and educational purposes as specified in Section 501(c)(3) of the Internal Revenue Code (the "Code"), and shall not carry on any activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Code, or any successor section, or by a corporation, contributions to which are deductible under Section 170(o)(2) of the Code, or any successor section.

(3) No part of the net earnings of the corporation shall inure to the benefit of any director or officer of the corporation or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation), and no director or officer of the corporation or any private individual shall be entitled to share in the distribution of any of the corporate assets on dissolution of the corporation.

(4) No substantial part of the activities of the corporation consist of carrying on propaganda, or otherwise attempting to influence legislation (except as otherwise provided by Section 501(h) of the Code), nor shall the corporation participate in or intervene in (including the

publication or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

(5) Nothing herein shall authorize the corporation to operate or maintain a college or university or grant degrees or credit leading to a degree.

THIRD: The corporation is a Type B not-for-profit corporation under Section 201 (Purposes) of the Not-for-Profit Corporation Law.

FOURTH: The office of the corporation is to be located in the County of Erie and State of New York.

FIFTH: The names and addresses of the initial directors of the corporation are:

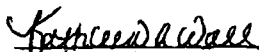
<u>Name</u>	<u>Address</u>
Ross B. Kenzie	Cyclorama Building 369 Franklin Street Buffalo, New York 14202
Anthony J. Baynes	P.O. Box 300 Buffalo, New York 14231
Gerald L. Cornish	6245D Sheridan Drive Suite 300 Williamsville, New York 14221
Timothy P. Balkin	300 Jamison Road East Aurora, New York 14052
Manus (Chris) O'Donnell	762 Daigler Drive North Tonawanda, New York 14120
Dr. Stanley Kardonsky	1300 Elmwood Avenue Cleveland Hall, Room 505 Buffalo, New York 14222-1095
Dr. Suzanne P. Bair	1300 Elmwood Avenue Cleveland Hall, Room 511 Buffalo, New York 14222

SIXTH: Upon liquidation or dissolution of the corporation, whether voluntary or involuntary, after payment of all debts and liabilities of the corporation of whatsoever kind or nature, its remaining funds and other property and rights shall be distributed, granted, conveyed and assigned to Buffalo State College Foundation or any other Buffalo State College campus-

related entity selected by Buffalo State College Foundation that qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code or any successor section. If, at the time of liquidation or dissolution of the corporation, Buffalo State College Foundation has ceased to exist or no longer qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code or any successor section, the corporation's remaining funds and other property and rights shall be distributed, granted, conveyed and assigned to Buffalo State College or a Buffalo State College campus-related entity selected by Buffalo State College that qualifies as an exempt organization under Section 501(c)(3) of the Internal Revenue Code or any successor section.

SEVENTH: The Secretary of State of the State of New York is designated as the agent of the corporation upon whom process against the corporation may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon him or her is c/o Buffalo State College Foundation, 1300 Elmwood Avenue, Cleveland Hall, Room 511, Buffalo, New York 14222.

IN WITNESS WHEREOF, the undersigned has hereunto subscribed this certificate and affirmed it as true under the penalties of perjury this *10th* day of *November* 2008.

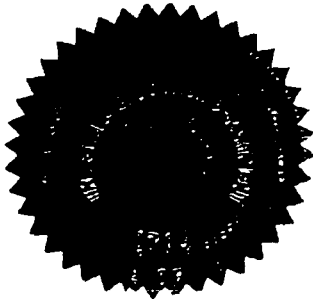

Kathleen A. Wall, Incorporator
Hodgson Russ LLP
The Guaranty Building
140 Pearl Street
Buffalo, New York 14202

STATE OF NEW YORK
THE STATE EDUCATION DEPARTMENT
Albany, New York

CONSENT TO FILING WITH THE DEPARTMENT OF STATE
(Education Law §§219[5] and 224[1][a])

Consent is hereby given to the filing of the annexed (Certificate of Incorporation) of (BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION) pursuant to the applicable provisions of the Education Law, the Not-for-Profit Corporation Law, the Business Corporation Law, the General Business Law, the Limited Liability Company Law, the Partnership Law or any other applicable statute.

This consent is issued solely for purposes of filing the annexed document by the Department of State and shall not be construed as approval by the Board of Regents, the Commissioner of Education or the State Education Department of the purposes or objects of such entity, nor shall it be construed as giving the officers or agents of such entity the right to use the name of the Board of Regents, the Commissioner of Education, the University of the State of New York or the State Education Department in its publications or advertising matter.



IN WITNESS WHEREOF this instrument is executed and the seal of the State Education Department is affixed.

RICHARD P. MILLS
As Commissioner of Education
and on behalf of the Board of
Regents

By: Seth D. Gilboord
Seth D. Gilboord

Commissioner's authorized designee

DEC 10 2008

Date

**THIS DOCUMENT IS NOT VALID WITHOUT THE SIGNATURE OF THE
COMMISSIONER'S AUTHORIZED DESIGNEE AND THE OFFICIAL SEAL OF THE
STATE EDUCATION DEPARTMENT.**

T-07

CT-07

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CERTIFICATE OF INCORPORATION
OF
BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
 (Under Section 402 of the Not-for-Profit Corporation Law)

FILED

2008 DEC 22 PM 2:51

lee
 STATE OF NEW YORK
 DEPARTMENT OF STATE
 FILED DEC 22 2008
 TAXES *5*
 BY: *pac*
Eric

Filed By: Hodgson Russ LLP
 The Guaranty Building
 140 Pearl Street, Suite 100
 Buffalo, NY 14202-4040

Cost ref# 7410387ny

Type B

RECEIVED
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EXHIBIT “B”

**BY-LAWS
OF
BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

A corporation governed by the
Not-for-Profit Corporation Law of New York

**ARTICLE I
MEMBERS**

Section 1. Members. Buffalo State College Foundation Housing Corporation (the “Corporation”), being a Type B not-for-profit corporation as defined in paragraph (b) of section 201 of the New York Not-for-Profit Corporation Law, shall have no members.

**ARTICLE II
BOARD OF DIRECTORS**

Section 1. Management of Corporate Affairs. Except as otherwise provided by law, the certificate of incorporation of the Corporation or these by-laws, the activities, property and affairs of the Corporation shall be managed by the board of directors.

Section 2. Number and Qualifications. The board of directors shall consist of seven voting directors, two of whom shall be ex-officio directors. The ex-officio directors shall be the Vice President, Finance & Management of Buffalo State College, State University of New York or his or her designee and the Vice President for Institutional Advancement of the University/Executive Director of the Buffalo State College Foundation or his or her designee. Of the remaining five directors (the “elected directors”), four directors shall be chosen from among the Elected Directors of the Buffalo State College Foundation, Inc. (the “Foundation”), and one director shall be chosen from among the Members at Large of the board of directors of the Buffalo State College Alumni Association (the “Alumni Association”). All of the directors shall be at least eighteen (18) years of age.

Section 3. Election and Term of Office of Elected Directors. Except as otherwise provided by law or these by-laws, each elected director of the Corporation shall be elected at an annual meeting of the board of directors and shall hold office until the next annual meeting of the

board of directors and until his or her successor has been elected and has qualified, provided that he or she continues to be either an Elected Director of the Foundation or a Member at Large of the board of directors of the Alumni Association, as applicable. The term of office of any elected director shall end immediately upon his or her ceasing to be either an Elected Director of the Foundation or a Member at Large of the board of directors of the Alumni Association, as applicable. No elected director who has served 5 full consecutive terms may be elected director for a further term unless a period of at least 12 months has intervened between the expiration of his or her last prior term and the new term for which he or she is elected.

Section 4. Ex-Officio Directors. Any director serving ex-officio shall serve for so long as he or she remains in the office from which his or her membership on the board is derived, or until such time as he or she resigns or is removed pursuant to Section 6 or Section 7 of this Article II.

Section 5. Vacancies. Vacancies occurring among the elected directors for any reason may be filled by vote of a majority of the directors then in office, although less than a quorum exists. A director elected to fill a vacancy in a board seat held by an Elected Director of the Foundation shall be chosen from among the Elected Directors of the Foundation and shall hold office until the earlier of the expiration of the term he or she was elected to complete or his or her ceasing to be an Elected Director of the Foundation. A director elected to fill a vacancy in the board seat held by a Member at Large of the board of directors of the Alumni Association shall be chosen from among the Members at Large of the board of directors of the Alumni Association and shall hold office until the earlier of the expiration of the term he or she was elected to complete or his or her ceasing to be a Member at Large of the board of directors of the Alumni Association.

Section 6. Resignation. Any director of the Corporation may resign at any time by giving his or her resignation to the President, the Vice-President or the Secretary. Such resignation shall take effect at the time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 7. Removal. Any director may be removed for cause by the affirmative vote of a majority of the board of directors at any meeting of the board, notice of which shall

have referred to the proposed action. Unexcused absence from two regular meetings of the board in any 12-month period shall, without limitation, be considered cause for removal.

Section 8. Compensation. No director of the Corporation shall receive, directly or indirectly, salary, compensation or emolument from the Corporation for acting as a director, except reimbursement of expenses necessarily incurred in effecting one or more of the corporate purposes of the Corporation.

ARTICLE III MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the board of directors of the Corporation, for the transaction of such business as may be set forth in the notice of the meeting, shall be held at such time and place as shall be determined by the board of directors and the notice of meeting shall specify.

Section 2. Special Meetings. Special meetings of the board of directors may be called at any time by the President, or in his or her absence or disability, the Vice-President, and must be called by such officer on written request by three directors. Such request shall state the purpose or purposes for which the meeting is to be called. Each special meeting of the board of directors shall be held at such time and place as the person calling the meeting shall determine and the notice of the meeting shall specify.

Section 3. Annual Meeting. The annual meeting of the board of directors shall be the regular meeting held in October each year, or such other regular meeting as the board of directors shall designate.

Section 4. Notice of Meetings. Notice of each regular or special meeting of the board of directors stating the time and place thereof shall be given by the President, the Vice-President or the Secretary to each member of the board not less than three (3) days before the meeting, by mailing the notice, postage prepaid, addressed to each member of the board at his or her residence or usual place of business, or not less than two (2) days before the meeting, by delivering the notice to each member of the board personally, by electronic mail, by telecopy or by telephone.

Section 5. Quorum and Action by the Board. At all meetings of the board of directors, except as otherwise provided by law, the certificate of incorporation or these by-laws, a quorum shall be required for the transaction of business and shall consist of a majority of the entire board, and the vote of a majority of the directors present shall decide any question that may come before the meeting. A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time or place without notice other than announcement at the meeting of the time and place to which the meeting is adjourned.

Section 6. Procedure. The order of business and all other matters of procedure at every meeting of the directors may be determined by the person presiding at the meeting.

Section 7. Action Without a Meeting. Any action required or permitted to be taken by the board or any committee thereof may be taken without a meeting if all members of the board or the committee consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents thereto by the members of the board or committee shall be filed with the minutes of the proceedings of the board or committee. The written consents to any such resolution may be executed in counterpart, each of which, when taken together, will constitute one and the same instrument.

Section 8. Presence at Meeting by Telephone. Members of the board of directors or any committee thereof may participate in a meeting of such board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation in a meeting by such means shall constitute presence in person at the meeting.

ARTICLE IV COMMITTEES OF DIRECTORS

Section 1. Designation of Committees. The board of directors, by resolution or resolutions adopted by a majority of the entire board, may designate from among its members an executive committee and other committees, each consisting of three or more directors with one director being designated as the committee chairman, and may designate one or more directors as alternate members of any such committee who may replace any absent member or members at any meeting of such committee. In the interim between meetings of the board of directors, the

executive committee shall have all the authority of the board of directors except as otherwise provided by law and shall serve at the pleasure of the board of directors. Each other committee designated shall have such name as may be provided from time to time in the resolution or resolutions of the board of directors, shall serve at the pleasure of the board of directors and shall have, to the extent provided in such resolution or resolutions, all the authority of the board of directors except as otherwise provided by law.

Section 2. Acts and Proceedings. All acts done and power and authority conferred by the executive committee from time to time within the scope of its authority shall be, and may be deemed to be, and may be specified as being, an act under the authority of the board of directors. The executive committee and each other committee shall keep regular minutes of its proceedings and report its actions to the board of directors when required.

Section 3. Meetings of Committees. Committees of directors shall meet at such times and places and the chairmen of the committees shall determine and the notice of the meeting shall specify. Meetings of committees of directors shall be governed by the provisions of Sections 4, 5, 6, 7 and 8 of Article III of these by-laws, which govern meetings of the entire board of directors.

Section 4. Other Committees. The board of directors may from time to time, by resolution adopted by the board, designate one or more other committees which shall be “committees of the corporation” and which shall consist of such directors, officers, or other persons as the board may determine. Each such committee shall have such name as may be determined by the board, shall serve at the pleasure of the board and will report its actions to the board when required.

ARTICLE V OFFICERS

Section 1. Officers. The board of directors shall, at its annual meeting, appoint or elect a President, a Vice-President, a Secretary and a Treasurer. The President, Vice President, Secretary and Treasurer must be chosen from among the directors of the Corporation who are also Elected Directors of the Foundation. The board of directors may from time to time elect or

appoint such additional officers as it may determine. Such additional officers shall have such authority and perform such duties as the board of directors may from time to time prescribe.

Section 2. Term of Office. The President, the Vice-President, the Secretary and the Treasurer shall, unless otherwise determined by the board of directors, hold office until the next annual meeting of the board and until their successors have been elected or appointed and qualified. Each additional officer appointed or elected by the board of directors shall hold office for such term as shall be determined from time to time by the board of directors and until his or her successor has been elected or appointed and qualified. Any officer, however, may be removed or have his or her authority suspended by the board of directors at any time, with or without cause. If the office of any officer becomes vacant for any reason, the board of directors shall have the power to fill such vacancy.

Section 3. Resignation. Any officer may resign at any time by notifying the board of directors, the President or the Secretary of the Corporation in writing. Such resignation shall take effect at the time specified therein and unless otherwise specified in such resignation, the acceptance thereof shall not be necessary to make it effective.

Section 4. Duties of Officers May Be Delegated. In case of the absence or disability of an officer of the Corporation, or for any other reason that the board may deem sufficient, the board, except where otherwise provided by law, may delegate the powers or duties of any officer to any other officer, or to any member of the board.

Section 5. The President. The President shall be the chief executive officer of the Corporation. He or she shall have immediate supervision of the activities, business affairs and property of the Corporation and shall have such other duties as are incident to the office or delegated to him or her by the board of directors. The President shall preside at all meetings of the board of directors and shall perform all such other duties as usually pertain to the office or are properly required by the board of directors.

Section 6. The Vice-President. The Vice-President shall, in the absence or at the request of the President, perform the duties and exercise the powers of the President. The Vice-

President shall also have such powers and perform such duties as usually pertain to the office or are properly required by the board of directors.

Section 7. The Secretary. The Secretary shall issue notices of all meetings of directors where notices of such meetings are required by law or these by-laws. The Secretary shall attend all meetings of the board of directors and keep the minutes thereof. The Secretary shall sign such instruments as require the Secretary's signature and shall perform such other duties as usually pertain to the office or are properly required by the board of directors.

Section 8. The Treasurer. The Treasurer shall have the care and custody of all the moneys and securities of the Corporation. The Treasurer shall cause to be entered in the books of the Corporation to be kept for that purpose full and accurate accounts of all moneys received and paid on account of the Corporation. The Treasurer shall make and sign such reports, statements and instruments as may be required of him or her by the board of directors or by the laws of the United States or of any state or country, and shall perform such other duties as usually pertain to the office or as are properly required by the board of directors. The board of directors may require the Treasurer to furnish such bond or security as it directs for the faithful performance of his or her duties.

Section 9. Officers Holding Two or More Offices. Except for the offices of President and Secretary, any two or more offices among the offices of President, Vice President, Secretary and Treasurer may be held by the same person, but no officer shall execute or verify any instrument in more than one capacity if such instrument is required by law or otherwise to be executed or verified by two or more officers.

Section 10. Compensation. No officer of the Corporation shall receive, directly or indirectly, salary, compensation or emolument from the Corporation for acting as an officer, except reimbursement of expenses necessarily incurred in effecting one or more of the corporate purposes of the Corporation.

ARTICLE VI
INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Right of Indemnification. Each director and officer of the Corporation, whether or not then in office, and any person whose testator or intestate was such a director or officer, shall be indemnified by the Corporation for the defense of, or in connection with, any threatened, pending or completed actions or proceedings and appeals therein, whether civil, criminal, administrative or investigative, in accordance with and to the fullest extent permitted by the Not-for-Profit Corporation Law of the State of New York or other applicable law, as such law now exists or may hereafter be adopted or amended; provided, however, that the Corporation shall provide indemnification in connection with an action or proceeding (or part thereof) initiated by such a director or officer only if such action or proceeding (or part thereof) was authorized by the board of directors.

Section 2. Advancement of Expenses. Expenses incurred by a director or officer in connection with any action or proceeding as to which indemnification may be given under Section 1 of this Article VI may be paid by the Corporation in advance of the final disposition of such action or proceeding upon (a) the receipt of an undertaking by or on behalf of such director or officer to repay such advancement in case such director or officer is ultimately found not to be entitled to indemnification as authorized by this Article VI and (b) approval by the board of directors acting by a quorum consisting of directors who are not parties to such action or proceeding or, if such a quorum is not obtainable, then by vote of a majority of the entire board of directors. To the extent permitted by law, the board of directors shall not be required to find that the director or officer has met the applicable standard of conduct provided by law for indemnification in connection with such action or proceeding before the Corporation makes any advance payment of expenses hereunder.

Section 3. Availability and Interpretation. To the extent permitted under applicable law, the rights of indemnification and to the advancement of expenses provided in this Article VI (a) shall be available with respect to events occurring prior to the adoption of this Article VI, (b) shall continue to exist after any rescission or restrictive amendment of this Article VI with respect to events occurring prior to such rescission or amendment, (c) shall be interpreted on the basis of applicable law in effect at the time of the occurrence of the event or

events giving rise to the action or proceeding or, at the sole discretion of the director or officer (or, if applicable, at the sole discretion of the testator or intestate of such director or officer seeking such rights), on the basis of applicable law in effect at the time such rights are claimed and (d) shall be in the nature of contract rights that may be enforced in any court of competent jurisdiction as if the Corporation and the director or officer for whom such rights are sought were parties to a separate written agreement.

Section 4. Other Rights. The rights of indemnification and to the advancement of expenses provided in this Article VI shall not be deemed exclusive of any other rights to which any director or officer of the Corporation or other person may now or hereafter be otherwise entitled, whether contained in the certificate of incorporation, these by-laws, a resolution of the board of directors or an agreement providing for such indemnification, the creation of such other rights being hereby expressly authorized. Without limiting the generality of the foregoing, the rights of indemnification and to the advancement of expenses provided in this Article VI shall not be deemed exclusive of any rights, pursuant to statute or otherwise, of any director or officer of the Corporation or other person in any action or proceeding to have assessed or allowed in his or her favor, against the Corporation or otherwise, his or her costs and expenses incurred therein or in connection therewith or any part thereof.

Section 5. Severability. If this Article VI or any part hereof shall be held unenforceable in any respect by a court of competent jurisdiction, it shall be deemed modified to the minimum extent necessary to make it enforceable, and the remainder of this Article VI shall remain fully enforceable. Any payments made pursuant to this Article VI shall be made only out of funds legally available therefor.

ARTICLE VII CORPORATE FINANCE

Section 1. Corporate Funds. The funds of the Corporation shall be deposited in its name with such banks, trust companies or other depositories as the board of directors may from time to time designate. All checks, notes, drafts and other negotiable instruments of the Corporation shall be signed by such officer or officers, agent or agents, employee or employees as the board of directors from time to time may designate. No officers, agents or employees of the Corporation, alone or with others, shall have the power to make any checks, notes, drafts or

other negotiable instruments in the name of the Corporation or to bind the Corporation thereby, except as provided in this section.

Section 2. Fiscal Year. The fiscal year of the Corporation shall be the year ending June 30.

Section 3. Loans to Directors and Officers. No loans shall be made by the Corporation to its directors and officers.

Section 4. Gifts. The board of directors, the executive committee or any authorized officer, employee or agent of the Corporation may accept on behalf of the Corporation any contribution, gift, bequest or devise for any general or special purpose or purposes of the Corporation.

ARTICLE VIII AMENDMENTS

Section 1. Procedure for Amending By-Laws. By-laws of the Corporation may be adopted, amended or repealed at any meeting of the board of directors, notice of which shall have included specification of the proposed action, by the vote of a majority of the entire board of directors.

EXHIBIT "C"

State of New York
Department of State } **ss:**

I hereby certify, that the Certificate of Incorporation of BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION was filed on 12/22/2008, as a Not-for-Profit Corporation and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation.

I further certify, that no other documents have been filed by such Corporation.



*Witness my hand and the official seal
of the Department of State at the City
of Albany, this 23rd day of May
two thousand and eleven.*

A handwritten signature in black ink, appearing to read "Daniel Shapiro".

Daniel Shapiro
First Deputy Secretary of State

EXHIBIT “D”

4/17/09: copies to J. Thor, T. Gilbride

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: APR 11 2009

BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION
C/O STANLEY KARDONSKY
1300 ELMWOOD AVE STE 505
BUFFALO, NY 14222

Employer Identification Number:

94-3462623

DLN:

17053082017009

Contact Person:

DALE T SCHABER

ID# 31175

Contact Telephone Number:

(877) 829-5500

Accounting Period Ending:

June 30

Public Charity Status:

509(a)(3)

Form 990 Required:

Yes

Effective Date of Exemption:

December 22, 2008

Contribution Deductibility:

Yes

Addendum Applies:

No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

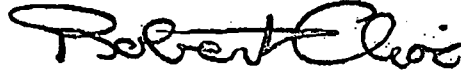
We have determined that you are a Type 1 supporting organization under section 509(a)(3). A Type 1 is operated, supervised, or controlled by, a Type 2 is supervised or controlled in connection with, and a Type 3 is operated in connection with one or more publicly supported organizations.

Letter 947 (DO/CG)

BUFFALO STATE COLLEGE FOUNDATION

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,



Robert Choi
Director, Exempt Organizations
Rulings and Agreements

Enclosures: Publication 4221-PC

EXHIBIT "E"

**Resolutions of the Board of Directors of the
Buffalo State College Foundation Housing Corporation regarding
Student Housing Project**

WHEREAS, in 2009, this corporation determined to undertake the construction of an approximately 224,000 square foot student housing project to be located on the campus of Buffalo State College (the "Project"); and

WHEREAS, in 2009 and in 2010, this corporation borrowed funds through the issuance of tax exempt bonds by the Buffalo and Erie County Industrial Land Development Corporation (the "Issuer") to finance the cost of the Project, the present outstanding principal balance of which is approximately \$40,000,000 (collectively, the "Original Bonds"); and

WHEREAS, the majority of the Original Bonds were purchased and held by Manufacturers and Traders Trust Company on its own account, and as agent for First Niagara Bank (the "Bank Qualified Bonds"); and

WHEREAS, the portion of the Original Bonds not constituting Bank Qualified Bonds were subordinated to the Bank Qualified Bonds and, therefore, provided for a substantially higher coupon rate of interest and an earlier maturity date (the "Subordinated Bonds"); and

WHEREAS, repayment of the Original Bonds was guaranteed by the Buffalo State College Foundation; and

WHEREAS, in order to eliminate the Buffalo State College Foundation guaranty, and refund the Subordinated Bonds, this corporation has secured a commitment from the Issuer to issue fixed rate tax-exempt revenue bonds having maturities of up to 30 years in an amount not to exceed \$53,000,000 (the "2011 Bonds"), the proceeds of which would be used to pay the balance of costs necessary to complete the Project, refund the Original Bonds and pay the cost of issuance related to the 2011 Bonds; and

WHEREAS, the 2011 Bonds will be issued pursuant to the terms of a certain Indenture of Trust to be dated as of June 1, 2011 (the "Indenture") among the Issuer and Manufacturers and Traders Trust Company, as trustee (the "Trustee"); and

WHEREAS, M&T Education Investment Banking Group and M&T Securities (collectively, "M&T") has agreed to serve as investment banker and underwriter in conjunction with the 2011 Bonds; and

WHEREAS, the Company has secured a tentative underlying credit rating for the 2011 Bonds of "A+" from Standard & Poor's, without additional credit enhancement; and

WHEREAS, M&T is exploring whether this corporation would receive additional financial benefits through the procurement of additional credit enhancement, such as a policy of municipal bond insurance, in conjunction with all or a portion of the 2011 Bonds; and

WHEREAS, at closing, the 2011 Bonds will be purchased by M&T pursuant to the terms of a Bond Purchase Agreement among the Issuer, M&T and this corporation (the "Bond Purchase Agreement"); and

WHEREAS, prior to or simultaneously with the issuance of the 2011 Bonds, this corporation will execute and deliver (1) a Loan Agreement by and between this corporation and the Issuer (the "Loan Agreement"), (2) an Acknowledgment to a Pledge and Assignment between the Issuer and the Trustee (the "Pledge and Assignment Acknowledgment"), (3) a Guaranty from this corporation to the Trustee (the "Company Guaranty"), (4) a Leasehold Mortgage and Security Agreement from this corporation to the Trustee (the "Leasehold Mortgage"), (5) an Assignment of Rents from the Company to the Trustee (the "Assignment of Rents"), (6) an Environmental Compliance and Indemnification Agreement to the Issuer (the "Environmental Indemnification Agreement"), (7) an Assignment of Agreements and other documents related to the Project from this corporation to the Trustee (the "Assignment of Agreements"), (8) a Tax Compliance Agreement between this corporation and the Issuer (the "Tax Compliance Agreement") and (9) a Continuing Disclosure Agreement between this corporation and the Trustee (the "Continuing Disclosure Agreement") (the Bond Purchase Agreement, the Loan Agreement, the Pledge and Assignment Acknowledgment, the Company Guaranty, the Leasehold Mortgage, the Assignment of Rents, the Environmental Indemnification Agreement, the Assignment of Agreements, the Tax Compliance Agreement and the Continuing Disclosure Agreement, together with any and all other documents executed by this corporation in conjunction with the construction or financing of the Project and the refunding of the Original Bonds, being collectively referred to as the "Project Documents"); and

NOW, THEREFORE, BE IT RESOLVED,

RESOLVED, that the form, terms and conditions of the Bond Purchase Agreement, the Loan Agreement, the Pledge and Assignment Acknowledgment, the Company Guaranty, the Leasehold Mortgage, the Assignment of Rents, the Environmental Indemnification Agreement, the Assignment of Agreements, the Tax Compliance Agreement and the Continuing Disclosure Agreement, as presented to the officers of this corporation and reviewed by legal counsel to this corporation, are hereby authorized, approved and adopted in all respects; and be it further

RESOLVED, that any officer of this corporation, be and each of them hereby is, acting alone, in the name and on behalf of this corporation, authorized, directed and empowered to execute and deliver the Project Documents with such changes, additions and modifications thereto, including, but not limited to, any changes related to the procurement of additional credit enhancement for the 2011 Bonds such as a policy of municipal bond insurance, as such officer shall approve, such approval to be conclusively evidenced by the execution and delivery thereof by such officer; and be it further

RESOLVED, that any officer of this corporation, be and each of them hereby is, acting alone, in the name and on behalf of this corporation, authorized, directed and empowered to do or cause to be done all such acts or things and to sign and deliver, or cause to be signed and delivered, all such documents, instruments and notices required or permitted to be delivered by this corporation under the Project Documents, in the name of and on behalf of this corporation or

otherwise, as such officer may deem necessary, advisable or appropriate to effectuate or carry out the purposes and intent of the foregoing resolutions and to perform the obligations of this corporation under the Project Documents.

FACILITY MANAGEMENT AGREEMENT

THIS FACILITY MANAGEMENT AGREEMENT (*the "Agreement"*) is made as of the 1st day of July, 2009 by and between **BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION**, a corporation organized under the New York Not-for-Profit Corporation Law, with an office and place of business at c/o Buffalo State College Foundation, Inc., 1300 Elmwood Avenue, Cleveland Hall, Room 511, Buffalo, New York 14222 (*hereinafter referred as the "Owner"*) and **STATE UNIVERSITY OF NEW YORK**, a corporation established by the New York Education Law, with an office and place of business at State University Plaza, Albany, New York 12246 (*hereinafter referred to as the "Manager"*) for and on behalf of Buffalo State College (*hereinafter referred to as the "College"*).

WITNESSETH:

WHEREAS, Section 355 of the New York State Education Law (the "Enabling Act") authorizes and empowers the trustees of the State University of New York to, among other things, lease to alumni associations of institutions of the State University of New York portions of the grounds occupied by such institutions for the erection thereon of dormitories to be used by students in attendance at such institutions; and

WHEREAS, pursuant to the Enabling Act, on May 12, 2009, the Board of Trustees of the State University of New York unanimously approved a resolution (Board of Trustees Resolution 2009-050) authorizing the State University of New York, for and on behalf of the College, as lessor (*the "Ground Landlord"*) to enter into a Ground Lease with Buffalo State Alumni Association, Inc. (*the "Ground Tenant"*), as lessee (*the "Ground Lease"*), covering an approximately 260 foot by 610 foot parcel of real property commonly referred to as the Buffalo State Student Housing Project (*the "Land"*) situated on the College's campus located at 1300 Elmwood Avenue, in the City of Buffalo (*the "Campus"*) to be used for the exclusive purpose of constructing and operating student housing; and

WHEREAS, the Ground Lease was executed and delivered by the Ground Landlord and Ground Tenant as of July 1, 2009; and

WHEREAS, pursuant to a certain Sublease Agreement, dated as of July 1, 2009, by and between the Ground Tenant, as sublandlord, and the Owner (*the "Sublease"*), the Ground Tenant subleased a portion of the Land to the Owner for the operation of a suite style student housing complex comprised of one building with four, five and seven story wings containing approximately 507 beds in aggregate, which would serve the needs of the students of the College (*the "Project"*); and

WHEREAS, pursuant to a certain Lease to Issuer, presently intended to be dated as of September 1, 2009, between the Owner, as sublessor, and the Erie County Industrial Development Agency or comparable issuer of tax exempt bonds (*the "Issuer"*) as sublessee (*the "Lease to Issuer"*), the Owner will agree to sublease the Project to the Issuer; and

WHEREAS, pursuant to a certain Agency Lease Agreement, presently intended to be dated as of September 1, 2009, between the Issuer, as sublessor, and the Owner, as sublessee (*the "Agency Lease"*), the Issuer will agree to sublease the Project to the Owner; and

WHEREAS, pursuant to a certain Indenture of Trust, presently intended to be dated as of September 1, 2009, between the Issuer and a financial institution, as trustee (*the "Trustee"*), (*the "Indenture"*), the Issuer will agree to issue tax exempt bonds with respect to the Project (*the "Bonds"*), which Bonds are to be paid out of the license fees and other charges to be paid by the occupants of the Project (*the "Project Occupants"*) which are due or shall become due under the terms of any licenses or other use or occupancy arrangements (*collectively "Project Revenues"*); and

WHEREAS, the Manager and the Owner desire to enter into this Agreement pursuant to which Manager shall provide for the operation, maintenance and management of the Project; and

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and subject to the conditions hereinafter set forth, the Owner and the Manager hereby agree as follows:

ARTICLE I APPOINTMENT OF MANAGER

SECTION 1.1 Appointment of Manager.

The Owner hereby appoints the Manager, and Manager hereby accepts such appointment, as the sole and exclusive manager of the Project, subject to the terms, conditions and limitations set forth in this Agreement.

SECTION 1.2 Term of Agreement.

This Agreement shall have an original term coincident with the term of the Ground Lease, unless sooner terminated as provided herein.

ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1 Representations, Covenants and Warranties of the Owner.

The Owner represents, covenants and warrants as follows:

(a) The Owner is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of New York; has full and complete power to enter into this Agreement, to enter into and carry out the transactions contemplated hereby, and to carry out its obligations under this Agreement; and has duly authorized the execution and delivery of this Agreement.

(b) Neither the execution and delivery of this Agreement nor the fulfillment of or compliance with the terms and conditions hereof nor the consummation of the transactions contemplated hereby conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Owner is now a party or by which the Owner is bound, or constitutes a default under any of the foregoing, or results in the creation

or imposition of any lien, charge or encumbrance whatsoever upon the Project or any assets of the Owner.

SECTION 2.2 Representations, Covenants and Warranties of Manager.

The Manager represents, covenants and warrants as follows:

(a) The Manager is an educational corporation duly organized, validly existing and in good standing under the laws of the State of New York; has full and complete power to enter into this Agreement, to enter into and carry out the transactions contemplated hereby, and to carry out its obligations under this Agreement; and has duly authorized the execution and delivery of this Agreement.

(b) Neither the execution and delivery of this Agreement nor the fulfillment of or compliance with the terms and conditions hereof nor the consummation of the transactions contemplated hereby conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Manager is now a party or by which the Manager is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon the Project or any assets of the Manager.

(c) The Manager shall regularly consult and cooperate fully with the Management Committee (as hereinafter defined).

(d) The Manager acknowledges and agrees that all payment obligations of the Owner hereunder shall be subject to the provisions of the Ground Lease and the Sublease.

(e) The Project shall be used to house: (i) students of the College, (ii) University Residence Halls and Apartments Staff assigned to the Project, (iii) persons participating in educational activities occurring under the auspices of the College (e.g., enrollees in summer conferences or other programs sponsored by the College) and (iv) invitees of any user described in clauses (i), (ii) or (iii).

(f) To assure the continued economic viability of the Project, the Manager will cause to be licensed on behalf of Owner units in the Project in accordance with **Section 3.4** of this Agreement, until the occupancy of the Project is at a level sufficient to generate aggregate Project Revenues in an amount which will allow the Owner to fund all necessary reserves for the capital repair, replacement, alteration or improvement of the Project (*such reserves being hereinafter referred to collectively as the "Capital Reserves"*), to pay all Operating Expenses (*as hereinafter defined*), to make all principal and interest payments due with respect to the Bonds (*hereinafter referred to as "Debt Service Payments"*), to pay all College Expenses (*as hereinafter defined*) and to make all other payments required under the Indenture, the Ground Lease, the Sublease, the Lease to Issuer and the Agency Lease (*such agreements being hereinafter collectively referred to as the "Principal Agreements"*).

**ARTICLE III
MANAGEMENT COMMITTEE: PROJECT EMPLOYEES; STUDENT REFERRALS**

SECTION 3.1 **Scope of Authority and Responsibility.**

(a) The Owner hereby establishes a management committee comprised of three (3) members, one (1) of whom shall be appointed by the Owner and two (2) of whom shall be appointed by the Manager acting on behalf of the College (*the "Management Committee"*). The Management Committee shall have the responsibility to oversee the financial aspects of the Project and to set the general operating policies for the Project. Toward this end, the Management Committee shall have jurisdiction over issues such as approval of Annual Budgets (*as hereinafter defined*) and approval of the general operating policies of the Project. The Owner and the Manager acting for and on behalf of the College may appoint an alternate for any member appointed to the Management Committee by such appointing party. The alternate will have the same powers of a Management Committee member in the event of absence or inability of a member of the Management Committee to serve. The Owner and the Manager acting for and on behalf of the College must notify the other in writing with the name and address of the persons appointed by each to the Management Committee. All Management Committee appointments are at the pleasure of the party making such appointment. The Management Committee members appointed by Owner and the Manager acting on behalf of the College are entitled to deal with the Management Committee members appointed by the other until receipt of written notice of the appointment of a substitute or successor for a duly appointed Management Committee member.

(b) The Management Committee shall meet at least once each year at the College or such other location as may be approved by the Management Committee (unless such meeting is waived by all members) or upon the call of any two (2) members after five (5) business days notice to all members by telephone or telecopy. An agenda for each meeting will be prepared in advance by the Owner and the College after consultation. Two (2) members of the Management Committee shall constitute a quorum provided at least one (1) member present is appointed by the Owner and one (1) member present is appointed by Manager acting for and on behalf of the College. A concurring vote of at least two (2) members of the Management Committee shall be required to approve all actions. The Management Committee may act without a meeting if the action is approved in advance in writing by all members of the Management Committee. The Management Committee will cause written minutes to be prepared of all actions taken by the Management Committee and will deliver a copy thereof to each member of the Management Committee promptly following the close of each meeting.

(c) After completion of the construction of the Project, the Manager will cause the College through its housing office, to operate the Project under annual budgets (*individually, an "Annual Budget" and collectively, the "Annual Budgets"*) which will be prepared and submitted by the College to the Management Committee for approval not later than two hundred ten (210) days prior to the commencement of each academic year. Each Annual Budget will be in such detail as the Management Committee may reasonably require. If at any time during any academic year the amounts set forth in an Annual Budget require adjustment, the Manager will cause the College to submit a revised Annual Budget to the Management Committee for approval in accordance with this **Section 3.1**.

SECTION 3.2 Employees at Project.

All employees necessary or appropriate to the implementation of the terms of this Agreement ("*Project Staff*") shall be employed by the College and shall be under the control and supervision of Manager acting for and on behalf of the College. Subject to the limitations of applicable law (including, but not limited to, the Enabling Act) and this Agreement, the Manager shall cause the College to be responsible for screening, testing, investigating, hiring, supervising, discharging and paying all Project Staff. Neither the Owner nor the Management Committee shall have any right to supervise or direct Project Staff; provided, however, that if the Owner requests in writing that any Project Staff member who is employed at or otherwise performs services at the Project (*such Project Staff members being hereinafter collectively referred to as "On-site Staff"*) be replaced, the Manager shall cause the College, subject to applicable employment rules, collective bargaining/labor management contract limitations and any other applicable law, regulation or legal measure or provision of law, to relocate such On-site Staff member to another University facility or at the College's option terminate such On-site Staff member, as appropriate, within seven (7) days of such request.

SECTION 3.3 Establishment of License Rates.

No later than two hundred and ten (210) days prior to the commencement of each academic year as announced by the College, the Manager shall cause the College to establish and submit to the Management Committee a schedule setting forth the license rates to be charged at the Project for such academic year, which rates shall be sufficient at historic occupancy levels to generate aggregate Project Revenues in an amount equal to: (a) one hundred and twenty percent (120%) of all Debt Service Payments scheduled to become due during such year and (b) the total sum needed by the Owner in such year to: (i) fund all Capital Reserves, (ii) pay all Operating Expenses, (iii) pay all non-deferred College Expenses, and (iv) make all other payments required under the Principal Agreements.

SECTION 3.4 University Referral of Students; License Fee Collection Procedures

Subject to applicable law:

(a) The Manager will cause to be licensed on behalf of Owner units in the Project to students associated with the Campus who desire, or are required by the College's current or future housing policy to occupy housing on the Campus (*the "On-Campus Occupants"*) until the Project has attained occupancy levels sufficient to generate aggregate Project Revenues in an amount which will allow the Owner to fund all Capital Reserves, to pay all Operating Expenses, to make all Debt Service Payments, to pay all College Expenses and to make all other payments required under the Principal Agreements during such academic year. Such licensing shall be on a first priority basis such that the College shall refrain from licensing or entering into any other type of use or occupancy arrangement for any other student housing on the Campus for such academic year until the Project reaches the occupancy level required by the preceding sentence. Spaces in the Project shall be made available to the On-Campus Occupants as follows:

Each semester, the Manager acting for and on behalf of the College shall permit all On-Campus Occupants, regardless of classification, to apply for occupancy at the Project

(hereinafter the "Applicants"). Based upon the limited availability of the Project, which will consist of one building with four, five and seven story wings containing approximately 507 beds in aggregate, the Manager acting for and on behalf of the College shall have the right, from time to time, to designate certain Applicants as priority occupants (*the "Priority Occupants"*) based upon criteria established by the College (For example, Priority Occupant designation may be given to Applicants who are graduate students, upperclassmen, transfer students, or students that currently reside in University residence halls). The Manager acting for and on behalf of the College may assign Priority Occupants to the Project prior to assigning Applicants who are not Priority Occupants to the Project.

(b) Student license payments will be assessed and collected by the Manager along with student tuition bills and payments.

(c) Any students delinquent in the payment of their student housing license fees will be precluded by the Manager from registering and the Manager will withhold grade reports and transcripts until payment in full has been made by the particular student.

SECTION 3.5 Marketing of the Project.

(a) The Manager shall cause the College to actively promote and market the Project as an integral part of the overall housing program of the College. The Project will be marketed and promoted in the same manner as the College's existing on-Campus housing. Currently, these marketing and promotional efforts include, but are not limited to:

(1) Distribution of a housing brochure in all response mailings to prospective students seeking information about enrolling in the College or seeking information related to on-Campus housing at the College;

(2) Maintaining a web site detailing the accommodations and amenities available in each on-Campus housing facility; and

(3) Active promotion of on-Campus housing in conjunction with the College's promotional and recruiting efforts.

(b) The Owner shall cooperate in promoting and marketing the Project by causing the following actions to be taken, at no expense to the Manager or the College:

(1) Preparation of a housing brochure which reflects the floor plans, amenities and benefits of the Project; and

(2) Provide a leasing office at the Project for use by the on-site Manager.

SECTION 3.6 Approval of Housing Contracts.

Prior to the licensing of the Project, the Manager shall cause the College to submit to the Management Committee for its approval the form of the license or other use and occupancy agreement for the Project (*the "License"*), which, when approved, shall be utilized by the College for the term of this Agreement. In the event the College seeks to modify or alter the

approved License, the Manager shall cause the College to submit such modifications or alterations to the Management Committee for its review and approval. The Owner shall be identified in the License as licensor.

ARTICLE IV DUTIES OF MANAGER

SECTION 4.1 Management, Operation and Maintenance of Project.

The Manager shall cause the College, through its housing office, to manage, operate and maintain the Project in accordance with the requirements of applicable law and this Agreement. In particular, the Manager shall cause the College, through its housing office, to:

(a) Prepare and submit to the Management Committee at least annually, a marketing program (*the "Marketing Program"*) which shall entail license rates, license terms and marketing strategies.

(b) Supervise the preparation of all advertising layouts, brochures, campaigns and model apartments and ensure compliance of all such items with applicable law.

(c) Prepare and submit to the Management Committee an Annual Budget, which shall describe in detail all of the revenue and expenses entailed in the operation and maintenance of the Project (including capital repairs, replacements and refurbishments) and the provision of all payments required by or in connection with the Bonds, the Principal Agreements and this Agreement. The parties acknowledge that the Annual Budget for the initial years of operations should reflect net operating revenues at a level sufficient to cause any guaranty of Buffalo State College Foundation, Inc. given in connection with the Project to be terminated in accordance with its terms. Subsequent Annual Budgets should reflect annual increases in Project Revenues to fulfill the requirements of **Section 3.3** of this Agreement.

(d) Implement the Marketing Program and Annual Budget (*hereinafter collectively designated the "Management Plans"*) as approved by the Management Committee. All Management Plans hereafter submitted to the Management Committee for review will be considered approved if there has been no specific written objection thereto from the Management Committee within thirty (30) days after such items are submitted.

(e) Institute monthly reports and accounting systems to accurately reflect the implementation of the Management Plans. Reports for the preceding month shall be in the form established by the Owner and shall be sent to the Management Committee and the Owner as soon as practicable following the commencement of the next succeeding month. The reports shall contain data and analysis with respect to the subject month's financial activities at the project as well as year-to-date reports.

(f) Establish requirements for security deposits, in accordance with the Marketing Program, and collecting, holding, applying and refunding security deposits in accordance with applicable law and the terms of each License.

(g) Collect all Project Revenues, which shall, upon receipt by the College, be

promptly deposited into the College's cash receivables account, and thereafter promptly remitted without set-off or deduction, (in any event not later than two (2) weeks after receipt by the College) to Owner, and reported to the Owner in a format utilizing the Owner's general ledger and financial reporting systems.

(h) When authorized by the Owner in writing, or as a part of an approved Annual Budget, to sign and serve such notices as are deemed appropriate by the Manager or reasonably requested by Owner.

(i) Use its best efforts to obtain and maintain exemptions for the Project with respect to ad valorem taxes and other local and state sales and use taxes, to the extent such exemptions are available.

(j) Take those steps required by the Indenture to assure that all Operating Expenses and other expenses included in an approved Annual Budget are promptly paid by the Owner out of Project Revenues. As used in this Agreement, the term "Operating Expenses" shall mean the aggregate of the following expenses incurred in connection with or arising from the ownership, operation, management, repair, maintenance, and use or occupancy of the Project: (i) license and permit fees, real estate taxes, assessments and payments in lieu thereof, and any other charges of any kind or nature imposed or assessed against the Project by any governmental authority; (ii) legal, accounting, engineering and other professional and consulting fees and disbursements; (iii) accounts payable to third party contractors and vendors providing labor, material, services and equipment to the Project; (iv) premiums for insurance paid with respect to the Project or the operations thereof; (v) costs of capital maintenance, repairs, reserves and replacements of any equipment dedicated to the Project; (vi) service contracts and public utility charges not supplied by the College to the Project; and (vii) costs of credit reports, bank charges and like matters.

(k) Pay when due all College Expenses and seek reimbursement therefor in accordance with **Section 4.6**. As used in this Agreement, the term "College Expenses" shall mean: (i) all payroll costs for On-site Staff including wages, salary, incentive bonuses, holiday and vacation pay, insurance benefits, workers' compensation premiums or allocable costs for self insurance of such matters, pension and health and welfare payments, payroll taxes and other governmental assessments so long as such salary and wage costs and benefits conform to the approved Annual Budget or are otherwise approved in writing by the Owner; (ii) any backcharge by the College for or with respect to any utilities supplied by the College to the Project; and (iii) costs of non-capital maintenance and repairs at the Project. To the extent that any On-site Staff member devotes less than full time (i.e., forty hours per week) to the Project, the expenses identified in clause (i) in the immediately preceding sentence with respect to such employee shall be allocated pro rata based upon the amount of time such employee devotes exclusively to the Project.

(l) Extend to the Project "mains" and "tie-ins" for electrical service, water service, telephone service, cable television service, data service, sanitary sewer service and storm sewer service to the Project.

(m) Negotiate, on behalf of the Owner, with appropriate utility providers the terms and conditions of a "main" and "tie-in" for natural gas service to the Project.

(n) Furnish, subject to backcharges as provided in **Subparagraph 4(k)** above, through the College's utility supply network, all electricity, water, sanitary sewer and storm sewer service necessary for the operation of the Project.

(o) Negotiate, on behalf of the Owner, with appropriate utility providers, for telephone service and cable television service to each unit within the Project.

(p) Maintain records of all billings and collections, detailed expenditure records and supporting documentation for payroll, payroll taxes and employee benefits.

(q) Supervise and cause to be made all capital and non-capital repairs, replacements, alterations, additions, improvements, and decorations necessary to keep the Project in good condition and repair and at its optimum operating efficiency and otherwise as specified in the Management Plans, utilizing, in each instance, contractors retained by the College on behalf of the Owner to perform such work.

(r) Purchase materials and supplies required for the operation and maintenance of the Project as permitted pursuant to any approved Annual Budget or otherwise approved in writing by the Owner.

(s) Report within two business days to the Owner any repair or maintenance conditions requiring the attention of the Owner.

(t) Select, employ, supervise, promote, direct, and discharge the Project Staff.

(u) Use its best efforts to keep the Project entirely licensed in accordance with Management Plans.

(v) Negotiate with prospective licensees of space, or renewal licenses, for the Project, and execute licenses for periods of ten (10) or twelve (12) calendar months or other lengths approved by the Management Committee, at rates in accordance with **Article 3** hereof, and on such other license terms as may be approved by the Owner (following consultation with the College).

(w) Inspect the Project regularly by trained personnel, and present recommendations to the Owner regarding the physical condition of the Project so as to maintain the Project at high standards of soundness, efficiency, and cleanliness.

(x) In general, whether herein specifically authorized or not, do all things necessary, proper, or expedient in connection with carrying out the spirit and intent of this Agreement with respect to the licensing, management, operation and improvement of the Project.

SECTION 4.2 Independent Contractor.

The Manager shall have authority to enter into any obligation or expenditure incurred on behalf of the Project only if (i) such obligation is within the scope of Manager's authority and pursuant to an approved Annual Budget, or otherwise approved in writing by the Owner and (ii) is made in consultation with the College. In contracting for services and products giving rise to Operating Expenses, the Manager shall be acting solely as the agent of the Owner

and the Owner agrees to pay all claims asserted and losses sustained by reason of such obligations, so long as the Manager performs its duties in good faith within the scope of this Agreement and so long as the Manager's acts or omissions do not constitute gross negligence, willful misconduct, malfeasance or fraud. Nothing contained herein shall require the Owner to indemnify the Manager for any liability arising from the gross negligence, willful misconduct malfeasance or fraud of the Manager, its agents or its employees. Manager shall advise any contracting party with whom it deals that Manager is acting as agent of the Owner, and that the Manager shall have no liability for the obligation or expenditure, and may exact a commitment from the contracting party to look only to the Owner for payment. Except as otherwise expressly provided for herein with respect to College Expenses, the Manager shall not be obligated to advance any sum of money for the Owner or the Project, or lend its credit for the benefit of the Project. The parties agree that neither the Manager nor the College shall bear financial responsibility for the Marketing Program or the costs of operating the Project except as expressly set forth in **Section 4.1**.

SECTION 4.3 Compliance with Regulations.

With respect to the Project, or any equipment thereon, the Manager shall cause the College on behalf of Owner to exercise its best efforts to comply with the requirements of any building codes or with any statute, ordinance, law or regulation of any governmental body or official thereof, and to notify the Management Committee promptly of any complaints, warnings, notices or summonses received by it relating to such matters. It is understood that the Manager shall not be obligated to initiate a process of discovery requiring environmental testing or inspections not normally performed in the routine operation of the Project, unless specifically requested to do so by the Management Committee in writing and at the Owner's expense.

SECTION 4.4 Manager's Duties.

The Manager, in fulfilling its duties and obligations under this Agreement, shall cause the College, through its housing office, to procure and process Licenses in the same manner as is customary and usual in the operation, management and leasing of comparable student residential facilities at the College and shall provide such services as are customarily provided by operators of such complexes of comparable class and standing at the College as the Project, and shall act solely with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of a university dormitory. In addition to the other obligations of the Manager set forth herein, and consistent with the foregoing, the Manager shall cause the College, through its housing office, to render the following services and perform the following duties: (a) coordinate the plans of occupants for moving into the Project or out of it, with a view towards scheduling such movements so that there shall be a minimum of inconvenience to other occupants; (b) maintain business-like relations with licensees whose service requests shall be received, considered and recorded in a prompt and systematic fashion in order to show the action with respect to each which shall be consistent with the license obligations; (c) use its best efforts at all times during the term of this Agreement to maintain the Project according to the highest standards achievable consistent with operation of comparable student residential project complexes at the College; (d) subject to the Management Plans, cause all such acts and things to be done in or about the Project as shall be necessary or desirable to comply with any and all laws, orders, rules and regulations, or to remove any and all violations affecting the Project

placed thereon as required by any federal, state, county or municipal authority having jurisdiction thereover, except that, if the costs of compliance with any such order or to remove any such violation are in excess of the approved Annual Budget, but failure to comply would or might expose the Owner or the Manager to criminal liability, the Manager may cause the College, through its housing office, to cause such order to be complied with or such violation to be removed without seeking an amendment of the Annual Budget; (e) cause to be prepared and filed all necessary forms relating to the maintenance and operation of the Project required by any federal, state, county or municipal authority; (f) cooperate with the accountants, auditors and other representatives of the Owner in regard to the annual audit and periodic inspection of the books of account of the Owner; (g) cooperate with the Owner's accountants in regard to the preparation and filing on behalf of the Owner of federal, state, city and other income or other tax returns required by any governmental authority (including the preparation and filing by the Manager or by the College on behalf of the Manager of any applicable IRS Form 1099 within the time required by law); (h) promptly investigate and make a full written report to the Management Committee and insurance carrier(s) as to all alleged accidents and/or alleged claims for damages, of which the Manager becomes aware in the normal course of its operation of the Project related to the ownership, operation, management and maintenance of the Project (including any personal injury or property damage occurring to or claimed by any occupant or third party on or with respect to the Project and the estimated cost of repair); (i) acquaint itself with all the terms and conditions of all insurance policies, cooperate with all insurance carriers, and avoid any actions or inactions which would jeopardize the rights of the Owner and/or any other party insured under such policies; (j) forward to the insurance carrier any summons, subpoena or other similar legal documents relating to the Project served upon the Manager or the College with copies to the Owner, (k) enforce any environmental clause in any license or other occupancy agreement and immediately notify Owner of any dumping, use or leakage of any applicable toxic waste or material in or near the Project of which the Manager has knowledge; and (l) set up and maintain orderly and accurate files containing license fee records, licenses, licensee improvements committed and made, licensee commissions paid or incurred, correspondence, receipted bills and vouchers and all other documents and papers pertaining to the Project and the operation and maintenance thereof, the same to be and at all times to remain the property of the Owner, and the Manager shall deliver same to the Owner promptly upon termination of this Agreement.

SECTION 4.5 Manager's Liabilities.

(a) The Manager assumes no liability whatsoever for any acts or omissions of the Owner, or any previous or subsequent owners or managers of the Project, or any agents or any previous or subsequent agents of either. The Manager assumes no liability for any failure of, or default by, any licensee in the payment of any fee or other charges due the Owner or in the performance of any obligations owed by any licensee to the Owner pursuant to any license or other occupancy agreement, or otherwise. The Manager assumes no liability for violations of environmental or other building regulations other than (i) to exercise its best efforts to comply with such regulations on behalf of Owner, and (ii) to promptly notify the Owner of violations or hazards discovered. It is understood that Manager shall not be obligated to initiate a process of discovery requiring environmental testing or inspections not normally performed in the routine operation of the Project, unless specifically requested to do so by the Owner in writing and at the Owner's expense.

(b) The State of New York does not purchase insurance against liability

arising out of the acts of the State, the Manager, or their respective officers or employees. In lieu of such insurance, the Manager hereby makes the following certification:

Subject to the availability of lawful appropriations and consistent with Section 8 of the State Court of Claims Act, the Manager will be responsible for any and all liability, claim, loss, damage, suit or judgment (and any and all costs and expenses including, but not limited to, reasonable counsel fees and disbursements, if assessed by a court of competent jurisdiction), arising from the activities of the Manager, or the use on behalf of the Manager of motor vehicles owned or leased by the State of New York or the Manager, provided that such liability, claim, loss, damage, suit or judgment arises out of the acts of the Manager or its officers or employees acting within the scope of their employment, as provided by law. This agreement by Manager does not apply to any liability, claim, damage, suit or judgment arising from acts done, or omissions made, by or on behalf of Owner, its officers, employees or agents.

(c) The Owner will be responsible for any and all liability, claim, loss, damage, suit or judgment (and any and all costs and expenses including, but not limited to, reasonable counsel fees and disbursements, if assessed by a court of competent jurisdiction), arising from the activities of the Owner, or the use on behalf of the Owner of motor vehicles owned or leased by the Owner, provided that such liability, claim, loss, damage, suit or judgment arises out of the acts of the Owner or its officers or employees. This agreement does not apply to any liability, claim, damage, suit or judgment arising from acts done, or omissions made, by or on behalf of Manager, its officers, employees or agents.

(d) Owner shall cause any public liability insurance which it has for the Project to name the Manager, the College and New York State as additional insureds.

SECTION 4.6 College Expenses.

Each month during the term hereof, the Manager shall cause the College to submit an invoice to the Owner for all College Expenses incurred during the preceding month. The Owner will cause such invoice to be paid on or before the thirtieth (30th) day following receipt to the extent of available Project Revenues after making provisions for the funding of all outstanding Capital Reserves, and the payment of all Operating Expenses, Debt Service Payments and other monetary obligations under the Principal Agreements then due and owing. To the extent that available Project Revenues, after making provisions for the payments referenced in this **Section 4.6**, are sufficient to pay any portion of the College Expenses, Owner shall pay such portions of such expenses and damages. If at the time of any such invoice, available Project Revenues, after making provisions for the payments referenced in the preceding sentence, are insufficient to pay all invoiced College Expenses, the amount of such insufficiency shall be deferred on a non-interest bearing basis until such time as the Owner accumulates sufficient Project Revenues to pay such outstanding expenses.

140 Pearl Street, Suite 100
Buffalo, New York 14202-4040
Attn: Terrence M. Gilbride, Esq.
Kathleen A. Wall, Esq.

if to Manager: Vice Chancellor for Capital Facilities
State University of New York
State University Plaza
Albany, New York 12246

with a copy to: Office of Vice Chancellor for Legal Affairs
and The University Counsel
System Administration
State University Plaza
Albany, New York 12246

if to the College: Buffalo State College
Cleveland Hall, Room 511
1300 Elmwood Avenue
Buffalo, New York 14222
Attn: Vice President for Institutional Advancement

Such notices shall be deemed effective upon actual delivery, or if mailed, certified return receipt requested, postage prepaid, properly addressed, three (3) days after posting.

SECTION 6.2 Consents and Approvals.

All consents and approvals and waivers required or asserted hereunder shall be in writing, signed by the party against whom such consent, approval, waiver or notice is urged, provided that no written consent or approval of the Owner or its representative shall be required for any action that the Manager or the College, on behalf of the Manager, may, in its reasonable good faith judgment, find it necessary to take in order to preserve or protect life or property in the event of an emergency. Within three (3) days after the action, the Manager or the College, as the case may be, shall notify the Management Committee of the action taken. The Owner designates the person(s) listed in **Section 6.2** as the person(s) from whom any consents or approvals required hereunder may be obtained. The Owner agrees to give the Manager notice of any change in the designation, provided that the Owner shall at all times designate at least one person from whom consents or approvals required hereunder may be obtained, and shall furnish to the Manager current information concerning the address and telephone number at which such person may be contacted at all times. Until the Manager has received actual notice of such change, the Manager shall be entitled to rely on any consents or approvals given by the previously designated person in connection with any matters hereunder.

SECTION 6.3 Cooperation.

The Owner and the Manager will cooperate to facilitate and promote the mutual objectives of managing the Project.

SECTION 6.4 Assignment.

No assignment of this Agreement may be made by the Manager without the prior written consent of the Owner, the College and the Management Committee. No such assignment by the Manager shall be effective unless (i) the assignee shall have first assumed, in writing, the obligations to be performed by the assignor, and (ii) an executed copy of the assignment and the assumption shall have been delivered to and approved by the Owner. **The Owner may assign this Agreement only with the prior written consent of the Manager and the College.**

SECTION 6.5 Pronouns.

Where appropriate to the context, words of one gender include all genders, and the singular includes the plural and vice versa.

SECTION 6.6 Amendments.

This Agreement may not be modified except in a written instrument signed by the parties.

SECTION 6.7 Representations.

The Manager represents and warrants that the College is fully qualified to manage real estate and perform all obligations assumed by the Manager hereunder.

SECTION 6.8 Complete Agreement.

This Agreement together with all schedules or Exhibits including Exhibit A attached hereto and made part thereof, supersedes all previous agreements, understandings and representations made by or between the parties hereto.

SECTION 6.9 Governing Law.

The parties acknowledge that the Project is located in Amherst, New York. This Agreement shall therefore be governed by and construed in accordance with the laws of the State of New York and all obligations hereunder shall be deemed performable in Buffalo, New York.

SECTION 6.10 Legal Construction.

In case any one or more of the provisions contained in this Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalid provision shall be deemed severable, and shall not affect the validity or enforceability of any other provisions of this Agreement, all of which shall remain fully enforceable.

SECTION 6.11 Captions.

The captions used in this Agreement are solely for convenience, and shall not be deemed to constitute a part of the substance of the Agreement for purpose of its construction.

IN WITNESS WHEREOF, the Manager and the Owner have respectively signed and sealed this Facility Management Agreement as of the day and year first above written.

**BUFFALO STATE COLLEGE
FOUNDATION HOUSING CORPORATION**

By: *Ross B. Kenzie*
Name: Ross B. Kenzie
Title: Chairman

STATE UNIVERSITY OF NEW YORK

By: *Stanley Kardonsky*
Name: STANLEY KARDONSKY
Title: VICE PRESIDENT

Date: 7/03/, 2009

APPROVED AS TO FORM
NYS ATTORNEY GENERAL

OCT 27 2009

Lorraine I. Remo
LORRAINE I. REMO
ASSOCIATE ATTORNEY

APPROVED 12/24 2009
Charlotte Green

AGREEMENT

THIS AGREEMENT (*the "Agreement"*) is made as of the 1st day of June, 2011 by and between **BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION**, a corporation organized under the New York Not-for-Profit Corporation Law, with an office and place of business at c/o Buffalo State College Foundation, Inc., 1300 Elmwood Avenue, Cleveland Hall, Room 511, Buffalo, New York 14222 (*hereinafter referred as the "Owner"*) and **STATE UNIVERSITY OF NEW YORK**, a corporation established by the New York Education Law, with an office and place of business at State University Plaza, Albany, New York 12246 (*hereinafter referred to as "SUNY"*) for and on behalf of Buffalo State College (*hereinafter referred to as the "College"*).

WITNESSETH:

WHEREAS, Section 355 of the New York State Education Law (the "Enabling Act") authorizes and empowers the trustees of the State University of New York to, among other things, lease to alumni associations of institutions of the State University of New York portions of the grounds occupied by such institutions for the erection thereon of dormitories to be used by students in attendance at such institutions; and

WHEREAS, pursuant to the Enabling Act, on May 12, 2009, the Board of Trustees of the State University of New York unanimously approved a resolution (Board of Trustees Resolution 2009-050) authorizing the State University of New York, for and on behalf of the College, as lessor (*the "Ground Landlord"*) to enter into a Ground Lease with Buffalo State Alumni Association, Inc. (*the "Ground Tenant"*), as lessee (*the "Ground Lease"*), covering an approximately 260 foot by 610 foot parcel of real property commonly referred to as the Buffalo State Student Housing Project (*the "Land"*) situated on the College's campus located at 1300 Elmwood Avenue, in the City of Buffalo (*the "Campus"*) to be used for the exclusive purpose of constructing and operating student housing; and

WHEREAS, the Ground Lease was executed and delivered by the Ground Landlord and Ground Tenant as of July 1, 2009; and

WHEREAS, pursuant to a certain Sublease Agreement, dated as of July 1, 2009, by and between the Ground Tenant, as sublandlord, and the Owner (*the "Sublease"*), the Ground Tenant subleased a portion of the Land to the Owner for the operation of a student housing complex comprised of one building containing approximately 507 beds in aggregate, which would serve the needs of the students of the College (*the "Project"*); and

WHEREAS, pursuant to a certain Facility Management Agreement, dated as of July 1, 2009, by and between the Owner and SUNY (*the "Facility Management Agreement"*), SUNY has agreed to operate the Project through its office of residence life; and

WHEREAS, the construction of the Project was funded with certain taxable and tax-exempt revenue bonds (Buffalo State College Foundation Housing Corporation Project) (the "2009 Bonds"), issued by the Buffalo and Erie County Industrial Land Development Corporation (the "Issuer"), the proceeds of which were loaned by the Issuer to the Owner pursuant to the terms and conditions of a that certain Loan Agreement dated as of December 1, 2009; and

WHEREAS, pursuant to a certain Indenture of Trust, presently intended to be dated as of June 1, 2011, between the Issuer and Manufacturers and Traders Trust Company, as trustee (*the "Trustee"*) as amended or supplemented from time to time (*the "Indenture"*), the Issuer intends to issue its \$43,875,000 Refunding Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A, and its \$410,000 Taxable Refunding Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B (*the "2011 Bonds"*) to redeem and defease the 2009 Bonds and to pay certain transaction costs related thereto, which Bonds are to be paid out of the license fees and other charges to be paid by the occupants of the Project (*the "Project Occupants"*) which are due or shall become due under the terms of any licenses or other use or occupancy arrangements (*collectively "Project Revenues"*); and

WHEREAS, the Issuer and the Owner are about to enter into a certain Loan Agreement dated as of June 1, 2011 (as amended or supplemented from time to time, the "Loan Agreement"), pursuant to which, among other things, the Owner will agree to make Loan Payments in an amount sufficient to pay principal and the redemption price of, and interest on, the 2011 Bonds; and

WHEREAS, SUNY and the Owner desire to enter into this Agreement pursuant to which SUNY shall provide for the operation, maintenance and management of the Project; and

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, and subject to the conditions hereinafter set forth, the Owner and SUNY hereby agree as follows:

ARTICLE I DEFINITIONS

SECTION 1.1 Definitions

All initially-capitalized terms used in this Agreement but not defined herein shall have the meaning ascribed thereto in the Facility Management Agreement.

ARTICLE II TERM OF AGREEMENT

SECTION 2.1 Term of Agreement.

This Agreement shall have an original term coincident with the term of the Ground Lease, unless sooner terminated as provided herein.

ARTICLE III REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 3.1 Representations, Covenants and Warranties of the Owner.

The Owner represents, covenants and warrants as follows:

(a) The Owner is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of New York; has full and complete power to enter into this Agreement, to enter into and carry out the transactions contemplated hereby, and to carry out its obligations under this Agreement; and has duly authorized the execution and delivery of this Agreement.

(b) Neither the execution and delivery of this Agreement nor the fulfillment of or compliance with the terms and conditions hereof nor the consummation of the transactions contemplated hereby conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Owner is now a party or by which the Owner is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon the Project or any assets of the Owner.

SECTION 3.2 Representations, Covenants and Warranties of SUNY.

SUNY represents, covenants and warrants as follows:

(a) SUNY is an educational corporation duly organized, validly existing and in good standing under the laws of the State of New York; has full and complete power to enter into this Agreement, to enter into and carry out the transactions contemplated hereby, and to carry out its obligations under this Agreement; and has duly authorized the execution and delivery of this Agreement.

(b) Neither the execution and delivery of this Agreement nor the fulfillment of or compliance with the terms and conditions hereof nor the consummation of the transactions contemplated hereby conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which SUNY is now a party or by which SUNY is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon the Project or any assets of SUNY.

**ARTICLE IV
AGREEMENT TO LEASE**

SECTION 4.1 Agreement to Lease.

(a) To assure the continued economic viability of the Project, if at the beginning of the fall or spring semester in any academic year during the term of this Agreement, occupancy of the Project falls below the level necessary to achieve the level of Project Revenues required under the term of the Facility Management Agreement, SUNY will license in its own name those of the unoccupied units in the Project as shall be necessary to achieve the required level of Project Revenues.

(b) Upon determination by the Owner that occupancy at the Project for any fall or spring semester during the term hereof shall be at a level below that which is required under the terms of the Facility Management Agreement, the Owner will so notify SUNY whereupon SUNY will enter into a license agreement based upon Owner's then current form of

student license under which SUNY shall license those portions of the unoccupied units in the Project as elsewhere provided in this Agreement, provided, however, that notwithstanding any terms and conditions in such license which prohibit subletting or sublicensing, SUNY shall have the unfettered right to sublet or sublicense any such units on such terms and conditions as SUNY shall in its sole discretion determine.

(c) Such license shall obligate SUNY to perform all obligations with respect to such units in the manner specified in such license, even if such units are later sublet or sublicensed, including, without limitation, payment of license fees and any other sums due under the license at the times and in matter set for the therein.

ARTICLE V GENERAL PROVISIONS

SECTION 5.1 Notices.

All notices provided for in this Agreement shall be in writing and shall be given to the Owner, SUNY or the College at the address set forth below or at such other address as they individually may specify thereafter by written notice in accordance herewith:

if to Owner:	c/o Buffalo State College Foundation, Inc. Cleveland Hall, Room 511 1300 Elmwood Avenue Buffalo, New York 14222 Attention: Executive Director
with copy to:	Hodgson Russ LLP The Guaranty Building 140 Pearl Street, Suite 100 Buffalo, New York 14202-4040 Attn: Terrence M. Gilbride, Esq. Kathleen A. Wall, Esq.
if to SUNY:	Vice Chancellor for Capital Facilities State University of New York State University Plaza Albany, New York 12246
with a copy to:	Office of the Vice Chancellor and General Counsel State University of New York System Administration State University Plaza Albany, New York 12246
if to the College:	Buffalo State College Cleveland Hall, Room 511 1300 Elmwood Avenue Buffalo, New York 14222

Attn: Vice President for Institutional Advancement

Such notices shall be deemed effective upon actual delivery, or if mailed, certified return receipt requested, postage prepaid, properly addressed, three (3) days after posting.

SECTION 5.2 Consents and Approvals.

All consents and approvals and waivers required or asserted hereunder shall be in writing, signed by the party against whom such consent, approval, waiver or notice is urged, provided that no written consent or approval of the Owner or its representative shall be required for any action that SUNY or the College, on behalf of SUNY, may, in its reasonable good faith judgment, find it necessary to take in order to preserve or protect life or property in the event of an emergency. Within three (3) days after the action, SUNY or the College, as the case may be, shall notify the Management Committee of the action taken. The Owner designates the person(s) listed in **Section 6.2** as the person(s) from whom any consents or approvals required hereunder may be obtained. The Owner agrees to give SUNY notice of any change in the designation, provided that the Owner shall at all times designate at least one person from whom consents or approvals required hereunder may be obtained, and shall furnish to SUNY current information concerning the address and telephone number at which such person may be contacted at all times. Until SUNY has received actual notice of such change, SUNY shall be entitled to rely on any consents or approvals given by the previously designated person in connection with any matters hereunder.

SECTION 5.3 Cooperation.

The Owner and SUNY will cooperate to facilitate and promote the mutual objectives of managing the Project.

SECTION 5.4 Assignment.

No assignment of this Agreement may be made by SUNY without the prior written consent of the Owner, the College and the Management Committee. No such assignment by SUNY shall be effective unless (i) the assignee shall have first assumed, in writing, the obligations to be performed by the assignor, and (ii) an executed copy of the assignment and the assumption shall have been delivered to and approved by the Owner. The Owner may assign this Agreement in conjunction with the 2011 Bonds or any other indebtedness related to the Project, but not otherwise.

SECTION 5.5 Pronouns.

Where appropriate to the context, words of one gender include all genders, and the singular includes the plural and vice versa.

SECTION 5.6 Amendments.

This Agreement may not be modified except in a written instrument signed by the parties.

SECTION 5.7 Representations.

SUNY represents and warrants that the College is fully qualified to manage real estate and perform all obligations assumed by SUNY hereunder.

SECTION 5.8 Complete Agreement.

This Agreement together with all schedules or Exhibits including Exhibit A attached hereto and made part thereof, supersedes all previous agreements, understandings and representations made by or between the parties hereto. This Agreement amends and restates in its entirety that certain Agreement between the Owner and SUNY dated as of July 1, 2009.

SECTION 5.9 Governing Law.

The parties acknowledge that the Project is located in Buffalo, New York. This Agreement shall therefore be governed by and construed in accordance with the laws of the State of New York and all obligations hereunder shall be deemed performable in Buffalo, New York.

SECTION 5.10 Legal Construction.

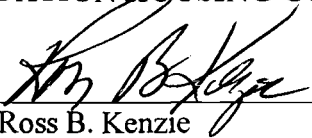
In case any one or more of the provisions contained in this Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalid provision shall be deemed severable, and shall not affect the validity or enforceability of any other provisions of this Agreement, all of which shall remain fully enforceable.

SECTION 5.11 Captions.

The captions used in this Agreement are solely for convenience, and shall not be deemed to constitute a part of the substance of the Agreement for purpose of its construction.

IN WITNESS WHEREOF, SUNY and the Owner have respectively signed this Agreement as of the day and year first above written.

**BUFFALO STATE COLLEGE
FOUNDATION HOUSING CORPORATION**

By: 
Name: Ross B. Kenzie
Title: President

**STATE UNIVERSITY OF NEW
YORK**

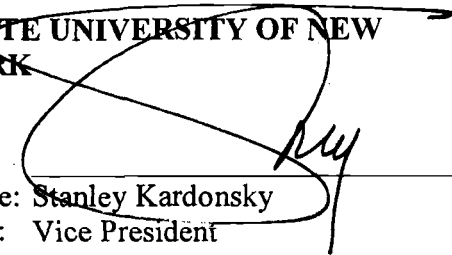
By: 
Name: Stanley Kardonsky
Title: Vice President

EXHIBIT A
SUNY COVENANTS

Standard Contract Clauses
State University of New York

EXHIBIT A

October 15, 2008

The parties to the attached contract, license, lease, amendment or other agreement of any kind (hereinafter, "contract") agree to be bound by the following clauses which are hereby made a part of the contract (the word "Contractor" herein refers to any party other than the State, whether a Contractor, licensor, licensee, lessor, lessee or any other party):

1. EXECUTORY CLAUSE. In accordance with Section 41 of the State Finance Law, the State shall have no liability under this contract to the Contractor or to anyone else beyond funds appropriated and available for this contract.

2. Prohibition against Assignment. Except with the assignment of its right to receive payment subject to Article 5-A of the State Finance Law, the vendor(s) selected to perform the services herein will be prohibited from assigning, transferring, conveying or disposing its rights, title or interest in the contract to be awarded without the prior written consent of SUNY. Provided however that SUNY may with the concurrence of the New York Office of State Comptroller, waive prior written consent of the assignment, transfer, conveyance, sublease or other disposition of the contract if the vendor verifies to SUNY that the assignment, transfer, conveyance, sublease or other disposition is due to but not necessarily limited to, a reorganization, merger or consolidation of its business or enterprise. SUNY retain the right, as provided in Section 138 of the State Finance Law to accept or reject an assignment, transfer, conveyance, sublease or other disposition of the contract by the vendor. The Contractor may, however, assign its right to receive payment without the State's prior written consent unless this contract concerns Certificates of Participation pursuant to Article 5-A of the State Finance Law.

3. COMPTROLLER'S APPROVAL. In accordance with Section 112 of the State Finance Law, Section 355 of the State Education Law, and 8 NYCRR 316, (a) for a State University campus or health care facility certified by the Vice Chancellor and Chief Financial Officer, if this contract exceeds \$250,000 for commodities, services, printing or construction, or (b) for a State University campus not certified by the Vice Chancellor and Chief Financial Officer, if this is a contract for commodities, services, printing or construction which exceeds \$50,000 or which exceeds \$75,000 by a State University health care facility not certified by the Vice Chancellor and Chief Financial Officer, or (c) if this is an amendment for any amount to a contract which, as so amended, exceeds said statutory amounts, or (d) if, by this contract, the State agrees to give something other than money, when the value or reasonably estimated value of such consideration exceeds \$10,000, it shall not be valid, effective or binding upon the State until it has been approved by the State Comptroller and filed in the Comptroller's office.

4. WORKERS' COMPENSATION BENEFITS. In accordance with Section 142 of the State Finance Law, this contract shall be void and of no force and effect unless the Contractor shall provide and maintain coverage during the life of this contract for the benefit of such employees as are required to be covered by the provisions of the Workers' Compensation Law.

5. NON-DISCRIMINATION REQUIREMENTS. To the extent required by Article 15 of the Executive Law (also known as the Human Rights Law), and all other State and Federal statutory and constitutional non-discrimination provisions, Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, sexual orientation, age, disability, genetic predisposition or carrier status, or marital status. Furthermore, in accordance with Section 220-e of the Labor Law, if this is a contract for the construction, alteration or repair of any public building or public work or for the manufacture, sale or distribution of materials, equipment or supplies, and to the extent that this contract shall be performed within the State of New York, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, disability, sex or national origin: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work, or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. If this is a building service contract as defined Section 230 of the

Labor Law, then, in accordance with Section 239 thereof, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, national origin, age, sex or disability: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. Contractor is subject to fines of \$50.00 per person per day for any violation of Section 220-e or Section 239 as well as possible termination of this contract and forfeiture of all moneys due hereunder for a second or subsequent violation.

6. WAGE AND HOURS PROVISIONS. If this is a public work contract covered by Article 8 of the Labor Law or a building service contract covered by Article 9 thereof, neither Contractor's employees nor the employees of its subcontractors may be required or permitted to work more than the number of hours or days stated in said statutes, except as otherwise provided in the Labor Law and as set forth in prevailing wage and supplement schedules issued by the State Labor Department. Furthermore, Contractor and its subcontractors must pay at least the prevailing wage rate and pay or provide the prevailing supplements, including the premium rates for overtime pay, as determined by the State Labor Department in accordance with the Labor Law.

7. NON-COLLUSIVE BIDDING REQUIREMENT. In accordance with Section 139-d of the State Finance Law, if this contract was awarded based on the submission of competitive bids: (a) by submission of its bid, Contractor (Bidder) certifies, and each person signing on behalf of the Bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief: (1) the prices in this bid have been arrived at independently without collusion, consultation, communication or agreement for the purpose of restricting competition, as to any matter relating to such prices, with any other bidder or with any competitor; (2) unless otherwise required by law, the prices which have been quoted in this bid have not been knowingly disclosed by the Bidder and will not be knowingly disclosed by the Bidder prior to opening, directly or indirectly, to any other bidder or to any competitor; and (3) no attempt has been made or will be made by the Bidder to induce any other person, partnership or corporation to submit or not to submit a bid for the purpose of restricting competition.

(b) A bid shall not be considered for award nor shall any award be made where (a) (1), (2) and (3) above have not been complied with; provided however, that if in any case the Bidder cannot make the foregoing certification, the Bidder shall so state and shall furnish with the bid a signed statement which sets forth in detail the reasons therefor.

8. INTERNATIONAL BOYCOTT PROHIBITION. In accordance with Section 220-f of the Labor Law and Section 139-h of the State Finance Law, if this contract exceeds \$5,000, the Contractor agrees, as a material condition of the contract, that neither the Contractor nor any substantially owned or affiliated person, firm, partnership or corporation has participated, is participating, or shall participate in an international boycott in violation of the federal Export Administration Act of 1979 (50 USC App. Sections 2401 et seq.) or regulations thereunder. If such Contractor, or any of the aforesaid affiliates of Contractor, is convicted or is otherwise found to have violated said laws or regulations upon the final determination of the United States Commerce Department or any other appropriate agency of the United States subsequent to the contract's execution, such contract, amendment or modification thereto shall be rendered forfeit and void. The Contractor shall so notify the State Comptroller within five (5) business days of such conviction, determination or disposition of appeal (2 NYCRR 105.4).

9. SET-OFF RIGHTS. The State shall have all of its common law, equitable and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any moneys due to the Contractor under this contract up to any amounts due and owing to the State with regard to this contract, any other contract with any State department or agency, including any contract for a term commencing prior to the term of this contract, plus any amounts due and owing to the State for any other reason including, without limitation, tax delinquencies or monetary penalties relative thereto. The State shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit, the finalization of such audit by the State agency, its representatives, or the State Comptroller.

10. RECORDS. The Contractor shall establish and maintain complete and accurate books, records, documents, accounts and other evidence directly pertinent to performance under this contract (hereinafter, collectively, "the Records"). The Records must be kept for the balance of the calendar year in which they were made and for six (6) additional years thereafter. The State Comptroller, the Attorney General and any other person or entity authorized to conduct an examination, as well as the agency or agencies involved in this contract, shall have access to the Records during normal business hours at an office of the Contractor within the State of New York or, if no such office is available, at a mutually agreeable and reasonable venue within the State, for the term specified above for the purposes of inspection, auditing and copying. The State shall take reasonable steps to protect from public disclosure any of the Records which are exempt from disclosure under Section 87 of the Public Officers Law (the "Statute") provided that: (i) the Contractor shall timely inform an appropriate State official, in writing, that said Records should not be disclosed; and (ii) said Records shall be sufficiently identified; and (iii) designation of said Records as exempt under the Statute is reasonable. Nothing contained herein shall diminish, or in any way adversely affect, the State's right to discovery in any pending or future litigation.

11. IDENTIFYING INFORMATION AND PRIVACY NOTIFICATION. (a) Federal Employer Identification Number and/or Federal Social Security Number. All invoices or New York State standard vouchers submitted for payment for the sale of goods or services or the lease of real or personal property to a New York State agency must include the payee's identification number, i.e., the seller's or lessor's identification number. The number is either the payee's Federal employer identification number or Federal social security number, or both such numbers when the payee has both such numbers. Failure to include this number or numbers may delay payment. Where the payee does not have such number or numbers, the payee, on its invoice or New York State standard voucher, must give the reason or reasons why the payee does not have such number or numbers.

(b) Privacy Notification. (1) The authority to request the above personal information from a seller of goods or services or a lessor of real or personal property, and the authority to maintain such information, is found in Section 5 of the State Tax Law. Disclosure of this information by the seller or lessor to the State is mandatory. The principal purpose for which the information is collected is to enable the State to identify individuals, businesses and others who have been delinquent in filing tax returns or may have understated their tax liabilities and to generally identify persons affected by the taxes administered by the Commissioner of Taxation and Finance. The information will be used for tax administration purposes and for any other purpose authorized by law.

(2) The personal information is requested by the purchasing unit of the agency contracting to purchase the goods or services or lease the real or personal property covered by this contract or lease. The information is maintained in New York State's Central

Accounting System by the Director of Accounting Operations, Office of the State Comptroller, AESOB, Albany, New York 12236.

12. EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITIES AND WOMEN. (a) In accordance with Section 312 of the Executive Law, if this contract is: (i) a written agreement or purchase order instrument, providing for a total expenditure in excess of \$25,000.00, whereby a contracting agency is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the contracting agency; or (ii) a written agreement in excess of \$100,000.00 whereby a contracting agency is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon; or (iii) a written agreement in excess of \$100,000.00 whereby the owner of a State assisted housing project is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon for such project, then:

(1) The Contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination. Affirmative action shall mean recruitment, employment, job assignment, promotion, upgradings, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation;

(2) at the request of the contracting agency, Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of the contractor's obligations therein; and

(3) Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of the State contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

(b) Contractor will include the provisions of "1", "2" and "3" above, in every subcontract over \$25,000.00 for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work") except where the Work is for the beneficial use of the Contractor. Section 312 does not apply to: (i) work, goods or services unrelated to this contract; or (ii) employment outside New York State; or (iii) banking services, insurance policies or the sale of securities. The State shall consider compliance by a contractor or subcontractor with the requirements of any federal law concerning equal employment opportunity which effectuates the purpose of this section. The contracting agency shall determine whether the imposition of the requirements of the provisions hereof duplicate or conflict with any such federal law and if such duplication or conflict exists, the contracting agency shall waive the applicability of Section 312 to the extent of such duplication or conflict. Contractor will comply with all duly promulgated and lawful rules and regulations of the Governor's Office of Minority and Women's Business Development pertaining hereto.

13. CONFLICTING TERMS. In the event of a conflict between the terms of the contract (including any and all attachments thereto and amendments thereof) and the terms of this Exhibit A, the terms of this Exhibit A shall control.

14. GOVERNING LAW. This contract shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise.

15. LATE PAYMENT. Timeliness of payment and any interest to be paid to Contractor for late payment shall be governed by Article 11-A of the State Finance Law to the extent required by law.

16. NO ARBITRATION. Disputes involving this contract, including the breach or alleged breach thereof, may not be submitted to binding arbitration (except where statutorily authorized) but must, instead, be heard in a court of competent jurisdiction of the State of New York.

17. SERVICE OF PROCESS. In addition to the methods of service allowed by the State Civil Practice Law & Rules ("CPLR"), Contractor hereby consents to service of process upon it by registered or certified mail, return receipt requested. Service hereunder shall be complete upon Contractor's actual receipt of process or upon the State's receipt of the return thereof by the United States Postal Service as refused or undeliverable. Contractor must promptly notify the State, in writing, of each and every change of address to which service of process can be made. Service by the State to the last known address shall be sufficient. Contractor will have thirty (30) calendar days after service hereunder is complete in which to respond.

18. PROHIBITION ON PURCHASE OF TROPICAL HARDWOODS. The Contractor certifies and warrants that all wood products to be used under this contract award will be in accordance with, but not limited to, the specifications and provisions of State Finance Law §165 (Use of Tropical Hardwoods), which prohibits purchase and use of tropical hardwoods, unless specifically exempted, by the State or any governmental agency or political subdivision or public benefit corporation. Qualification for an exemption under this law will be the responsibility of the contractor to establish to meet with the approval of the State. In addition, when any portion of this contract involving the use of woods, whether supply or installation, is to be performed by any subcontractor, the prime Contractor will indicate and certify in the submitted bid proposal that the subcontractor has been informed and is in compliance with specifications and provisions regarding use of tropical hardwoods as detailed in §165 of the State Finance Law. Any such use must meet with the approval of the State, otherwise, the bid may not be considered responsive. Under bidder certification, proof of qualification for exemption will be the responsibility of the Contractor to meet with the approval of the State.

19. MacBRIDE FAIR EMPLOYMENT PRINCIPLES. In accordance with Section 165(5) of the State Finance Law, the Contractor hereby stipulates that the Contractor and any individual or legal entity in which the Contractor holds a ten percent or greater ownership interest and any individual or legal entity that holds a ten percent or greater ownership interest in the Contractor either (A) have no business operations in Northern Ireland, or (B) shall take lawful steps in good faith to conduct any business operations in Northern Ireland in accordance with the MacBride Fair Employment Principles (as described in Section 165(5) of the State Finance Law), and shall permit Independent monitoring of compliance with such principles.

20. OMNIBUS PROCUREMENT ACT OF 1992.

(a) In accordance with the Omnibus Procurement Act of 1992, it is the policy of NYS to encourage the use of NYS contractors and suppliers, and to promote the participation of minority- and women-owned businesses where possible, in the procurement of goods and services. Information concerning the availability of NYS subcontractors and suppliers is available from the NYS Dept. of Economic Development, which shall also include the Directory of Certified Minority- and Women-owned Businesses.

(b) Subsequent to award of procurement contracts in an amount estimated to be \$1,000,000 or more, contractors will be required to document their efforts to encourage the participation of NYS business enterprises as suppliers and subcontractors by showing that they have (i) solicited bids in a timely and adequate manner from NYS business enterprises including certified minority- or women-owned businesses, or (ii) contacted the NYS Dept. of Economic Development to obtain listings of NYS business enterprises, or (iii) placed notices for subcontractors or suppliers in newspapers, journals or other trade publications distributed in NYS, or (iv) participated in bidder outreach conferences. If a contractor determines that NY business enterprises are not available to participate in such contract, the contractor shall provide a statement indicating the method by which such determination was made. If a contractor does not intend to use subcontractors, the contractor shall provide a statement verifying such intent. Contractors shall also attest to compliance with the Federal Equal Employment Opportunity Act of 1972 (P.L. 92-261), as amended, and document efforts to provide notification to NYS residents of employment opportunities through listing any positions with the Community Services Division of the NYS Dept. of Labor, or provide for such notification in such manner as is consistent with existing collective bargaining agreements.

(c) Bidders located in foreign countries are notified that SUNY may assign or otherwise transfer offset credits created by any procurement contract of \$1,000,000 or more to third parties located in New York State.

21. RECIPROCITY AND SANCTIONS PROVISIONS. Bidders are hereby notified that if their principal place of business is located in a country, nation, province, state or political subdivision that penalizes New York State vendors, and if the goods or services they offer will be substantially produced or performed outside New York State, the Omnibus Procurement Act of 1994 and 2000 amendments (Chapter 684 and Chapter 383, respectively) require that they be denied contracts which they would otherwise obtain. Contact the Department of Economic Development, Division for Small Business, 30 South Pearl Street, Albany, New York 12245, for a current list of jurisdictions subject to this provision.

22. PURCHASES OF APPAREL. In accordance with State Finance Law Section 162(4-a), the State shall not purchase any apparel from any vendor unable or unwilling to provide documentation as part of its bid (i) attesting that such apparel was manufactured in compliance with all applicable labor and occupational safety laws, including, but not limited to, child labor laws, wage and hours laws and workplace safety laws, and (ii) stating, if known, the names and addresses of each subcontractor and all manufacturing plants to be utilized by the bidder.

THE FOLLOWING PROVISIONS SHALL APPLY ONLY TO THOSE CONTRACTS TO WHICH A HOSPITAL OR OTHER HEALTH SERVICE FACILITY IS A PARTY TO

23. Notwithstanding any other provision in this contract, the hospital or other health service facility remains responsible for insuring that any service provided pursuant to this contract complies with all pertinent provisions of Federal, state and local statutes, rules and regulations. In the foregoing sentence, the word "service" shall be construed to refer to the health care service rendered by the hospital or other health service facility.

24. (a) In accordance with the 1980 Omnibus Reconciliation Act (Public Law 96-499), Contractor hereby agrees that until the expiration of four years after the furnishing of services under this agreement, Contractor shall make available upon written request to the Secretary of Health and Human Services, or upon request, to the Comptroller General of the United States or any of their duly authorized representatives, copies of this contract, books, documents and records of the Contractor that are necessary to certify the nature and extent of the costs hereunder.

(b) If Contractor carries out any of the duties of the contract hereunder, through a subcontract having a value or cost of \$10,000 or more over a twelve-month period, such subcontract shall contain a clause to the effect that, until the expiration of four years after the furnishing of such services pursuant to such subcontract, the subcontractor shall make available upon written request to the Secretary of Health and Human Services or upon request to the Comptroller General of the United States, or any of their duly authorized representatives, copies of the subcontract and books, documents and records of the subcontractor that are necessary to verify the nature and extent of the costs of such subcontract.

(c) The provisions of this section shall apply only to such contracts as are within the definition established by the Health Care Financing Administration, as may be amended or modified from time to time.

I. DEFINITIONS. The following terms shall be defined in accordance with Section 312 of the Executive Law:

STATE CONTRACT herein referred to as "State Contract", shall mean (i) a written agreement or purchase order instrument, providing for a total expenditure in excess of \$25,000.00, whereby a contracting agency is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the contracting agency; or (ii) a written agreement in excess of \$100,000.00 whereby a contracting agency is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon; or (iii) a written agreement in excess of \$100,000.00 whereby the owner of a State assisted housing project is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon for such project. For purposes of this agreement, the term "services" shall not include banking relationships, the issuance of insurance policies and contracts, or contracts with a contracting agency for the sale of bonds, notes or other securities.

SUBCONTRACT herein referred to as "Subcontract", shall mean any agreement providing for a total expenditure in excess of \$25,000 for construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon between a contractor and any individual, partnership, corporation, or not-for-profit corporation, in which a portion of a contractor's obligation under a State Contract is undertaken or assumed, but shall not include any construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon for the beneficial use of contractor.

WOMEN-OWNED BUSINESS ENTERPRISE herein referred to as "WBE", shall mean a business enterprise, including a sole proprietorship, partnership, or corporation that is: (a) at least fifty-one percent owned by one or more United States citizens or permanent resident aliens who are women; (b) an enterprise in which the ownership interest of such women is real, substantial and continuing; (c) an enterprise in which such women ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise; and (d) an enterprise authorized to do business in this State and independently owned and operated.

MINORITY-OWNED BUSINESS ENTERPRISE herein referred to as "MBE", shall mean a business enterprise, including a sole proprietorship, partnership, or corporation that is: (a) at least fifty-one percent owned by one or more minority group members; (b) an enterprise in which such minority ownership interest is real, substantial and continuing; (c) an enterprise in which such minority ownership has and exercises the authority to control independently the day-to-day business decisions of the enterprise; and (d) an enterprise authorized to do business in this State and independently owned and operated.

MINORITY GROUP MEMBER shall mean a United States citizen or permanent resident alien who is and can demonstrate membership in one of the following groups: (a) Black persons having origins in any of the Black African racial groups; (b) Hispanic persons of Mexican, Puerto Rican, Dominican, Cuban, Central or South American of either Indian or Hispanic origin, regardless of race; (c) Native American or Alaskan native persons having origins in any of the original peoples of North America. (d) Asian and Pacific Islander persons having origins in any of the Far East countries, South East Asia, the Indian subcontinent or Pacific Islands.

CERTIFIED BUSINESS shall mean a business verified as a minority or women-owned business enterprise pursuant to section 314 of the Executive Law.

II. TERMS. The parties to the attached State Contract agree to be bound by the following provisions which are made a part hereof (the word "contractor" herein refers to any party other than the State University):

1. As a pre-condition for the award of any State Contract, contractor agrees to submit an Equal Employment Opportunity (EEO) Policy Statement which conforms with the following provisions:

(a) Contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, and will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination. Affirmative Action shall mean recruitment, employment, job assignment, promotion, upgradings, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation.

(b) At the request of State University, contractor shall request each employment agency, labor union, or authorized repre-

sentative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of contractor's obligations therein.

(c) Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of State Contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

(d) Contractor will include the provisions of "a", "b" and "c", above, in every Subcontract over \$25,000.00.

2. Contractor shall indicate whether it is able to separate out from its entire work force that portion of its work force which will be utilized in the performance of this State Contract.

3. For State Contracts which provide labor, services, supplies, equipment or materials, as defined above, contractor must provide a Staffing Plan of the anticipated work force to be utilized on the State Contract broken down by specified ethnic background, gender, and Federal Occupational Categories, or other appropriate categories which the agency may specify.

4. For contractors who are unable to separate the portion of their work force which will be utilized for the performance of this State Contract, contractor shall provide reports describing its entire work force by the specified ethnic background, gender, and Federal Occupational Categories, or other appropriate categories which the agency may specify.

5. If contractor fails to provide a staffing plan, or in the alternative, a description of its entire work force, State University may reject contractor's bid, unless contractor either commits to provide such information at a later date or provides a reasonable justification in writing for its failure to provide the same.

6. After the State Contract has been awarded, contractor shall provide a Utilization Report which breaks down and describes contractor's and every subcontractor's work force by specified ethnic background, gender, and Federal Occupational Categories. The prime contractor shall be responsible for collecting reports from its subcontractors and

providing such reports to State University. For State Contracts for construction, the Utilization Report shall be completed using the number of hours worked for each relevant job title within the Federal Occupational Categories. During the term of State Contract: construction contractors must provide a Utilization Report on a monthly basis; contractors providing labor, services, supplies, equipment or materials, who are unable to separate out their work force must provide Utilization reports on a semi-annual basis; all other contractors must provide Utilization Reports every three months.

7. Contractor shall provide State University reports of its compliance with the terms of Article 15-A of the Executive Law as may be required by State University.

8. PARTICIPATION BY MINORITY GROUP MEMBERS AND WOMEN. State University shall determine whether contractor has made conscientious and active efforts to employ and utilize minority group members and women to perform this State Contract based upon an analysis of the following factors:

(a) Whether contractor established and maintained a current list of recruitment sources for minority group members and women, and whether contractor provided written notification to such recruitment sources that contractor had employment opportunities at the time such opportunities became available.

(b) Whether contractor sent letters to recruiting sources, labor unions, or authorized representatives of workers with which contractor has a collective bargaining or other agreement or understanding requesting assistance in locating minority group members and women for employment.

(c) Whether contractor disseminated its EEO policy by including it in any advertising in the news media, and in particular, in minority and women news media.

(d) Whether contractor has attempted to provide information concerning its EEO policy to subcontractors with which it does business or had anticipated doing business.

(e) Whether internal procedures exist for, at a minimum, annual dissemination of the EEO policy to employees, specifically to employees having any responsibility for hiring, assignment, layoff, termination, or other employment decisions. Such dissemination may occur through distribution of employee policy manuals and handbooks, annual reports, staff meetings and public postings.

(f) Whether contractor encourages and utilizes minority group members and

women employees to assist in recruiting other employees.

(g) Whether contractor has apprentice training programs approved by the N.Y.S. Department of Labor which provides for training and hiring of minority group members and women.

(h) Whether the terms of this section have been incorporated into each Subcontract which is entered into by the prime contractor.

9. PARTICIPATION BY MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES. Based upon an analysis of the following factors, the State University shall determine whether contractor has made conscientious and active efforts to provide for meaningful participation by minority-owned and women-owned business enterprises which have been certified by DMWBD:

(a) Whether contractor has actively solicited bids for Subcontracts from qualified M/WBEs, including those firms listed on the Directory of Certified Minority and Women-Owned Business Enterprises, and has documented its efforts, including names and addresses of firms contacted, and the reasons why any such firm was not selected to participate on the project.

(b) Whether contractor has attempted to make project plans and specifications available to firms who are not members of associations with plan rooms and reduce fees for firms who are disadvantaged.

(c) Whether contractor has utilized the services of organizations which provide technical assistance in connection with M/WBE participation.

(d) Whether prime contractor has structured its subcontracts so that opportunities exist to complete smaller portions of work.

(e) Whether contractor has encouraged the formation of joint ventures, partnerships, or other similar arrangements among subcontractors.

(f) Whether contractor has requested the services of the Department of Economic Development (DED) and Job Development Authority (JDA) to assist subcontractors' efforts to satisfy bonding requirement.

(g) Whether contractor has made progress payments promptly to its subcontractors.

(h) Whether the terms of this section have been incorporated into each Subcontract which is entered into by the prime

contractor.

It shall be the responsibility of prime contractor to ensure compliance by every subcontractor with these provisions.

10. GOALS. (a) GOALS FOR MINORITY AND WOMEN WORK FORCE PARTICIPATION. (i) State University shall include relevant work force availability data, which is provided by the N.Y.S. Department of Economic Development the Division of Minority and Women's Business Development. In all documents which solicit bids for State Contracts and shall make efforts to assist contractors in utilizing such data to determine expected levels of participation for minority group members and women on State Contracts.

(ii) Contractor shall exert good faith efforts to achieve such goals for minority and women's participation. To successfully achieve such goals, the employment of minority group members and women by contractor must be substantially uniform during the entire term of this State Contract. In addition, contractor should not participate in the transfer of employees from one employer or project to another for the sole purpose of achieving goals for minority and women's participation.

(b) GOALS FOR MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES PARTICIPATION. For all State Contracts in excess of \$100,000.00 whereby State University is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon, Contractor shall exert good faith efforts to achieve a participation goal of three-percent (3%) for Certified Minority-Owned Business Enterprises and three-percent (3%) for Certified Women-Owned Business Enterprises.

11. ENFORCEMENT. State University will be responsible for enforcement of each contractor's compliance with these provisions. Contractor, and each subcontractor, shall permit State University access to its books, records and accounts for the purpose of investigating and determining whether contractor or subcontractor is in compliance with the requirements of Article 15-A of the Executive Law. If State University determines that a contractor or subcontractor may not be in compliance with these provisions, State University may make every reasonable effort to resolve the issue and assist the contractor or subcontractor in its efforts to comply with these provisions. If State University is unable to resolve the issue of noncompliance, State University may file a complaint with the Division of Minority and Women's Business Development (DMWBD).


VERIFICATION

(If Applicant is Partnership)

STATE OF NEW YORK)
) SS.:
COUNTY OF ONONDAGA)

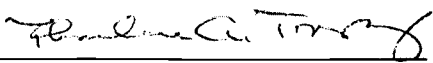
THOMAS J. VALENTI
[Name of Individual], deposes and says that she is one of the members of the firm of Name of Partnership, the partnership named in the attached application; that she has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his/her knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his/her own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his/her duties as a member of and from the books and papers of said partnership. The deponent also acknowledges the receipt of a schedule of all Agency fees and assumes responsibility for payment of any and all applicable fees as described in that schedule.

CAMERON HILL
CONSTRUCTION
LLC



[Name of Individual]

Subscribed and sworn to before me
this 12th day of MAY, 20 11.



Notary Public
Onondaga County
Commission expires 11/14

STEWART TITLE INSURANCE CORPORATION
130 PEARL STREET, BUFFALO, NEW YORK 14202-4068

COMMITMENT FOR LEASEHOLD TITLE INSURANCE

Applicant: Hodgson Russ LLP

Title No.: 592638

Attention: Terrence M. Gilbride, Esq.

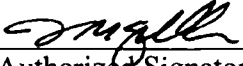

Property: 669 Grant St., Buffalo, NY

UPON EXAMINATION OF TITLE to the premises described in Schedule "A" we find the same as of December 11, 2009 vested in fee simple in State University of New York for and on behalf of State University of New York College at Buffalo also known as Buffalo State College, which premises was leased to the Buffalo State Alumni Association, Inc. pursuant a Ground Lease between the State University of New York and the Buffalo State Alumni Association, Inc. dated as of July 1, 2009, a memorandum of which was recorded in the Erie County Clerk's office on December 31, 2009 in Liber 11175 of Deeds at page 8865 and which premises were further subleased to the Buffalo State College Foundation Housing Corporation pursuant to a Sublease Agreement between the Buffalo State alumni Association, Inc., and The Buffalo State College Foundation Housing Corporation dated as of July 1, 2009, a memorandum of which was recorded in the Erie County Clerk's office on December 31, 2009 in Liber 11175 of Deeds at page 8872.

UPON receipt of its scheduled premium, this Corporation covenants to issue its Mortgagee Policy in the amount of \$53,400,000 subject to the conditions of Schedule "B" herein. This Commitment shall constitute a binder to issue said Mortgagee Policy to Buffalo and Erie County Industrial Land Development Corporation and its successors and assigns, and Manufacturers and Traders Trust Company, as trustee, and its successors and/or assigns, as each of their interests may appear.

THIS Commitment is preliminary to the issuance of such policy or policies of title insurance and shall become null and void and all liability and obligations hereunder shall cease and terminate six months after the effective date hereof or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue such policy or policies is not the fault of the Company.

STEWART TITLE INSURANCE CORPORATION

	3/31/11		6/16/11
Authorized Signatory	Date	Authorized Signatory	Redated
Terrence M. Gilbride, Examining Counsel		Terrence M. Gilbride, Examining Counsel	

Exceptions appearing herein may affect marketability of title. Your lawyer should be consulted before taking any action based upon the contents of this report. Title insurance companies may not act as legal advisors.

Address inquiries to: Terrence M. Gilbride

Telephone No. (716) 848-1236

STEWART TITLE INSURANCE CORPORATION

POLICY FORMS

- ALTA Owner's Policy (6/17/06) with Standard New York Endorsement
- ALTA Loan Policy (6/17/06) with Standard New York Endorsement
- ALTA Short Form Residential Loan Policy (6/17/06) with TIRSA Amendments
- TIRSA Owner's Extended Protection Policy (1/11/01)
- TIRSA Junior Loan Policy (10/21/97)
- TIRSA Short Form Junior Loan Policy (10/21/97)
- ALTA U.S. Policy (1991)

ENDORSEMENTS

(with applicable charges)

- TIRSA Access Endorsement (Loan Policy) (\$25)
- TIRSA Additional Interest Endorsement (Loan Policy) (Regular Loan Rate Per \$1000)
- TIRSA Cluster Endorsement (Loan Policy) (\$25)
- TIRSA Condominium Endorsement (Endorsement 4) (\$25)
- TIRSA Contiguity Endorsement (\$25)
- TIRSA Contract Vendee Endorsement (Commercial) (Owner's Policy) (120% of Regular Owner's Rate)
- TIRSA Contract Vendee Endorsement (Residential) (Owner's Policy) (Regular Owner's Rate)
- TIRSA Cooperative Endorsement (Loan Policy)
- TIRSA Cooperative Endorsement (Owner's Policy)
- TIRSA 8.1 EPL Endorsement (Environmental Protection Lien) (Loan Policy) (\$25)
- TIRSA 8.1 EPL Endorsement (Environmental Protection Lien) (Gov. Agencies) (Loan Policy) (\$25)
- TIRSA 8.1 EPL Endorsement (Environmental Protection Lien) (NYC Only) (Loan Policy) (\$25)
- TIRSA Fairway Endorsement (New York) (Owner's Policy) (20% of Regular Owner's Premium)
- TIRSA Fannie Mae Balloon Mortgage Endorsement (Loan Policy) (\$25)
- TIRSA First Loss Endorsement (Loan Policy) (10% of Regular Loan Premium)
- TIRSA IDA Endorsement (Owner's Policy) (\$25)
- TIRSA Joint & Several Liability Endorsement (\$1 Per Each \$1000 of Insurance)
- TIRSA Junior Loan Policy Endorsement 1 (Junior Loan Policy) (\$25)
- TIRSA Junior Loan Policy Endorsement 2 (Revolving Credit/Variable Rate) (Junior Loan Policy)
- TIRSA Land Same As Survey Endorsement (\$25)
- TIRSA Leasehold Endorsement (Loan Policy)
- TIRSA Leasehold Endorsement (Owner's Policy)
- TIRSA Manufactured Housing Unit Endorsement (Endorsement 7) (Loan Policy) (\$25)
- TIRSA Market Value Policy Rider (Owner's Policy) (10% of Regular Owner's Premium)
- TIRSA Market Value Policy Rider (Owner's Extended Protection Policy) (5% of Regular Owner's Premium)
- TIRSA Mezzanine Financing Endorsement (Owner's Policy) (30% of Regular Owner's Premium)
- TIRSA Mortgage Tax Endorsement (Loan Policy) (\$25)
- TIRSA New York City "Development Rights" Endorsement (\$25)
- TIRSA Non-Imputation Endorsement (Owner's Policy) (20% of Regular Owner's Premium)
- TIRSA Option Endorsement (Owner's Policy) (Rate Varies)
- TIRSA Planned Unit Development Endorsement (Endorsement 5.1) (\$25)
- TIRSA RCE-1 (Residential Revolving Credit) (Loan Policy) (10% of Regular Loan Premium)
- TIRSA RCE-2 (Commercial Revolving Credit) (Loan Policy under \$3 million) (10% of Regular Loan Premium)



- TIRSA RCE-3 (Commercial Revolving Credit) (Loan Policy under \$3 million, under 3 year term, non-construction) (20% of Regular Loan Premium)
- TIRSA RCE-4 (Commercial Revolving Credit) (Loan Policy of \$3 million or more) (10% of Regular Loan Premium)
- TIRSA Residential Mortgage Endorsement (1-4 Family) (Loan Policy) (\$25)
- TIRSA Restrictions, Encroachments, Minerals (Endorsement 9) (Loan Policy) (10% of Regular Loan Premium)
- TIRSA Reverse Mortgage Endorsement (Loan Policy) (\$25)
- TIRSA Swap Agreement Endorsement (Loan Policy) (Regular Loan Rate Per \$1000)
- TIRSA Tax Parcel Endorsement (Single Tax Lot) (Loan Policy) (\$25)
- TIRSA Tax Parcel Endorsement (More Than One Tax Lot) (Loan Policy) (\$25)
- TIRSA Variable Rate Mortgage Endorsement (Endorsement 6) (Loan Policy) (\$25)
- TIRSA Variable Rate Mortgage Endorsement (Fixed Rate Conversion) (Loan Policy) (\$25)
- TIRSA Variable Rate Mortgage Endorsement - Negative Amortization (Endorsement 6.2) (Loan Policy) (\$25)
- TIRSA Waiver of Arbitration Endorsement (Loan Policy) (\$25)
- TIRSA Waiver of Arbitration Endorsement (Owner's Policy) (\$25)



SCHEDULE A

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Buffalo, County of Erie, and State of New York, being part of Lot No. 184 of the Stevens Survey, bounded and described as follows:

BEGINNING at a point that intersects with the north line of Letchworth Street, 40 foot wide R.O.W. and the east line of Grant Street, 60 foot R.O.W.; thence northerly along the east line of Grant Street a distance of 611.13 feet to a point; thence easterly at an interior angle of $95^{\circ}-04'-44''$ a distance of 259.90 feet to a point; thence southerly at an interior angle of $85^{\circ}-03'-50''$ a distance of 605.06' feet to a point on the north line of Letchworth Street; thence westerly along the north line of Letchworth Street a distance of 262.01' to the point or place of beginning more or less.



SCHEDULE B

SECTION I

omit
Continuation of all searches to date of closing.

omit
Proper execution, delivery and recordation of conveyance and/or mortgage necessary to consummate the transaction contemplated herein.

omit
Lien Clause pursuant to Section 13 of Lien Law in all deeds and mortgages to be recorded

omit
Compliance with Section 253-B of the Tax Law, as amended by Chapter 925 of the Session Laws of 1985, is required before an instrument evidencing a sale or transfer of this real property can be recorded.

omit
Insurance Law Section 6409 Subsection C requires that title companies offer, at or prior to closing, an optional policy rider to insure the title of owner-occupied real property of a "homeowner" for its FUTURE market value. A "homeowner" is a natural person, fee owner and resident of a one - four family dwelling, a residential condominium unit, or a residential cooperative leasehold interest. If eligible as a "homeowner", you may therefore elect to obtain protection in excess of your purchase price. The benefits of this Rider shall be available only to the named insured provided he is a "homeowner" as defined herein at the date of issuance of this Rider and at the date any claim under this Rider is made. If you do not wish this additional statutory coverage, you MUST WAIVE by signing the form attached to this report.

omit
Bond Purchase Agreement and Building Loan Contract made by Buffalo State College Foundation Housing Corporation with Manufacturers and Traders Trust Company and First Niagara Bank recorded December 31, 2009 in Liber Q 217 at page 4755, which instrument was amended by Amendment to Bond Purchase Agreement and Building Loan Contract made by Buffalo State College Foundation Housing Corporation to Manufacturers and Traders Trust Company and First Niagara Bank recorded May 3, 2010 in Liber 153 of Referral Lien at page 926.

omit
Pledge and Assignment between Buffalo and Erie County Industrial Land Development Corporation Manufacturers and Traders Trust Company DATED December 1, 2009 and recorded December 31, 2009 in Liber 11175 of Mortgages at 8880, which Pledge and Assignment was amended by Amended and Restate Pledge and Assignment between Buffalo and Erie County Industrial Land Development Corporation Manufacturers and Traders Trust Company DATED May 1, 2010 and recorded May 3, 2010 in Liber 11181 of Mortgages at 3361.

omit
Leasehold Mortgage and Security Agreement made by Buffalo State College Foundation Housing Corporation to Buffalo and Erie County Industrial Land Development Corporation DATED December 1, 2009 and recorded December 31, 2009 in Liber 13478 of Mortgages at page 4745, which mortgage was assigned by Assignment of Leasehold Mortgage made by Buffalo and Erie County Industrial Land Development Corporation to Manufacturers and Traders Trust Company dated December 1, 2009 and recorded December 31, 2009 in Liber 13478 of Mortgages at page 4777, and further modified by Mortgage Modification Agreement made by Buffalo State College Foundation Housing Corporation to Manufacturers and Traders



Trust Company dated May 1, 2010 and recorded May 3, 2010 in Liber 11181 of Deeds at page 3341.

10
Assignment of Rents and Leases made by Buffalo State College Foundation Housing Corporation to Buffalo and Erie County Industrial Land Development Corporation dated December 1, 2009 and recorded December 31, 2009 in Liber 13478 of Mortgages at page 4782, which instrument was assigned by Assignment of Assignment of Rents and Leases made by Buffalo and Erie County Industrial Land Development Corporation to Manufacturers and Traders Trust Company dated December 1, 2009 and recorded December 31, 2009 in Liber 13478 of Mortgages at page 4793, and further amended by Amendment to Assignment of Rents and Leases made by Buffalo State College Foundation Housing Corporation to Manufacturers and Traders Trust Company dated May 1, 2010 and recorded May 3, 2010 in Liber 11181 of Deeds at page 3351.

11
Leasehold Mortgage and Security Agreement made by Buffalo State College Foundation Housing Corporation to Buffalo and Erie County Industrial Land Development Corporation dated December 1, 2009 and recorded December 31, 2009 in Liber 13478 of Mortgages at page 4798, which mortgage was assigned by Assignment of Leasehold Mortgage made by Buffalo and Erie County Industrial Land Development Corporation to Manufacturers and Traders Trust Company dated December 1, 2009 and recorded December 31, 2009 in Liber 13478 of Mortgages at page 4830.

12
Assignment of Rents and Leases made by Buffalo State College Foundation Housing Corporation to Buffalo and Erie County Industrial Land Development Corporation dated December 1, 2009 and recorded December 31, 2009 in Liber 13478 of Mortgages at page 4835, which instrument was assigned by Assignment of Assignment of Rents and Leases made by Buffalo and Erie County Industrial Land Development Corporation to Manufacturers and Traders Trust Company dated December 1, 2009 and recorded December 31, 2009 in Liber 13478 of Mortgages at page 4846.

13
Third Party Subordination Agreement made by Louis P. Ciminelli, as Trustee of the Louis P. Ciminelli Revocable Living Trust with Buffalo and Erie County Industrial Land Development Corporation, Buffalo State College Foundation Housing Corporation, Manufacturers and Traders Trust Company and First Niagara Bank dated December 1, 2009 and recorded December 31, 2009 in Liber 11175 of Deeds at page 8922, which instrument was amended by First Amendment to This Party Subordination Agreement made by Louis P. Ciminelli, as Trustee of the Louis P. Ciminelli Revocable Living Trust with Buffalo and Erie County Industrial Land Development Corporation, Buffalo State College Foundation Housing Corporation, Manufacturers and Traders Trust Company and First Niagara Bank dated May 1, 2010 and recorded May 3, 2010 in Liber 11181 of Deeds at page 3373.

14
Financing Statement from Buffalo State College Foundation Housing Corporation to Buffalo and Erie County Industrial Land Development Corporation recorded December 31, 2009 in Liber Q 217 at page 4834.

15
Financing Statement from Buffalo State College Foundation Housing Corporation to Buffalo and Erie County Industrial Land Development Corporation recorded December 31, 2009 in Liber Q 217 at page 4842.



09. *out*

Financing Statement from Buffalo State College Foundation Housing Corporation to Buffalo and Erie County Industrial Land Development Corporation recorded December 31, 2009 in Liber Q 217 at page 4847.

16. *out*

Financing Statement from Buffalo State College Foundation Housing Corporation to Buffalo and Erie County Industrial Land Development Corporation recorded December 31, 2009 in Liber Q 217 at page 4855.

TMS

SCHEDULE "B"

SECTION II EXCEPTIONS WHICH WILL APPEAR IN TITLE POLICY

The following matters are expressly excluded from the coverage of the policy to be issued, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exception 1 (a) does not modify or limit the coverage provided under Covered Risk 5.

(b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Loan Policy Covered Risk 11, 13, or 14 or Owner's Policy Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage (Loan Policy) or the Title (Owner's Policy).
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated (Loan Policy Only).
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law (Loan Policy Only).
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage (Loan Policy) or vesting the Title as shown on Schedule A (Owner's Policy), is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of the policy (Loan Policy) or in Covered Risk 9 of the policy (Owner's Policy).
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer that vests the Title as shown in Schedule A (Owner's Policy) or Insured Mortgage (Loan Policy), in the Public Records. This Exclusion does not modify or limit the coverage provided under Loan Policy Covered Risk 11(b).

SEE SCHEDULE "B" II (CONTINUED)



SCHEDULE "B"

SECTION II (CONTINUED)

8. Survey map made by Deborah A. Naybor, PLS, P.C., dated January, 19, 2009, last revised, April 21, 2011 discloses:

- (a) premises is improved by a multi-story, brick and frame building;
- (b) underground gas line, electric line, and telephone conduit running along westerly boundary of subject premises;
- (c) underground electric and utility poles located at the northwestern corner and southern boundary of subject premises;
- (d) asphalt roadway running along southern boundary of subject premises;
- (e) underground gas and electric lines located adjacent to southern boundary of subject premises; and
- (f) variation between lines of fences and lines of record title.

This policy affirmatively insures that the above noted exceptions will not interfere with the use and enjoyment of the improvements currently erected on the subject premises.

*Get
&
insure*



DISCHARGE OF MORTGAGE GUARANTY

TO: _____

DATE: _____

RE: Property:

 Loan No: _____

 Title Insurance No.:

In consideration of the issuance of the above stated title insurance policy insuring said mortgage loan and the closing of a mortgage loan secured by the above referenced premises, the undersigned hereby guarantees to promptly pay in full any and all costs, including but not limited to principal, interest, late charges, escrow shortages, discharge fees and recording fees for the discharge of the present outstanding mortgage encumbering the above property held by _____ and referenced above, and further the undersigned will obtain and record a Mortgage Discharge for same and will provide a copy of the recorded Discharge to _____.

WAIVER OF ADDITIONAL INSURANCE

Insurance Law Section 6409 Subsection C requires that title companies offer, at or prior to closing, an optional policy rider to insure the title of owner-occupied real property of a "homeowner" for its FUTURE market value. A "homeowner" is a natural person, fee owner and resident of a one - four family dwelling, a residential condominium unit, or a residential co-operative leasehold interest. If eligible as a "homeowner", you may therefore elect to obtain protection in excess of your purchase price. The benefits of the Rider shall be available only to the name insured provided he is a "homeowner" as defined herein at the date of the issuance of this Rider and at the date any claim under this Rider is made. If you do not wish this additional statutory coverage, you **MUST WAIVE** by signing this form in the space below.

Dated:

T. I. No.

NOTE:

If purchaser elects not to accept additional coverage as above provided, this form must be executed and returned to *Stewart Title Insurance Corporation* before policy can be issued.

**NOTICE OF AVAILABILITY
OF OWNER'S TITLE INSURANCE**

To: _____

Date: _____

Buying property identified as:

A Mortgagee's Policy of title insurance insuring the title to the property you are buying is being issued to your mortgage lender, but that policy does not provide title insurance coverage to you.

You may obtain an Owner's Policy of title insurance which provides title insurance coverage to you. The additional cost to you for an Owner's Policy of title insurance in the amount of \$ _____ is \$ _____, if you request it at this time.

If you are uncertain as to whether you should obtain an Owner's Policy of title insurance, you are urged to seek independent advice.

- I/WE DO REQUEST AN OWNER'S POLICY OF TITLE INSURANCE
- I/WE DO NOT REQUEST AN OWNER'S POLICY OF TITLE INSURANCE

Date: _____

Buyer

Buyer

CLOSER: Please Print Parties Names Fully
Exactly as Appearing on Documents

Policy Type/Amount/Number: MORTGAGE \$
FEE \$ Pol #. _____
Pol #. _____

PLEASE CHECK ALL APPLICABLE BOXES BELOW:

Policy Type: ATA NYBTU ALTA ALTA (1987)
Mortgage Type: Construction Conventional FHA VA ARM
 Neg ARM
Endorsements: ARM Neg ARM PUD CONDO SURVEY
 REV CREDIT ENVIRONMENTAL NY LOAN

DOCUMENTS EXECUTED, DELIVERED & RECORDED:

1. _____ Deed given
by: _____

to: _____

dated: _____ recorded: _____
Liber: _____ Page: _____

2. 1st Mortgage for \$ _____
FROM: _____
To: _____
dated: _____ recorded: _____
Liber: _____ Page: _____

3. 2nd Mortgage for \$ _____
FROM: _____

To: _____

dated: _____ recorded: _____
Liber: _____ Page: _____

4. _____ Agreement,
Consolidating Mtg #2 & #3 to Form a single lien
of \$ _____

BY: _____

TO: _____

DATED: _____ Rec.: _____
Liber: _____ Page: _____

5. Assignment of Mtg to: _____
from: _____
dated: _____ recorded: _____
Liber: _____ Page: _____

6. Financing Statements or Other
Documents to be Insured or
Excepted In Insurance Policy:

PLEASE USE GREEN COVER SHEET
IF MORE SPACE IS REQUIRED

FINAL POLICIES TO BE SENT TO: Fee _____

Mortgagee _____

Closed By: _____ Date: _____

SURVEY - ON FILE WITH THE AGENCY

Boundary Survey

**Part of Lot 184 of the Stevens Survey
City of Buffalo, County of Erie, State of New York**

Prepared by: Deborah A. Naybor PLS, P.C.

Job No.: 2008097

Map Date: January 19, 2009



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/09/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER KS Roth Insurance Agency, Inc. 5983 S Transit Rd Lockport, NY 14094	CONTACT NAME: PHONE (A/C No. Ext): (716)478-0024		FAX (A/C No): (716)478-0223
	E-MAIL ADDRESS:		
INSURED Buffalo State College Foundation Housing Corp 1300 Elmwood Ave-Cleveland Hall 508 Buffalo, NY 14222	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A: Philadelphia Ins		
	INSURER B:		
	INSURER C: Philadelphia Ins		
	INSURER D:		
	INSURER E:		

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	N	N	PHPK728406	6/1/2011	6/1/2012	EACH OCCURRENCE \$ 2000000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100000 MED EXP (Any one person) \$ 5000 PERSONAL & ADV INJURY \$ 2000000 GENERAL AGGREGATE \$ 4000000 PRODUCTS - COMP/OP AGG \$ 4000000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			PHPK728406	6/1/2011	6/1/2012	COMBINED SINGLE LIMIT (Ea accident) \$ 2000000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$	N	N	PHUB347180	6/1/2011	6/1/2012	EACH OCCURRENCE \$ 15000000 AGGREGATE \$ 15000000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				<input type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
The Certificate Holder is included as Additional Insured-Bond Issuer with regard to the Loan Agreement with the Named Insured. Cancellation clause has been amended to 30 days for any reason including non payment of premium. This insurance is written on a Primary Non-Contributory basis and includes a Waiver of Subrogation on behalf of the Certificate Holder.

CERTIFICATE HOLDER Buffalo and Erie County Industrial Land Development Corporation 275 Oak Street Buffalo, NY 14203	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/09/2011

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PRODUCER KS Roth Insurance Agency, Inc. 5983 S Transit Rd Lockport, NY 14094	CONTACT NAME: _____
	PHONE (A/C No. Ext): (716)478-0024 FAX (A/C No.): (716)478-0223 E-MAIL ADDRESS: _____
INSURER(S) AFFORDING COVERAGE	
INSURER A: Philadelphia Ins	NAIC #
INSURER B:	
INSURER C: Philadelphia Ins	
INSURER D:	
INSURER E:	
INSURER F:	

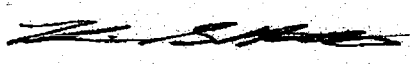
INSURED Buffalo State College Foundation Housing Corp 1300 Elmwood Ave-Cleveland Hall 508 Buffalo, NY 14222	CERTIFICATE NUMBER:	REVISION NUMBER:
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THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	N	N	PHPK728406	6/1/2011	6/1/2012	EACH OCCURRENCE \$ 2000000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100000 MED EXP (Any one person) \$ 5000 PERSONAL & ADV INJURY \$ 2000000 GENERAL AGGREGATE \$ 4000000 PRODUCTS - COMP/OP AGG \$ 4000000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			PHPK728406	6/1/2011	6/1/2012	COMBINED SINGLE LIMIT (Ea accident) \$ 2000000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$	N	N	PHUB347180	6/1/2011	6/1/2012	EACH OCCURRENCE \$ 1500000 AGGREGATE \$ 1500000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				WC STATU-TORY LIMITS OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
The Certificate Holder is included as Additional Insured-Trustee/Bond Issuer with regard to the Loan Agreement with the Named Insured. Cancellation clause has been amended to 30 days for any reason including non payment of premium. This insurance is written on a Primary Non-Contributory basis and includes a Waiver of Subrogation on behalf of the Certificate Holder.

CERTIFICATE HOLDER	CANCELLATION
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Manufacturers and Traders Trust Company (as Trustee) One M&T Plaza, 7th Floor Buffalo, NY 14203	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
06/09/2011

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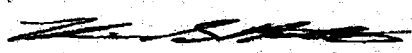
PRODUCER KS Roth Insurance Agency, Inc. 5983 S Transit Rd Lockport, NY 14094	CONTACT NAME: PHONE (A/C No. Ext): (716)478-0024		FAX (A/C No): (716)478-0223
	E-MAIL ADDRESS:		
		INSURER(S) AFFORDING COVERAGE	NAIC #
		INSURER A : Philadelphia Ins	
		INSURER B :	
		INSURER C : Philadelphia Ins	
		INSURER D :	
		INSURER E :	
		INSURER F :	

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

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INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	N	N	PHPK728406	6/1/2011	6/1/2012	EACH OCCURRENCE \$ 2000000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100000 MED EXP (Any one person) \$ 5000 PERSONAL & ADV INJURY \$ 2000000 GENERAL AGGREGATE \$ 4000000 PRODUCTS - COMP/OP AGG \$ 4000000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			PHPK728406	6/1/2011	6/1/2012	COMBINED SINGLE LIMIT (Ea accident) \$ 2000000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$			PHUB347180	6/1/2011	6/1/2012	<input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE EACH OCCURRENCE \$ 15000000 AGGREGATE \$ 15000000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				<input type="checkbox"/> WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
The Certificate Holder is included as Additional Insured with regard to a Ground Lease Agreement with the Named Insured. Cancellation clause has been amended to 30 days for any reason including non payment of premium. This insurance is written on a Primary Non-Contributory basis and includes a Waiver of Subrogation on behalf of the Certificate Holder.

CERTIFICATE HOLDER State of New York Office of the New York State Comptroller 110 State Street Albany, NY 12236	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

06/09/2011

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IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

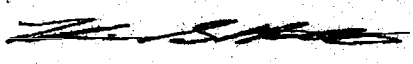
PRODUCER KS Roth Insurance Agency, Inc. 5983 S Transit Rd Lockport, NY 14094	CONTACT NAME: PHONE (A/C No. Ext): (716)478-0024	FAX (A/C No.): (716)478-0223	
	E-MAIL ADDRESS:		
INSURED Buffalo State College Foundation Housing Corp 1300 Elmwood Ave-Cleveland Hall 508 Buffalo, NY 14222	INSURER(S) AFFORDING COVERAGE		NAIC #
	INSURER A : Philadelphia Ins		
	INSURER B :		
	INSURER C : Philadelphia Ins		
	INSURER D :		
	INSURER E :		
INSURER F :			

COVERAGES **CERTIFICATE NUMBER:** **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC	N	N	PHPK728406	6/1/2011	6/1/2012	EACH OCCURRENCE \$ 2000000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100000 MED EXP (Any one person) \$ 5000 PERSONAL & ADV INJURY \$ 2000000 GENERAL AGGREGATE \$ 4000000 PRODUCTS - COMP/OP AGG \$ 4000000
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS			PHPK728406	6/1/2011	6/1/2012	COMBINED SINGLE LIMIT (Ea accident) \$ 2000000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
C	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$	N	N	PHUB347180	6/1/2011	6/1/2012	EACH OCCURRENCE \$ 15000000 AGGREGATE \$ 15000000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N	N/A			WC STATUTORY LIMITS OTHER E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)
 The Certificate Holder is included as Additional Insured with regard to a Ground Lease Agreement with the Named Insured. Cancellation clause has been amended to 30 days for any reason including non payment of premium. This insurance is written on a Primary Non-Contributory basis and includes a Waiver of Subrogation on behalf of the Certificate Holder.

CERTIFICATE HOLDER State University of New York State University Plaza 353 Broadway Albany, NY 12246	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
---	---

Buffalo State College Foundation Housing Corporation

June 6, 2011

Buffalo and Erie County Industrial Land
Development Corporation
143 Genesee Street
Buffalo, New York 14203

Manufacturers and Traders Trust Company, as Trustee
One M&T Plaza, 7th floor
Buffalo, New York 14203

Re: Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds
(Buffalo State College Foundation Housing Corporation Project) Identified on Schedule
A attached hereto

Ladies and Gentlemen:

Pursuant to Section 3.1(d) of the Indenture of Trust dated as of December 1, 2009 (the "2009 Indenture"), between Buffalo and Erie County Industrial Land Development Corporation (the "Issuer") and Manufacturers and Traders Trust Company, as trustee (the "Trustee"), as amended by that certain First Supplemental Indenture dated as of May 1, 2010 (the "Supplemental Indenture" and the 2009 Indenture as supplemented by the Supplemental Indenture, the "Indenture") between the Issuer and the Trustee, we hereby direct the Issuer by countersigning this letter to direct the Trustee, and the Trustee, to redeem the bonds (the "Bonds") identified on Schedule A attached hereto on June 16, 2011.

Redemption shall be subject to delivery to you of the waiver of notice of redemption and consent to redemption, substantially in the form attached hereto, executed by the beneficial owners of the Bonds no later than June 16, 2011.

Very truly yours,

Buffalo State College Foundation Housing Corporation


By:


Stanley Kardonsky, Vice President

ACKNOWLEDGED AND AGREED:

Buffalo and Erie County Industrial Land
Development Corporation

By:


David W. Kerchoff, Assistant Treasurer

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT
CORPORATION REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION
PROJECT)**

NOTICE OF REDEMPTION AND CONSENT OF BENEFICIAL OWNER

Reference is made to that certain Indenture of Trust dated as of December 1, 2009 (the “2009 Indenture”), between Buffalo and Erie County Industrial Land Development Corporation (the “Issuer”) and Manufacturers and Traders Trust Company, as trustee (the “Trustee”), as amended by that certain First Supplemental Indenture dated as of May 1, 2010 (the “Supplemental Indenture” and the 2009 Indenture as supplemented by the Supplemental Indenture, the “Indenture”) between the Issuer and the Trustee. Pursuant to the Indenture, the Issuer issued the Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), more fully described on Schedule A attached hereto (the “Outstanding Bonds”). Capitalized terms used in this Notice of Redemption and Consent of Beneficial Owner (this “Notice and Consent”) and not otherwise defined herein shall have the meanings given to such terms in the Indenture.

Pursuant to the Indenture, the Issuer at the direction of Buffalo State College Foundation Housing Corporation (the “Company”) intends to redeem the Outstanding Bonds in whole on June 16, 2011 (the “Redemption Date”) upon payment of a redemption price equal to one hundred percent (100%) of the principal amount thereof, together with interest accrued thereon to the Redemption Date. On the Redemption Date, the Company shall pay or cause to be paid to the Owner of such Outstanding Bonds all other amounts due and payable in accordance with the terms of the Outstanding Bonds on such redemption date.

Section 3.1(d) of the Indenture provides that the Outstanding Bonds are subject to optional redemption on any Interest Payment Date at a price equal to one hundred percent (100%) of the principal amount thereof, together with interest accrued thereon to the redemption date, without premium, plus the LIBOR Breakage Fee, if applicable; and further provides that all other amounts due and payable in accordance with the terms of the Outstanding Bonds on such redemption date shall be paid to the Owner of such Outstanding Bonds. Section 3.2 of the Indenture provides that the Trustee will give the Bondholders notice, by first class mail, at least thirty (30) days before the redemption date.. The Company requests that the Beneficial Owners consent to a redemption date for the Outstanding Bonds on June 16, 2011 which is a day other than an Interest Payment Date and waive notice of redemption from the Trustee. (collectively the “Provisions of Sections 3.1(d) and 3.2”) With respect to the LIBOR Bonds, the Company requests that the Beneficial Owners acknowledge that no LIBOR Breakage Fee is payable upon redemption.

SCHEDULE A

Outstanding Bonds

Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1 in the principal amount of \$14,625,000 * CUSIP 11943KAA0

Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-2 in the principal amount of \$10,375,000 * CUSIP 11943KAE2

Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-3 in the principal amount of \$230,000 * CUSIP 11943KAB8

Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-4 in the principal amount of \$170,000 * CUSIP 11943KAC6

Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B in the principal amount of \$5,000,000 CUSIP 11943KAD4

Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1 in the principal amount of \$5,415,000 * CUSIP 11943KAF9

Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2 in the principal amount of \$3,820,000 * CUSIP 11943KAG7

* LIBOR Bonds

CONSENT OF BENEFICIAL OWNER

The undersigned hereby certifies that it is the Beneficial Owner of the Outstanding Bonds set forth below and hereby waives the Provisions of Sections 3.1(d) and 3.2, consents to the Redemption Date of June 16, 2011 and acknowledges that the LIBOR Breakage Fee is not payable.

Dated: June 10, 2011

**MANUFACTURERS AND TRADERS
TRUST COMPANY**

By: Thomas W. Helter
Name: Thomas W. Helter
Title: Vice President

Outstanding Bonds

Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project),
Series 2009A-1 in the principal amount of \$14,625,000 *

Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project),
Series 2009A-3 in the principal amount of \$230,000 *


Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project),
Series 2010A-1 in the principal amount of \$5,415,000 *

CONSENT OF BENEFICIAL OWNER

The undersigned hereby certifies that it is the Beneficial Owner of the Outstanding Bonds set forth below and hereby waives the Provisions of Sections 3.1(d) and 3.2, consents to the Redemption Date of June 16, 2011 and acknowledges that the LIBOR Breakage Fee is not payable.

Dated: June 19, 2011

FIRST NIAGARA BANK

By: 
Name: Michael Dowd
Title: Vice President

Outstanding Bonds

Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-2 in the principal amount of \$10,375,000

Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-4 in the principal amount of \$170,000

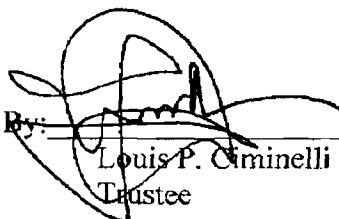
Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2 in the principal amount of \$3,820,000

CONSENT OF BENEFICIAL OWNER

The undersigned hereby certifies that it is the Beneficial Owner of the Outstanding Bonds set forth below and hereby waives the Provisions of Sections 3.1(d) and 3.2 and consents to the Redemption Date of June 16, 2011.

Dated: June 14, 2011

**LOUIS P. CIMINELLI, AS TRUSTEE
OF THE LOUIS P CIMINELLI
REVOCABLE LIVING TRUST**

By: 
Louis P. Ciminelli
Trustee

Outstanding Bonds:

Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B in the principal amount of \$5,000,000

COSTS OF ISSUANCE FUND REQUISITION NO. 1

TO: Manufacturers and Traders Trust Company, as Trustee under the Trust Indenture dated as of June 1, 2011 (the "*Indenture*"), between the Buffalo and Erie County Industrial Land Development Corporation and such Trustee

This requisition is made pursuant to Section 4.4 of the Indenture. Terms used in this requisition shall have the meanings specified for them in the Indenture. The Trustee is hereby authorized and directed to make payment from the Costs of Issuance Fund as specified herein.

Buffalo State College Foundation Housing Corporation hereby certifies as follows:


(i) Name and Address of Person to whom payment is to be made.

See Attached Schedule "A"

(ii) Amount to be paid. \$391,481.20

See Attached Schedule "A" for detail.

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

By: 
Name: Stanley Kardonsky
Title: Vice President

SCHEDULE "A"

Flow of Funds

Buffalo State College Foundation Housing Corporation
 Buffalo and Erie County Industrial Land Development Corporation
 Revenue Bonds, Series 2011 A and B
 Flow Of Funds Schedule

Pre-Closing: 15-Jun-11
 Closing: 16-Jun-11
 Version: 14-Jun-11, 5:51 PM

WIRE FROM M&T SECURITIES, INC.

Par Size (Series 2011 A and B)	\$44,285,000.00
Plus: Net Original Issue Premium	1,090,966.10
Bond Proceeds	45,375,966.10
Less: Underwriter's Discount	(219,210.75)
TOTAL TO BE CREDITED	\$45,156,755.35

SOURCES AND USES OF FUNDS

Sources	Wire Amount (A)	\$45,156,755.35
TOTAL SOURCES		\$45,156,755.35

Uses	Deposit to Construction Fund	5,062,751.03
	Series 2009 A1 Payoff	14,643,738.94
	Series 2009 A2 Payoff	10,388,293.45
	Series 2009 A3 Payoff (Taxable)	230,453.38
	Series 2009 A4 Payoff (Taxable)	170,335.11
	Series 2010 A1 Payoff	5,422,006.73
	Series 2010 A2 Payoff	3,824,942.89
	Series 2009 B Payoff	5,018,750.00
	MTB Interest Due 6/1/2011	4,002.62
Bond Related Costs Paid at Closing / Post-Closing:		
	ILDC Fee*	154,997.50
	Issuer's Counsel*	25,000.00
	Title Insurance*	80,259.00
	Bond Counsel Fee*	60,000.00
	Corporation Counsel Fee*	14,300.00
	Underwriter's Counsel Fee*	35,675.00
	Alumni Association Counsel Fee	3,119.70
	Existing Bondholder Counsel Fee	1,950.00
	Trustee's Fees*	5,000.00
	Trustee's Counsel Fee*	5,000.00
	Printing*	2,500.00
	Survey*	3,260.00
	CUSIP*	420.00
TOTAL USES		45,156,755.35

* invoice received

WIRE TRANSFERS

Date	Recipient	Originator	Purpose	Amount
(A) 16-Jun-11	M&T Trust Company	M&T Securities, Inc.	Net Bond Proceeds	\$45,156,755.35

#1033113

WIRE INSTRUCTIONS
 (A) To: Manufacturers and Traders Trust Company, Buffalo; ABA #022000046; A/C 3088001950200;
 A/C Name: Trust Division; f/f/c: 1033113 / Cost of Issuance Fund; Attn: Anthony Argenio

COSTS OF ISSUANCE PAID AT CLOSING (includes contingency)

Payee	Purpose	Amount
Buffalo and Erie Industrial Land Development Corporation	ILDC Fee*	\$154,997.50
Harris Beach PLLC	Issuer's Counsel*	25,000.00
Stewart Title	Title Insurance*	80,259.00
Hiscock & Barclay, LLP	Bond Counsel Fee*	60,000.00
Hodgson Russ LLP	Corporation Counsel Fee*	14,300.00
Reed Smith, LLP	Underwriter's Counsel Fee*	35,675.00
Jaeckle Fleischmann & Mugel	Alumni Association Counsel Fee	3,119.70
Nixon Peabody LLP	Existing Bondholder Counsel Fee	1,950.00
Manufacturer's & Traders Trust Company	Trustee's Fees*	5,000.00
Bond. Schoeneck & King, PLLC	Trustee's Counsel Fee*	5,000.00
McElwee & Quinn, L.L.C.	Printing*	2,500.00
Deborah A. Naybor, PLS. PC	Survey*	3,260.00
Standard & Poor's	CUSIP*	420.00
Total Costs of Issuance Paid at Closing:		\$391,481.20

2% COI RULE ANALYSIS
 Total COI Plus U/W Discount: 610,691.95
 2% of Bond Proceeds: 907,519.32

Amount In Excess of 2%: 0.00

FLOW OF FUNDS

	Total Sources	Costs of Issuance	Construction Fund	Refunding Fund
Equity Contributor	\$0.00	\$0.00	\$0.00	\$0.00
Available Funds	\$0.00	\$0.00	\$0.00	\$0.00
Accrued Interest	\$0.00	\$0.00	\$0.00	\$0.00
Bond Proceeds	\$45,156,755.35	\$391,481.20	\$5,062,751.03	\$39,702,523.12
TOTALS	\$45,156,755.35	\$391,481.20	\$5,062,751.03	\$39,702,523.12



10331B

Buffalo State College Foundation Housing Corporation
1300 Elmwood Avenue
Buffalo, NY 14222-1004

June 15, 2011

FOR PROFESSIONAL SERVICES RENDERED AND COSTS INCURRED AS FOLLOWS:

RE: \$43,875,000 Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A

\$410,000 Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B

2011 BOND ISSUANCE

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION FEES	\$154,997.50
Disbursements	
AMOUNT DUE THIS INVOICE:	\$154,997.50

WIRE INSTRUCTIONS

The wire instructions for the ECIDA General Account are as follows:

Account Number: 8890769881
Account Name: Erie County IDA
ABA/Routing: 022000046
Bank: M&T Bank - Buffalo, New York

ECIDA Address: 143 Genesee Street
Buffalo, NY 14203

For International Wire Transfers, the Swift Code is MANTUS33
ILDC FEDERAL ID# 22-2413596



Buffalo State College Foundation, Inc.
ATTN: James Thor, Director of College and Foundation Accounting
Cleveland Hall - Room 414
1300 Elmwood Avenue
Buffalo, New York 14222-1095

Date: June 9, 2011
Matter: 011403.00017

FOR COUNSEL AND SERVICES on behalf of Buffalo State College Foundation Housing Corporation in connection with the Series 2011 A and B bonds # 1033113

Legal Fees	\$10,000.00
Recording Fees	\$2,800.00
Disbursements	<u>\$1,500.00</u>

INVOICE TOTAL \$ 14,300.00

Wire Instructions:

Bank - Manufacturers and Traders Trust Company
ABA Number - #022000046
Account Name - Hodgson Russ LLP
Regular Account Number - #6-434-5
Foreign Wire - M & T Swift Code - MANTUS33
Wire Reference - Please reference file #011403.00017
Wire Contact: Sandy Pulli - (716) 848-1378

~~Corporation Counsel Fee~~

ReedSmith

DATE: June 16, 2011

1033113

M&T SECURITIES, INC.

For professional services rendered as counsel to the underwriter in connection with the issuance and sale by the Buffalo and Erie County Industrial Land Development Corporation of its \$43,875,000 Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A, and \$410,000 Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B \$35,000.00

fees, etc. Plus associated out-of-pocket disbursements for duplicating, filing 675.00

TOTAL \$35,675.00

Wire transfer information:

REED SMITH LLP
MELLON BANK, N.A.
PHILADELPHIA, PA
ACCT. #2-022-986
ABA #031000037
SWIFT CODE: MELNUS3P
Reference C/M #887755/20002/0248

Underwriter Counsel Fee

Please return the copy of the statement together with your check in the envelope enclosed for your convenience.
TAX IDENTIFICATION NUMBER 25-0749630

P.O. Box 7777-W4055
Philadelphia, PA 19175-4055
215.851.8100
Fax 215.851.1420



BILL TO:
 WILLIAM MANTLER
 M&T SECURITIES INC
 25 S CHARLES STREET
 BALTIMORE MD 21201

CUSTOMER: #1033113
 WILLIAM MANTLER
 M&T SECURITIES INC
 25 S CHARLES STREET
 BALTIMORE MD 21201

EFFECTIVE JANUARY 2011, CGS ISSUANCE FEES WILL INCREASE. CGS reserves the right to change fees at any time.

INVOICE NO.	INVOICE DATE	ACCOUNT NO.	SUPPLEMENT DATE
34947330	05/24/2011	-8800017135	05/27/2011

CUSIP NO.	COUPON	DATED DATE	MATURITY	DESCRIPTION	AMOUNT
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Disclosure Fee 35.00

Cusip Fee

14 Item(s)

TOTAL DUE \$420.00

WILLIAM MANTLER
 M&T SECURITIES INC
 25 S CHARLES STREET
 BALTIMORE MD 21201

Standard & Poor's
 2542 Collection Center Dr
 Chicago IL 60693

TOTAL DUE \$420.00

88000171359 34947330 00042000 1 130 10 13 0511 6



BILL TO:
 WILLIAM MANTLER
 M&T SECURITIES INC
 25 S CHARLES STREET
 BALTIMORE MD 21201

CUSTOMER:
 WILLIAM MANTLER
 M&T SECURITIES INC
 25 S CHARLES STREET
 BALTIMORE MD 21201

**EFFECTIVE JANUARY 2011, CGS ISSUANCE
 FEES WILL INCREASE. CGS reserves the
 right to change fees at any time.**

INVOICE NO.	INVOICE DATE	ACCOUNT NO.	SUPPLEMENT DATE
34947330	05/24/2011	-8800017135	05/27/2011

CUSIP NO.	COUPON	DATED DATE	MATURITY	DESCRIPTION	AMOUNT
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ISSUER: BUFFALO & ERIE CNTY N Y INDL LD DEV CORP REV

11943K AL 6		06/16/2011	10/01/2012	BUFFALO ST COLLEGE FNDTN HSG	151.00
11943K AM 4		06/16/2011	10/01/2013	BUFFALO ST COLLEGE FNDTN HSG	18.00
11943K AN 2		06/16/2011	10/01/2014	BUFFALO ST COLLEGE FNDTN HSG	18.00
11943K AP 7		06/16/2011	10/01/2015	BUFFALO ST COLLEGE FNDTN HSG	18.00
11943K AQ 5		06/16/2011	10/01/2016	BUFFALO ST COLLEGE FNDTN HSG	18.00
11943K AR 3		06/16/2011	10/01/2017	BUFFALO ST COLLEGE FNDTN HSG	18.00
11943K AS 1		06/16/2011	10/01/2018	BUFFALO ST COLLEGE FNDTN HSG	18.00
11943K AT 9		06/16/2011	10/01/2019	BUFFALO ST COLLEGE FNDTN HSG	18.00
11943K AU 6		06/16/2011	10/01/2020	BUFFALO ST COLLEGE FNDTN HSG	18.00
11943K AV 4		06/16/2011	10/01/2021	BUFFALO ST COLLEGE FNDTN HSG	18.00
11943K AW 2		06/16/2011	10/01/2026	BUFFALO ST COLLEGE FNDTN HSG	18.00
11943K AX 0		06/16/2011	10/01/2031	BUFFALO ST COLLEGE FNDTN HSG	18.00
11943K AY 8		06/16/2011	10/01/2041	BUFFALO ST COLLEGE FNDTN HSG	18.00
11943K AE 5		06/16/2011	10/01/2012	TAXABLE-BUFFALO ST COLLEGE	18.00

CONTINUED

WILLIAM MANTLER
 M&T SECURITIES INC
 25 S CHARLES STREET
 BALTIMORE MD 21201

Standard & Poor's
 2542 Collection Center Dr
 Chicago IL 60693

CONTINUED

88000171359 34947330 00042000 1 130 10 13 0511 6

1100 M&T CENTER
3 FOUNTAIN PLAZA
BUFFALO, NEW YORK 14203
T 716.566.1300 • F 716.566.1301

REACHUS@HBLAW.COM

Buffalo and Erie County Industrial Land Development Corporation
143 Genesee Street
Buffalo, New York

1033113

June 16, 2011

RE: BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION

**\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT), SERIES 2011A**

**\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT), SERIES 2011B**

FOR LEGAL SERVICES RENDERED as Bond Counsel to the Buffalo and Erie County Industrial Land Development Corporation in connection with the issuance of the above-referenced Bonds including without limitation drafting and negotiation of Indenture, Loan Agreement, Mortgage, Assignment of Rents and Leases, Guaranty, Tax Compliance Agreement, Pledge and Assignment, Bonds and various certificates and other related documents, delivery of approving opinion, attendance at pre-closing and closing; post closing follow up and transcript preparation, participation in working group calls and other telephone conferences and attendance to correspondence.

LEGAL FEE (plus disbursements)

~~\$55,000.00~~

60,000.00

IN MAKING PAYMENT PLEASE REFER TO FILE NO. 3044426

Wire Instructions:

Key Bank, NA
201 S. Warren Street
Syracuse, New York
ABA Routing: 021300077
Acct Num: 3296 8102 2391
Acct Name Hiscock & Barclay LLP
Operating Account

Bond Counsel Fee

McELWEE & QUINN, L.L.C.
Municipal and Corporate Printing Services
612 Fox Fields Road
Bryn Mawr, PA 19010
Phone (610) 519-0973 Fax (610) 519-0974
marymcelwee@msn.com
www.mandq.biz

1033113

INVOICE

Buffalo State College Foundation
Housing Corporation
Buffalo State College
1300 Elmwood Avenue, Suite 505
Buffalo, NJ 14222

DATE : 6/7/2011
JOB NO. : 11-158
TERMS : Payable Upon Receipt

Attention: Dr. Stanley Kardonsky

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT), SERIES 2011A
and
\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT), SERIES 2011B

- 5/18/11 Format the front cover to the Preliminary Official Statement with two proofs for distribution.
- 5/18/11 Make-ready and offset printing of 65 copies of the Preliminary Official Statement. 136 pages, 8-1/2" x 11", text print Black two sides on 50# opaque, cover prints Black plus red, plus color logos and color photo on inside front cover on 80# white cover, perfect bind. Post to our website and create a link for electronic distribution.
- 5/23/11 Format the Supplement to the Preliminary Official Statement with two proofs for distribution. Post to our website and send out a link for electronic distribution.
- 6/3/11 Format the front cover to the Preliminary Official Statement with two proofs for distribution.
- 6/3/11 Make-ready and offset printing of 100 copies of the Official Statement. 138 pages, 8-1/2" x 11", text print Black two sides on 50# opaque, cover prints Black plus red, plus color logos and color photo on inside front cover on 80# white cover, perfect bind. Post to our website and create a link for electronic distribution.

TOTAL AMOUNT DUE.....\$2,500.00

Please remit payment to: McElwee & Quinn, LLC
612 Fox Fields Road
Bryn Mawr, PA 19010

Printing Fee

BOND, SCHOENECK & KING, PLLC
ATTORNEYS AT LAW

IRS. NO. 27-0015651

One Lincoln Center
Syracuse, New York 13202-1355

TEL: (315) 218-8000
FAX: (315) 218-8100

June 16, 2011
Bill Number: 19451186

MANUFACTURERS AND TRADERS TRUST COMPANY
101 SOUTH SALINA STREET - 8TH FLOOR
SYRACUSE, NY 13202

1033113

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION APPROX.
\$47,745,000 REFUNDING REVENUE BONDS (BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION PROJECT), SERIES 2011
334309**

FOR PROFESSIONAL SERVICES RENDERED as Trustee Counsel to Manufacturers and Traders Trust Company (the "Trustee") in connection with the issuance of the \$43,875,000 Buffalo and Erie County Industrial Land Development Corporation (the "Issuer") Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A and \$410,000 Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B including, but not limited to, review of financing documents, redemption materials and closing certificates; conferences and correspondence with representatives of the Issuer, Hiscock & Barclay, LLP, Buffalo State College Foundation Housing Corporation, M&T Securities, Inc. and their respective counsel; examination of law and issuance of legal opinion.

Total Fees **\$5,000.00**

~~7/63/12 (6/21/12) Fee~~

TOTAL FOR THIS MATTER **\$5,000.00**

Accounts Are Due Within 30 Days.

BOND, SCHOENECK & KING, PLLC
ATTORNEYS AT LAW

IRS. NO. 27-0015651

One Lincoln Center
Syracuse, New York 13202-1355

TEL: (315) 218-8000
FAX: (315) 218-8100

June 16, 2011
Bill Number: 19451186

MANUFACTURERS AND TRADERS TRUST COMPANY
101 SOUTH SALINA STREET - 8TH FLOOR
SYRACUSE, NY 13202

REMITTANCE ADVICE

(Please return this page with your payment)

Client ID: 050436

Matter ID: 334309

Total Legal Services	\$5,000.00
Total Disbursements	0.00
Total for Bill Number : 19451186	\$5,000.00

Use the following instructions if you wish to wire funds for payment of this bill:

ABA #: 021300077

Bank: KeyBank, 201 South Warren St., Syracuse, NY 13202

Account #: 329681047489 Bond, Schoeneck & King, PLLC

Reference: Bill Number

SWIFT #: KEYBUS33 (for international wires only)

Accounts Are Due Within 30 Days.

*103313

Buffalo State College Foundation Housing Corporation
1300 Elmwood Avenue
Buffalo, New York 14222-1004

File # 242133

Atty. RGM

June 15, 2011

FOR PROFESSIONAL SERVICES RENDERED AND COSTS INCURRED AS FOLLOWS:

Matter Name: Buffalo and Erie County Industrial Land Development Corporation
\$43,875,000 Revenue Bonds (Buffalo State College Foundation Housing Corporation Project) Series 2011A and \$410,000 Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project) Series 2011B

Legal Services Rendered As Buffalo and Erie County Industrial Land Development Corporation Issuer Counsel Fees \$ 25,000.00

Disbursements: \$ 0.00

AMOUNT DUE THIS INVOICE: \$ 25,000.00

WIRE INSTRUCTIONS

ABA# 021313103
SWIFT # CTZIUS33
Account # 4199000096
Harris Beach PLLC Operating A/C
Bank Citizens Bank, Times Square Office
45 Exchange Blvd
Rochester, NY 14614

~~Issuer Counsel~~

Please ask originator to reference the File # 242133 when initiating wire transfer with their bank. Also ask the bank that is transferring the money to provide you with the Federal Reference Number (in case there is need to trace the transfer).

FEDERAL ID# 84-1623836

M ANTHONY ARGENIO - Email below is Nixon's invoice [DMS-ACTIVE.FID55957]

From: "Everett, Jean S." <JEverett@hblaw.com>
To: M ANTHONY ARGENIO <aargenio@mtb.com>, 'GARY NOWICKI' <GNOWICKI@mtb.com>
Date: 6/15/2011 8:19 AM
Subject: Email below is Nixon's invoice [DMS-ACTIVE.FID55957]

From: Anderson, Martha [mailto:MAnderson@nixonpeabody.com]
Sent: Tuesday, June 14, 2011 1:31 PM
To: Everett, Jean S.
Cc: 'Gilbride, Terrence'; Katzoff, Susan R.; Clifton, Amy L.
Subject: RE: buffalo State [DMS-ACTIVE.FID55957]

1033113

Jean,

Assuming things are straightforward from here on out, our fee is \$1,950. Wire instructions are below. I assume you don't need anything more formal but if you do, let me know. Thank you.

Martha

Account Name: Nixon Peabody LLP
JP Morgan Chase Bank
Rochester, NY 14643
SWIFT CODE CHASUS33
Account No. 000 005 2381
ABA# 021 000 021

16-0764720



From: Everett, Jean S. [mailto:JEverett@hblaw.com]
Sent: Tuesday, June 14, 2011 1:29 PM
To: Anderson, Martha
Cc: 'Gilbride, Terrence'; Katzoff, Susan R.
Subject: buffalo State [DMS-ACTIVE.FID55957]

Martha – Since Terry is traveling could you let me know the amount of your fee today so that we can make sure the correct amount is set aside in the Costs of Issuance Fund? Thanks Jean

Jean S. Everett
Of Counsel

Hiscock & Barclay, LLP
1325 G Street, NW ~ Suite 500 • Washington, DC 20005
D: (202) 582-0601 • F: (202) 582-0602 • C: (315) 436-6643

E: JEverett@hblaw.com



www.hblaw.com • [vCard](#) • [Profile](#)

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-HB-



Buffalo Office
130 Pearl Street
Buffalo, NY 14202
Tel. (716)852-0737
Fax. (716)852-9872

Please remit payment to:
Stewart Title Insurance Co.
47 West Main Street
Rochester NY 14614
Attn: Finance Office

INVOICE	
Bill Date	05/05/2011
Post Date	
Invoice No.	10-196666
Customer No.	3665
Page No.	1 of 1
Invoice Total	\$79,909.00

CUSTOMER

HODGSON, RUSS ETC.
C/O TERRENCE M. GILBRIDE
140 PEARL STREET
SUITE 100 THE GUARANTY BLDG
BUFFALO, NY 14202-4040
ATTN:

1033113

REFERENCE INFORMATION

Order No. 592638
Abstract / Title Ins No. /
Owner / Seller
Buyer
Property

Cust. Reference:

STATE UNIVERSITY OF NEW YORK, BUFFALO STATE ALUMNI ASSOCIATION, INC.
669 GRANT, CITY OF BUFFALO, ERIE COUNTY, TRACT/SUB

671 GRANT, CITY OF BUFFALO, ERIE COUNTY, TRACT/SUB

SERVICES PROVIDED

Description	Amount
14BM REFINANCE/ SUBORDINATE LOAN POLICY (MORE THAN \$475K) Risk: \$44,735,000.00 Insured Party: TBD	\$69,789.00
25D23 TIRSA ACCESS (LOAN POLICY)	\$25.00
25D24 TIRSA CONTIGUITY ENDORSEMENT (LOAN AND OWNER'S POLICIES)	\$25.00
25D11 TIRSA 8.1 EPL ENDORSEMENT (ENVIRONMENTAL PROTECTION LIEN)(LO...	\$25.00
25D7 TIRSA LAND SAME AS SURVEY ENDORSEMENT	\$25.00
25D25 TIRSA MORTGAGE TAX ENDORSEMENT (LOAN POLICY)	\$25.00
25C1 ALTA ENDORSEMENT 9 (RESTRICTIONS, ENCROACHMENTS, MINERALS)(L...	\$9,970.00
25D13 TIRSA WAIVER OF ARBITRATION ENDORSEMENT (LOAN POLICY)	\$25.00
Please pay this amount. INVOICE TOTAL:	
	\$79,909.00





Buffalo Office
130 Pearl Street
Buffalo, NY 14202
Tel. (716)852-0737
Fax. (716)852-9872

Please remit payment to:
Stewart Title Insurance Co.
47 West Main Street
Rochester NY 14614
Attn: Finance Office

INVOICE	
Bill Date	06/09/2011
Post Date	
Invoice No.	10-202052
Customer No.	3665
Page No.	1 of 1
Invoice Total	\$350.00

CUSTOMER

HODGSON, RUSS ETC.
C/O TERRENCE M. GILBRIDE
140 PEARL STREET
SUITE 100 THE GUARANTY BLDG
BUFFALO, NY 14202-4040
ATTN: TERRENCE GILBRIDE

1033113

REFERENCE INFORMATION

Order No.	523571	Cust. Reference:
Abstract / Title Ins No.	523571 /	
Owner / Seller	STATE UNIVERSITY OF NEW YORK COLLEGE AT BUFFALO, STATE UNIVERSITY COLLEGE AT	
Buyer	BUFFALO STATE ALUMNI ASSOCIATION, INC.	
Property	669 GRANT, CITY OF BUFFALO, ERIE COUNTY	
	671 GRANT, CITY OF BUFFALO, ERIE COUNTY	

SERVICES PROVIDED

Description	Amount
RD REDATE	\$350.00
Please pay this amount. INVOICE TOTAL	
	\$350.00



Deborah A. Naybor, PLS, PC

1490 Church Street
Alden, NY 14004-1204

INVOICE

Invoice Number: 7711
Invoice Date: Apr 28, 2011
Page: 1

Voice: 716-937-9448
Fax: 716-937-9526

Bill To:

Ship to:

Hodgson Russ, LLP
140 Pearl Street
Suite 100
Buffalo, NY 14202-4040

1033113

Customer ID	Customer PO	Payment Terms		
2008097/ Buf State	Terrence Gilbride	Net 30 Days		
Sales Rep ID	Shipping Method	Ship Date	Due Date	
Naybor			5/28/11	
Quantity	Item	Description	Unit Price	Amount
		Buf State Student Housing - As Built Survey		
		Survey Services 4/19/11-4/28/11		
14.00		Fieldcrew 4/21/11, 4/22/11, 4/26/11	145.00	2,030.00
10.50		Professional Surveyor	95.00	997.50
1.50		Principal	105.00	157.50

~~Survey Fee~~

Subtotal	3,185.00
Sales Tax	
Total Invoice Amount	3,185.00
Payment/Credit Applied	
TOTAL	3,185.00

Check/Credit Memo No:

1 1/2% late fee will be added to past due accounts.

Deborah A. Naybor, PLS, PC
 1490 Church Street
 Alden, NY 14004-1204

INVOICE

Invoice Number: 7749
 Invoice Date: Jun 9, 2011
 Page: 1

Voice: 716-937-9448
 Fax: 716-937-9526

Bill To:

Hodgson Russ, LLP
 140 Pearl Street
 Suite 100
 Buffalo, NY 14202-4040

Ship to:

1033113

Customer ID	Customer PO	Payment Terms
2008097/ Buf State	Terry Gilbride	Net 30 Days
Sales Rep ID	Shipping Method	Ship Date
Naybor		7/9/11

Quantity	Item	Description	Unit Price	Amount
		U.B. Educational Opportunity Center Survey Certification		75.00

~~Survey Fee~~

Check/Credit Memo No:

Subtotal	75.00
Sales Tax	
Total Invoice Amount	75.00
Payment/Credit Applied	
TOTAL	75.00

1 1/2% late fee will be added to past due accounts.

Payee	Amount	Wire Transfer Instructions
Stewart Title	\$80,259.00	Name on Account – Stewart Title Insurance Company HSBC Bank USA, N.A. Routing Number 021001088 Account Number 501-741828
Deborah A. Naybor PLS, PC	\$3,260.00	Name on Account - Deborah A. Naybor, PLS, PC Alden State Bank Routing Number 022309611 Account Number 6008155
Jaeckle Fleischman #103313 16-0774920	3,119.70	Name on Account – Jaeckle Fleischmann & Mugel Bank of America Routing Number 026009593 Account Number 000002083817
Hodgson Russ LLP	\$14,300.00	Name on Account – Hodgson Russ LLP M&T Bank Routing Number 022000046 Account Number 6-434-5

#103313

~~Albany Association Counsel Fe~~

IN ACCOUNT WITH

Jaeckle | FLEISCHMANN
& MUGEL, LLP

12 Fountain Plaza | Suite 800 | Buffalo, NY 14202-2292 | Tel 716.856.0600 | Fax 716.856.0432
www.jaekle.com

TAX ID. 16-0774920

Buffalo State College Alumni Association Incorporated
Attn: Executive Director
305 Cleveland Hall
1300 Elmwood Avenue
Buffalo, NY 14222-1095

June 16, 2011
ID: 95468-521410
Invoice 176863

RE: Student Housing Project
For Professional Services Rendered Through June 17, 2011

Current Fees	3,024.00	
Current Disbursements	95.70	
Total This Invoice		3,119.70

ACCOUNTS ARE PAYABLE WITHIN 30 DAYS

Fees

Date	Atty	Description
5/6/2011	JCP	E-mails to L. Beard, T. Gilbride regarding refinancing of student housing project.
5/9/2011	JCP	Receipt and review of draft documents; draft resolutions.
5/10/2011	JCP	Finalize resolutions and e-mail to J. Heisey.
5/31/2011	JCP	E-mails from and to J. Heisey; telephone call with T. Gilbride; e-mail Mary E. Hermans regarding good standing certificate; draft opinion and e-mails to and from George F. Bellows regarding Opinion Committee approval; receipt and review of Good Standing Certificate.
5/31/2011	MEH	Receive and review request from Jean C. Powers; conference with National Corporate Research, Ltd. for good standing certificate; receive and review certificate and forward same to Jean C. Powers; conference with accounting.
5/31/2011	GFB	Review draft opinion and e-mail comments regarding same to Jean C. Powers.
6/3/2011	JCP	E-mail J. Heisey regarding status of resolutions, who will sign documents, current by-laws.
6/6/2011	JCP	E-mails from J. Heisey and to K. Trietley; e-mails from and to J. Heisey regarding Events of Default under Ground Lease and Sublease.
6/7/2011	JCP	E-mail from T. Gilbride regarding execution of documents; e-mail draft opinion.
6/8/2011	JCP	Receipt and review of Company General Certificate; e-mail to T. Gilbride regarding required changes; telephone call K. Trietley regarding execution of documents; e-mails from and to T. Gilbride.
6/9/2011	JCP	Receipt and review of minutes adopting resolutions, revised by-laws; prepare Exhibits for General Certificate.
6/14/2011	JCP	Meeting with K. Trietley for execution of documents; letter to T. Gilbride regarding closing documents to be held in escrow.
6/17/2011	JCP	Post closing matters and correspondence.

Total Fees

3,024.00

Disbursements

Description

Amount

Certificate of good standing

95.70

Total Disbursements

95.70

**Buffalo State College Foundation Housing Corporation
Buffalo and Erie County Industrial Land Development Corporation
Revenue Bonds, Series 2011 A and B
Flow Of Funds Schedule**

Pre-Closing: 15-Jun-11
Closing: 16-Jun-11
Version: 16-Jun-11, 8:39 AM

<u>WIRE FROM M&T SECURITIES, INC.</u>	
Par Size (Series 2011 A and B)	\$44,285,000.00
Plus: Net Original Issue Premium	1,090,966.10
Bond Proceeds	45,375,966.10
Less: Underwriter's Discount	(219,210.75)
TOTAL TO BE CREDITED	\$45,156,755.35

<u>SOURCES AND USES OF FUNDS</u>	
Sources	
Wire Amount (A)	\$45,156,755.35
TOTAL SOURCES	\$45,156,755.35

Uses	
Deposit to Construction Fund	5,066,753.65
Series 2009 A1 Payoff	14,643,738.94
Series 2009 A2 Payoff	10,388,293.45
Series 2009 A3 Payoff (Taxable)	230,453.38
Series 2009 A4 Payoff (Taxable)	170,335.11
Series 2010 A1 Payoff	5,422,006.73
Series 2010 A2 Payoff	3,824,942.89
Series 2009 B Payoff	5,018,750.00

<u>Bond Related Costs Paid at Closing / Post-Closing:</u>	
ILDC Fee*	154,997.50
Issuer's Counsel*	25,000.00
Title Insurance*	80,259.00
Bond Counsel Fee*	60,000.00
Corporation Counsel Fee*	14,300.00
Underwriter's Counsel Fee*	35,675.00
Alumni Association Counsel Fee	3,119.70
Existing Bondholder Counsel Fee	1,950.00
Trustee's Fees*	5,000.00
Trustee's Counsel Fee*	5,000.00
Printing*	2,500.00
Survey*	3,260.00
CUSIP*	420.00
TOTAL USES	45,156,755.35

* invoice received

<u>WIRE TRANSFERS</u>				
Date	Recipient	Originator	Purpose	Amount
(A) 16-Jun-11	M&T Trust Company	M&T Securities, Inc.	Net Bond Proceeds	\$45,156,755.35

WIRE INSTRUCTIONS
(A) To: Manufacturers and Traders Trust Company, Buffalo; ABA #022000046; A/C 3088001950200;
A/C Name: Trust Division; fff/c: 1033113 / Cost of Issuance Fund; Attn: Anthony Argenio

<u>COSTS OF ISSUANCE PAID AT CLOSING (includes contingency)</u>		
Payee	Purpose	Amount
Buffalo and Erie Industrial Land Development Corporation	ILDC Fee*	\$154,997.50
Harris Beach PLLC	Issuer's Counsel*	25,000.00
Stewart Title	Title Insurance*	80,259.00
Hiscock & Barclay, LLP	Bond Counsel Fee*	60,000.00
Hodgson Russ LLP	Corporation Counsel Fee*	14,300.00
Reed Smith, LLP	Underwriter's Counsel Fee*	35,675.00
Jaeckle Fleischmann & Mugel	Alumni Association Counsel Fee	3,119.70
Nixon Peabody LLP	Existing Bondholder Counsel Fee	1,950.00
Manufacturer's & Traders Trust Company	Trustee's Fees*	5,000.00
Bond. Schoeneck & King, PLLC	Trustee's Counsel Fee*	5,000.00
McElwee & Quinn, L.L.C.	Printing*	2,500.00
Deborah A. Naybor, PLS, PC	Survey*	3,260.00
Standard & Poor's	CUSIP*	420.00
Total Costs of Issuance Paid at Closing:		\$391,481.20

<u>2% COI RULE ANALYSIS</u>	
Total COI Plus U/W Discount:	610,691.95
2% of Bond Proceeds:	907,519.32
Amount in Excess of 2%:	0.00

<u>FLOW OF FUNDS</u>	<u>Total Sources</u>	<u>Costs of Issuance</u>	<u>Construction Fund</u>	<u>Refunding Fund</u>
Equity Contributor	\$0.00	\$0.00	\$0.00	\$0.00
Available Funds	\$0.00	\$0.00	\$0.00	\$0.00
Accrued Interest	\$0.00	\$0.00	\$0.00	\$0.00
Bond Proceeds	\$45,156,755.35	\$391,481.20	\$5,066,753.65	\$39,698,520.50
TOTALS	\$45,156,755.35	\$391,481.20	\$5,066,753.65	\$39,698,520.50

CONSTRUCTION FUND REQUISITION NO. 1

Date: June 15, 2011

To: Manufacturers and Traders Trust Company, as Trustee
 One M&T Plaza
 Buffalo, New York 14203

Re: Buffalo and Erie County Industrial Land Development Corporation \$43,875,000 Revenue Bonds (Buffalo State College Housing Foundation Corporation Project), Series 2011A

Ladies and Gentlemen:

You are hereby authorized and directed to make a disbursement from the Construction Fund under the Trust Indenture dated as of June 1, 2011 (as amended and supplemented, the "Indenture"), between Buffalo and Erie County Industrial Land Development Corporation and you, as trustee (the "Trustee") in the amount of \$ 463,198.82 in accordance with Section 4.5 of the Indenture. Capitalized terms used herein have the meaning given to them in Schedule A of the Indenture.

(i) Name(s) and address(es) of the person(s) to whom payment is to be made, and the amount to be paid to each:

Payee	Amount	Purpose
[see attached listing]		

(ii) With respect to the obligation(s) referred to above, the undersigned, an Authorized Representative of the Company, hereby certifies that:

- (A) all of the items for which disbursement is requested have been completed correctly and accurately;
- (B) the disbursement hereby requested is for a proper expenditure of Bond Proceeds pursuant to the Indenture and Tax Compliance Agreement;
- (C) with respect to items covered in this requisition, the undersigned has no knowledge of any vendors', mechanics' or other liens, bailment leases, conditional sale contracts, security interests or laborers' claims which should be

satisfied or discharged before the payments as requisitioned are made or which will not be discharged by such payment;

- (D) none of the items for which this requisition is made has been the basis for any prior disbursement of proceeds of any of the Initial Bonds, Prior Tax-Exempt Bonds or Prior Taxable Bonds;
- (E) all Persons furnishing materials to, or performing work on, the Project have been paid to date or will be fully paid to date from the proceeds of this requisition;
- (F) the undisbursed Bond Proceeds are sufficient to complete the acquisition, construction and equipping of the Project in accordance with the Plans and Specifications
- (G) the amount hereby requested has been paid or is to be paid or shall be paid from the monies requested and that insofar as the payment is for work, materials, supplies, or equipment, the work has been performed and the materials, supplies or equipment have been installed in the Project or have been delivered either at the Project or at a proper place for fabrication and are covered by adequate insurance; and
- (H) there exists no Event of Default under any of the Bond Documents.

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

By: _____

Name: Stanley Kardonsky

Title: Vice President

Student Housing Corp.
 Requisition #1 Bond Closing
Requested Disbursements from Construction Fund

Vendor	Description	Requested Disposition	Invoice No.	Inv. Date	Amount
M & T Bank	Interest discrepancy	Internal Bank Transfer as per Exhibit A	1110203658	5/22/2011	4,002.62
Buffalo State College	Payroll reimbursement	via check as per Exhibit B		6/6/2011	340,304.00
Buffalo State College Foundation	Reimbursement for payment by the Company	Wire transfer as per Exhibit C		6/13/2011	118,892.20
Total payable at Bond Closing					<u>463,198.82</u>

EXHIBIT A

INTERNAL BANK TRANSFER INSTRUCTIONS FOR M&T BANK

M&T Bank
 Internal Bank Transfer
 Destination of funds: gl 1950200 cc 860

EXHIBIT B

CHECK INSTRUCTIONS FOR BUFFALO STATE COLLEGE

Payable to: Buffalo State College
 attn. James Thor, Associate VP and Comptroller
 Cleveland Hall 508
 1300 Elmwood Avenue
 Buffalo, NY 14222

EXHIBIT C

WIRE TRANSFER INSTRUCTIONS FOR BSC FOUNDATION

Buffalo State College Foundation Inc.
 BANK: HSBC Bank (USA)
 ABA#: 21001088
 Account#: 770749313

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION**

**\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION PROJECT), SERIES 2011A**

**\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION PROJECT), SERIES 2011B**

GENERAL CERTIFICATE OF THE ASSOCIATION

THIS CERTIFICATE is made in connection with the issuance by the Buffalo and Erie County Industrial Land Development Corporation (the "*Issuer*") pursuant to the Trust Indenture dated as of June 1, 2011 (the "*Indenture*"), by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "*Trustee*") of (A) its Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "*Series 2011A Bonds*") to redeem and defease the Issuer's Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1 in the aggregate principal amount of \$14,625,000, its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-2 in the aggregate principal amount of \$10,375,000, its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1 in the aggregate principal amount of \$5,415,000, its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2 in the aggregate principal amount of \$3,820,000 and its Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B in the aggregate principal amount of \$5,000,000 (collectively, the "*Tax-Exempt Bonds*"), pay or reimburse certain costs of the Project (as defined in the Indenture referred to hereinbelow) and pay costs of issuing the Series 2011A Bonds and (B) its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Bonds*") to redeem and defease the Issuer's Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-3 and Series 2009A-4 in the aggregate principal amount of \$400,000 (together the "*Taxable Bonds*" and together with the Tax-Exempt Bonds, the "*Outstanding Prior Bonds*") and pay costs of issuing the Bonds. Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Indenture. The Issuer will make a loan of Bond proceeds to the Company and the Company will agree, among other things, to make payments in an amount sufficient to pay principal and Redemption Price of, and interest on, the Bonds. The Association has a leasehold interest in the Land pursuant to a certain Ground Lease dated as of July 1, 2009 (the "*Ground Lease*") between the State University of New York ("*SUNY*") and the Association and has granted a subleasehold interest in and to the Project to the Company pursuant to a certain Sublease Agreement dated as of July 1, 2009 (the "*Sublease*"), between the Association and the Company.

The undersigned, the President of the Buffalo State Alumni Association, Inc. (the "*Association*"), does hereby certify as follows:

1. Attached hereto as **Exhibit "A"** is a true, correct and complete copy of the Association's Certificate of Incorporation which was in full force and effect at the time the Association Resolution (as defined herein) was adopted and is in full force and effect on the date hereof.

2. Attached hereto as **Exhibit "B"** is a true, correct and complete copy of the Association's By laws and such By laws were in full force and effect at the time the Association Resolution was adopted and are in full force and effect on the date hereof.

3. The Association is a not-for-profit corporation duly organized, validly existing and in good standing under and pursuant to the laws of the State of New York (the "*State*"). The Association is qualified to own its properties and conduct its business in the State. Attached hereto as **Exhibit "C"** is a Good Standing Certificate issued by the Secretary of State of the State of New York.

4. The Association is an organization (a "*501(c)(3) organization*") exempt from federal income taxation as described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "*Code*"). Attached hereto as **Exhibit "D"** is a true and correct copy of the determination letter of the Internal Revenue Service under Section 501(c)(3) thereof and the Association has not received notice that such determination letter is not in full force and effect as of the Closing Date. The Association is organized and operated exclusively for religious, educational, benevolent, fraternal, charitable or reformatory purposes and not for pecuniary profit and no part of the net earnings of which inures to the benefit of any person, private stockholder or individual.

5. Attached hereto as **Exhibit "E"** is a certified copy of the Resolution duly adopted by the Association on May 21, 2009 and a copy of the Resolution adopted by the Association on June 9, 2011 (collectively, the "*Association Resolution*") and said Association Resolution has not been amended, modified, repealed or rescinded and is in full force and effect on the date hereof.

6. The Ground Lease, the Memorandum of Ground Lease dated as of December 1, 2009, between SUNY and the Association, the Sublease, the Memorandum of the Sublease dated as of December 1, 2009, between the Association and the Company, the Acknowledgment and Consent dated as of June 1, 2011, by SUNY, the Association, the Issuer and the Trustee and all other documents and certificates executed by the Association in connection with the Bonds (the "*Association Documents*") have been duly authorized, executed and delivered and are in full force and effect as of the date hereof.

7. The Association has full legal power and authority to own its property, conduct its business and execute, enter into and perform its obligations and duties under the Association Documents and has taken all actions and obtained all approvals required in connection therewith by any applicable laws and regulations.

8. The Association represents and warrants that (a) the Ground Lease and Sublease are in full force and effect, (b) no event of default occurrence that with notice or lapse of time would constitute an event of default thereunder has occurred, (c) the Ground Lease and Sublease

have not been modified and (d) none of its right, title or interest under the Ground Lease and Sublease has been assigned, transferred, conveyed, mortgaged, pledged or encumbered other than in favor of the Trustee.

9. The representations and warranties of the Association set forth in the Association Documents were at the time made and are as of the execution hereof true and complete in all respects on the date hereof, and the agreements and obligations of the Association under the Association Documents required to be performed on or prior to the date hereof have been performed by the Association.

10. The execution, delivery and performance of all agreements, certificates and documents required to be executed, delivered and performed by the Association in order to carry out, give effect to and consummate the transactions contemplated by the Association Documents have been duly authorized by all necessary action of the Association. No authority for the execution, delivery or performance of the Association Documents has been repealed, revoked or rescinded.

11. The Association Documents constitute legally valid and binding obligations of the Association, enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally.

12. The consummation of the transactions on the part of the Association contemplated in the Association Documents and any and all instruments and documents required to be executed or delivered pursuant to or in connection therewith, and the compliance by the Association with the terms, conditions and provisions of such documents, do not contravene any provision of applicable law, administrative regulation, court decree, writ, injunction, the By laws of the Association, or any agreement, resolution, indenture, note, contract, or other instrument to which the Association is a party or by which it may be bound or by which its properties may be affected.

13. This Certificate may be relied upon by Jaeckle Fleischmann & Mugel, LLP, as counsel to the Association, in rendering any opinion given by it in connection with the transactions described above.

IN WITNESS WHEREOF, I have set my hand and signature as of this 14th day of June, 2011.

BUFFALO STATE ALUMNI ASSOCIATION, INC.

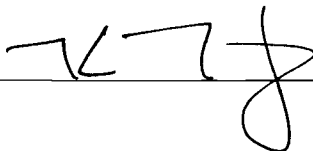
By:  _____

EXHIBIT "A"

STATE OF NEW YORK

DEPARTMENT OF STATE

I hereby certify that the annexed copy has been compared with the original document in the custody of the Secretary of State and that the same is a true copy of said original.



WITNESS my hand and the official seal of the
Department of State, at the City of Albany, on
April 16, 2009.

A handwritten signature in black ink that reads "Paul LaPointe".

Paul LaPointe
Special Deputy Secretary of State

RESTATED CERTIFICATE OF INCORPORATION

OF

BUFFALO STATE ALUMNI ASSOCIATION, INC.

Under Section 805 of the Not-for-Profit Corporation Law

The undersigned, being the President of Buffalo State Alumni Association, Inc., does hereby certify:

FIRST: The name of the corporation is Buffalo State Alumni Association, Inc. The name under which the corporation was formed is Buffalo State Teachers College Alumni Association, Inc.

SECOND: The Certificate of Incorporation of the corporation was filed by the Department of State on May 6, 1937.

THIRD: The corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law. The corporation is a Type B corporation under Section 201 of the Not-for-Profit Corporation Law and, following the amendments hereinafter provided, shall continue to be a Type B corporation under said Section.

FOURTH: The Certificate of Incorporation of the corporation is hereby amended in the following respects:

(a) To add to the Certificate of Incorporation a new provision to state the matters specified in Section 402(a)(2) of the Not-for-Profit Corporation Law. Such new provision shall be designated Article SECOND of the Certificate of Incorporation and shall read as follows:

"SECOND: The corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-for-Profit

Corporation Law. The corporation is not formed for pecuniary profit or financial gain. The corporation is a Type B corporation under Section 201 of the Not-for-Profit Corporation Law."

(b) To amend existing Article SECOND of the Certificate of Incorporation, which sets forth the statement of purposes for which the corporation is formed. The amended statement of purposes shall be designated Article THIRD of the Certificate of Incorporation and shall read in its entirety as follows:

"THIRD: The purposes for which the corporation is formed are as follows:

(a) To foster a spirit of loyalty and fellowship among the graduates and former students of the State University College at Buffalo (the "College") and to promote and support the relationship between the College and its alumni;

(b) To advance the cause of higher education and to promote the interest and increase the usefulness of the College, by the encouragement and promotion of education through voluntary grants, by scholarships or otherwise, to individuals, institutions and organizations, and by the encouragement and promotion of scientific research through grants to individuals, institutions and organizations;

(c) To undertake and perform such additional activities in support of their purposes as may be requested by the College, Buffalo State College Foundation, Inc. (the "Foundation") or subsidiaries, departments or divisions of, or other entities owned or controlled by the College or the Foundation. Such supporting activities shall be subject to any prohibition, condition or limitation imposed by applicable law, including without limitation, the obtaining of any necessary governmental permits, licenses or approvals;

(d) In furtherance of the preceding purposes, to enter into arrangements with the State University of New York ("SUNY"), the College, the Foundation and/or affiliates thereof for the construction of student housing for the College pursuant to and in accordance with Section 355 of the New York Education Law;

(e) In furtherance of the preceding purposes, to receive and administer funds, and to that end (i) to take and hold by bequest, devise, gift, grant, purchase, lease or otherwise, either absolutely or jointly with any other person, persons or corporation, any property, real, personal, tangible or intangible, or any undivided interest therein, without limitation as to amount or value, (ii) to sell, convey or otherwise dispose of any such property and (iii) to invest, reinvest or deal with the principal or income thereof, all in such manner as, in the judgment of the directors of the corporation, will best promote the purposes of the corporation without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received, this Certificate or any laws applicable to such property; and

(f) To do any other act or thing incidental to or in connection with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of the corporation's members, directors, officers or other private persons.

The corporation shall be bound by the applicable Rules and Regulations of the Board of Trustees of the State University of New York, the fiscal and accounting guidelines thereunder and any other applicable rules of the State of New York when the corporation receives, holds, administers, disburses and disposes of mandatory or voluntary student activity fee monies or assets purchased therewith.

Notwithstanding any other provision of this Certificate of Incorporation:

(1) The corporation is organized exclusively for charitable, educational, literary and scientific purposes as specified in Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States internal revenue law) (hereinafter the "Internal Revenue Code"), and shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under such Section.

(2) The corporation shall not either directly or indirectly engage in or include among its purposes any of the acts or activities which would require approval or consent pursuant to paragraphs (a) through (w) of Section 404 of the Not-for-Profit Corporation Law."

(c) To delete Article THIRD of the Certificate of Incorporation, which recites the territory in which the operations of the corporation are conducted, as unnecessary under the Not-for-Profit Corporation Law.

(d) To amend Article FOURTH of the Certificate of Incorporation, which recites the location of the principal office of the corporation, to eliminate therefrom the reference to the City of Buffalo, as such reference is unnecessary under the Not-for-Profit Corporation Law. As amended, Article FOURTH of the Certificate of Incorporation shall read in its entirety as follows:

"FOURTH: The office of the Corporation shall be located in the County of Erie and State of New York."

(e) To delete Article FIFTH of the Certificate of Incorporation, which fixes the number of directors of the Corporation, as this matter is better dealt with in the Bylaws of the corporation.

(f) To add a new Article to the Certificate of Incorporation containing certain provisions dealing with the regulation of the internal affairs of the Corporation as permitted by Section 402(c) of the Not-for-Profit Corporation Law. The substance of these provisions is currently found in Article SECOND of the existing Certificate of Incorporation. Such new Article shall be designated Article FIFTH of the Certificate of Incorporation and shall read in its entirety as follows:

"FIFTH: Concerning the regulation of the internal affairs of the corporation:

(a) No part of the net earnings of the corporation shall inure in whole or in part to the benefit of its members, directors, officers or other private persons except that the corporation shall be empowered to pay reasonable compensation for services rendered and to make payments and

distributions in furtherance of the purposes set forth in this Certificate of Incorporation.

(b) No substantial part of the corporation's activities shall be attempting to influence legislation by propaganda or otherwise, except as otherwise provided in Section 501(h) of the Internal Revenue Code. The corporation shall not directly or indirectly participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

(c) Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation by the distribution thereof exclusively for the purposes of the corporation in such manner, or to such organization or organizations which are organized and operated exclusively for charitable, educational, literary and scientific purposes and shall at the time qualify as an exempt organization or exempt organizations under Section 501(c)(3) of the Internal Revenue Code, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Supreme Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such exempt organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes."

(g) To delete Article SIXTH of the Certificate of Incorporation, which recites certain information concerning the initial Board of Directors of the corporation, as unnecessary under the Not-for-Profit Corporation Law.

(h) To add to the Certificate of Incorporation a new provision designating the Secretary of State as the agent of the corporation for the service of process and reciting the address of the corporation to which the Secretary of State shall mail a copy of any process against the corporation served upon him. Such new provision shall be designated Article SIXTH of the Certificate of Incorporation and shall read in its entirety as follows:

"SIXTH: The Secretary of State of the State of New York is designated the agent of the corporation upon whom process against the corporation may be served. The post office address within this state to which the Secretary of State shall mail a copy of any process against the corporation served upon him is:

1180 Elmwood Avenue
Buffalo, New York 14222."

(i) To delete Article SEVENTH of the Certificate of Incorporation, which recites certain information concerning the subscribers to the Certificate of Incorporation, as unnecessary under the Not-for-Profit Corporation Law.

(j) To delete Article EIGHTH of the Certificate of Incorporation, which fixes the date of annual meeting of the corporation, as this matter is better dealt with in the Bylaws of the Corporation.

FIFTH: The Certificate of Incorporation of the corporation, as amended heretofore, and as further amended hereby, is hereby restated to read in its entirety as follows:

"FIRST: The name of the corporation is Buffalo State Alumni Association, Inc.

SECOND: The corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law. The corporation is not formed for pecuniary profit or financial gain. The corporation is a Type B corporation under Section 201 of the Not-for-Profit Corporation Law.

THIRD: The purposes for which the corporation is formed are as follows:

(a) To foster a spirit of loyalty and fellowship among the graduates and former students of the State University College at Buffalo (the "College") and to promote and support the relationship between the College and its alumni;

(b) To advance the cause of higher education and to promote the interest and increase the

usefulness of the College, by the encouragement and promotion of education through voluntary grants, by scholarships or otherwise, to individuals, institutions and organizations, and by the encouragement and promotion of scientific research through grants to individuals, institutions and organizations;

(c) To undertake and perform such additional activities in support of their purposes as may be requested by the College, the Foundation or subsidiaries, departments or divisions of, or other entities owned or controlled by the College or the Foundation. Such supporting activities shall be subject to any prohibition, condition or limitation imposed by applicable law, including without limitation, the obtaining of any necessary governmental permits, licenses or approvals;

(d) In furtherance of the preceding purposes, to enter into arrangements with SUNY, the College, the Foundation and/or affiliates thereof for the construction of student housing for the College pursuant to and in accordance with Section 355 of the New York Education Law;

(e) In furtherance of the preceding purposes, to receive and administer funds, and to that end (i) to take and hold by bequest, devise, gift, grant, purchase, lease or otherwise, either absolutely or jointly with any other person, persons or corporation, any property, real, personal, tangible or intangible, or any undivided interest therein, without limitation as to amount or value, (ii) to sell, convey or otherwise dispose of any such property and (iii) to invest, reinvest or deal with the principal or income thereof, all in such manner as, in the judgment of the directors of the corporation, will best promote the purposes of the corporation without limitation, except such limitations, if any, as may be contained in the instrument under which such property is received, this Certificate or any laws applicable to such property; and

(f) To do any other act or thing incidental to or in connection with the foregoing purposes or in advancement thereof, but not for the pecuniary profit or financial gain of the corporation's members, directors, officers or other private persons.

The corporation shall be bound by the applicable Rules and Regulations of the Board of Trustees of the State University of New York, the fiscal and accounting guidelines thereunder and any other applicable rules of the State of

New York when the corporation receives, holds, administers, disburses and disposes of mandatory or voluntary student actively fee monies or assets purchased therewith.

Notwithstanding any other provision of this Certificate of Incorporation:

(1) The corporation is organized exclusively for charitable, educational, literary and scientific purposes as specified in Section 501(c)(3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States internal revenue law) (hereinafter the "Internal Revenue Code"), and shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under such Section.

(2) The corporation shall not either directly or indirectly engage in or include among its purposes any of the acts or activities which would require approval or consent pursuant to paragraphs (a) through (w) of Section 404 of the Not-for-Profit Corporation Law.

FOURTH: The office of the Corporation shall be located in the County of Erie and State of New York.

FIFTH: Concerning the regulation of the internal affairs of the corporation:

(a) No part of the net earnings of the corporation shall inure in whole or in part to the benefit of its directors, officers or other private persons except that the corporation shall be empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in this Certificate of Incorporation.

(b) No substantial part of the corporation's activities shall be attempting to influence legislation by propaganda or otherwise, except as otherwise provided in Section 501(h) of the Internal Revenue Code. The corporation shall not directly or indirectly participate in, or intervene in (including the publishing or distributing of statements) any political campaign on behalf of or in opposition to any candidate for public office.

(c) Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation by the distribution thereof exclusively for the purposes of the corporation in such manner, or to such organization or organizations which are organized and operated exclusively for charitable, educational, literary and scientific purposes and shall at the time qualify as an exempt organization or exempt organizations under Section 501(c)(3) of the Internal Revenue Code, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Supreme Court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such exempt organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purposes.

SIXTH: The Secretary of State of the State of New York is designated the agent of the corporation upon whom process against the corporation may be served. The post office address within this state to which the Secretary of State shall mail a copy of any process against the corporation served upon him is:

1300 Elmwood Avenue
Buffalo, New York 14222-1095.


SIXTH: The foregoing amendments to and restatement of the Certificate of Incorporation were authorized by a vote of a majority of the members of the corporation present at a meeting of the members held on January 22, 2009, at which a quorum was present and acting throughout.

IN WITNESS WHEREOF, the undersigned has executed this Restated Certificate of Incorporation this 22nd day of January, 2009.


President - Manus C. O'Donnell

3032389.3

THE ATTORNEY GENERAL HAS NO OBJECTION
TO THE GRANTING OF JUDICIAL APPROVAL
HEREON, ACKNOWLEDGES RECEIPT OF
STATUTORY NOTICE AND DEMANDS SERVICE
OF THE FILED CERTIFICATE SAID NO OBJECTION
IS CONDITIONED ON SUBMISSION OF THE
MATTER TO THE COURT WITHIN 30 DAYS HEREAFTER.

 4-8-09
ASSISTANT ATTORNEY GENERAL DATE

STATE OF NEW YORK
THE STATE EDUCATION DEPARTMENT
Albany, New York

CONSENT TO FILING WITH THE DEPARTMENT OF STATE
(General Use)

Consent is hereby given to the filing of the annexed restatement of certificate of incorporation

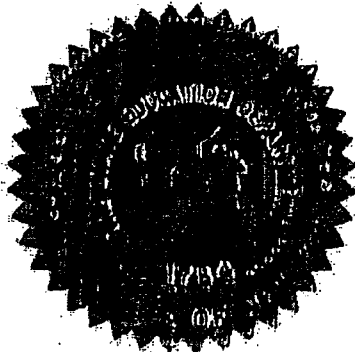
of Buffalo State Alumni Association, Inc.

(name of entity)

pursuant to the applicable provisions of the Education Law, the Not-for-Profit Corporation Law, the Business Corporation Law, the Limited Liability Company Law or any other applicable statute.

This consent is issued solely for purposes of filing the annexed document by the Department of State and shall not be construed as approval by the Board of Regents, the Commissioner of Education or the State Education Department of the purposes or objects of such entity, nor shall it be construed as giving the officers or agents of such entity the right to use the name of the Board of Regents, the Commissioner of Education, the University of the State of New York or the State Education Department in its publications or advertising matter.

IN WITNESS WHEREOF this instrument is executed and the seal of the State Education Department is affixed.



RICHARD P. MILLS
Commissioner of Education

By:

Kathleen Marinelli
Kathleen Marinelli

Commissioner's authorized designee

Date

4/2/09

THIS DOCUMENT IS NOT VALID WITHOUT THE SIGNATURE OF THE
COMMISSIONER'S AUTHORIZED DESIGNEE AND THE OFFICIAL SEAL OF THE
STATE EDUCATION DEPARTMENT.

JAECKLE FLEISCHMANN & MUGEL, LLP
CENTERPOINTE CORPORATE PARK
400 ESSJAY ROAD SUITE 320 WILLIAMSVILLE, NEW YORK 14221-8228
716.250.1800

At the Supreme Court of the State of New York,
held in and for the County of Erie,
on the 14 day of April, 2009.

PRESENT:
HON. PAULA L. FEROLETO, J.S.C.

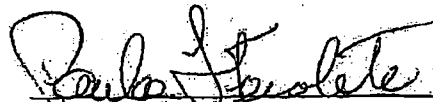
In the Matter of the Application of
BUFFALO STATE ALUMNI
ASSOCIATION, INC.
for an ORDER APPROVING RESTATED
CERTIFICATE OF INCORPORATION
pursuant to Section 805 of
the Not-for-Profit Corporation Law

ORDER APPROVING RESTATED
CERTIFICATE OF INCORPORATION

Index No.: _____

Upon reading and filing the Restated Certificate of Incorporation of Buffalo State Alumni Association, Inc., with the exhibits annexed, and it appearing that the Attorney General of the State of New York has no objection to approval of said Restated Certificate of Incorporation, it is hereby ORDERED that the Restated Certificate of Incorporation of Buffalo State Alumni Association, Inc. is hereby approved.

ENTER

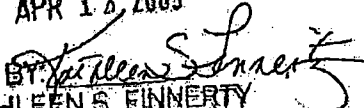


Justice of the Supreme Court

PAULA L. FEROLETO, J.S.C.

GRANTED

APR 14 2009

BY: 
KATHLEEN S. FINNERTY
COURT CLERK

3035861

JH
ACR-41

RESTATED CERTIFICATE OF INCORPORATION
OF
BUFFALO STATE ALUMNI ASSOCIATION, INC.

Under Section 805 of the
Not-for-Profit Corporation Law

Drawdown

TAX \$
BY: *JH*
ERIC

FILED APR 15 2009

STATE OF NEW YORK
DEPARTMENT OF STATE

JH
JAECKLE FLEISCHMANN & MUGEL, LLP
ATTORNEYS AT LAW

400 ESSJAY ROAD, SUITE 320
WILLIAMSVILLE, NEW YORK 14221-8228

2009 APR 15 AM 10:02

RECEIVED

090415000358

389

CERTIFICATE OF REPORT OF EXISTENCE OF

Buffalo State Teachers College Alumni Association, Inc.
Exact Name of Corporation

Pursuant to Section 57 of the Membership Corporations Law

- 1. The name of the corporation is Buffalo State Teachers College Alumni Association, Inc.
Name of Corporation
- The original name was Buffalo State Teachers College Alumni Association, Inc.
If name has been changed, insert original name
- 2. The certificate of incorporation was filed in the Department of State on May 6, 1937
Date of Incorporation
- 3. The corporation was formed pursuant to The Membership Corporation Law
Cite Incorporation Statute
- 4. The existence of the foregoing corporation is hereby continued.

Donald W. Munson
President

To be signed by an officer,
trustee, director or five mem-
bers in good standing.

149

State of New York } ss.:
County of

On this 14th day of January, 1952, before me personally appeared

Donald W. Munson to me personally known and known to me to be the person(s) described in and who executed the foregoing certificate, and (he) (they) thereupon acknowledged to me that (he) (they) executed the same for the uses and purposes therein mentioned.

Donald L. Voe

Notary Public
DONALD L. VOE
Notary Public, State of New York
Qualified in Erie County
My Commission Expires March 30, 1952

County of

NOTE: If the foregoing acknowledgment is taken without the State of New York, the signature of the notary public should be authenticated by a certificate of the clerk of the county in which such notary has power to act, or other proper officer.

32-444

**CERTIFICATE OF REPORT
OF EXISTENCE OF**

Buffalo State Teachers College
Exact Name of Corporation Alumni Association,
Inc.

Pursuant to Section 57
of the
**MEMBERSHIP CORPORATIONS
LAW**

STATE OF NEW YORK
DEPARTMENT OF STATE
FILED JAN 22 1967

FILING FEE \$5.00

Thomas J. [Signature]

Secretary of State

Name of Filer

Donald Voltz
603 Morgan Bldg.
Buffalo NY

EXHIBIT "B"

**Amended and Restated By-laws
of the
Buffalo State Alumni Association, Inc.**

Article I. Name and Purpose

Section 1. **Name.** The name of the organization is Buffalo State Alumni Association, Inc. (the "Alumni Association").

Section 2. **Purpose.** The purposes of the Alumni Association are set forth in its Certificate of Incorporation, as the same may, from time to time, be amended and/or restated. The Alumni Association seeks to fulfill these purposes by, among other things,

- providing alumni with rewarding opportunities to serve the State University of New York College at Buffalo (the "College"), its faculty, staff and students in support of the mission of the College
- establishing a lifelong relationship with and among alumni, and
- highlighting achievements of alumni

Article II. Membership

Section 1. **General Membership.** All graduates of the College are general members

Section 2. **Honorary Members.** Honorary members are those members granted membership at the discretion of the board of directors. They may include former College students, faculty, staff, and emeriti; family members of alumni; and friends of the Alumni Association who subscribe to its goals and have demonstrated an interest in some material way.

Section 3. **Life Members.** All general members who paid life member dues when membership dues were in effect are life members.

Section 4. **Voting Members.** At any point in time, the voting members are those general members who are then serving on the board of directors of the Alumni Association.

Article III. Privileges of Members

Section 1. **General Members.** General Members receive services and benefits offered to all alumni. Except during such times that a general member is also a voting member, as defined in Article II, Section 4 above, a general member does not have voting privileges.

Section 2. Honorary Members. Honorary Members receive all of the services and benefits in Section 1 above, but do not have voting privileges and may not hold office.

Section 3. Life Members. Life members have all the privileges in Section 1 above and receive a special benefits package distributed annually. Except during such times that a life member is also a voting member as defined in Article II, Section 4 above, a life member does not have voting privileges.

Section 4. Voting Members. Voting members have the right to vote at all meetings of the Alumni Association.

Article IV. Directors

Section 1. Board of Directors. The management of the Alumni Association is vested in a board of directors comprised of the president, vice-president, secretary, treasurer and a minimum of ten (10) and maximum of fifteen (15) elected directors to be set by resolution of the board from time to time. The President of the College or his designee, the executive director of the Alumni Association, and the chief development officer of the College should serve as ex officio voting members of the board of directors. A student representative, recommended by the president of the United Students Government and approved by the student senate, shall serve as an ex officio voting member of the board of directors.

Section 2. Limits of terms on the Board.

- A. The term of the directors-at-large shall be two (2) years in length.
- B. Directors-at-large may serve on the board for not more than four (4) consecutive two (2) year terms.
- C. Directors-at-large who have served for four (4) consecutive terms may be re-elected to the board only after they have been off the board for two (2) years or more.
- D. The presidential designee shall be appointed annually.
- E. The student representative shall be appointed annually.

Section 3. Duties. The board of directors shall:

- A. Control and manage the affairs of the Alumni Association in accordance with these By-laws.
- B. Conduct meetings in accordance with Roberts Rules of Order.
- C. Fill any unexpired term of an officer or at-large director if a vacancy occurs.
- D. At its discretion, remove any officer or director who fails to fulfill his duties or misses board meetings without good cause. Said member shall be replaced immediately without further notice as provided in C above.

Section 4. Executive Committee. During the intervals between meetings of the board of directors, an executive committee is empowered to transact business for the Alumni Association. This committee is comprised of the president, vice-president, secretary, and treasurer. Its actions are subject to review by the board of directors.

Section 5. **Eligibility.** All members, excluding honorary members and members serving on the College council, are eligible to be elected to the board of directors.

Article V. Officers

Section 1. **President.** The President acts as a chairperson at all meetings of the Alumni Association, the board of directors and the executive committee. The president appoints all committees, except the nominating committee.

Section 2. **Vice-President.** The vice-president assumes the duties of the president in the absence or inability to serve of the president.

Section 3. **Secretary.** The secretary acts as secretary of the meetings of the executive committee, the board of directors, and the Alumni Association and keeps records of all such meetings.

Section 4. **Treasurer.** Under the direction of the executive committee and in consultation with the accounting staff of Buffalo State College Foundation, Inc. (the "Foundation"), the treasurer monitors the collection and disbursements of the Alumni Association's funds and the financial records of the Alumni Association. The treasurer reports to the board on financial matters. The treasurer is a member of the Finance Committee. The treasurer shall present a financial statement at each regularly scheduled board meeting and at the annual meeting of members and shall present an annual audit to the board.

Article VI. Elections

Section 1. **Officers.** Officers are elected by the voting members at the annual meeting of the Alumni Association. They serve one (1) year terms or until their successors are duly elected. Officers may be elected to not more than two (2) consecutive terms in the same office.

Section 2. **Directors.** The directors at-large are elected for two (2) year terms by the voting members at the annual meeting of the Alumni Association.

Section 3. **Nominations.** At least twenty (20) days prior to the annual meeting, the nominating committee serving for the then current year shall present to the board of directors for its approval a slate of directors, including officers, with one candidate for each position. Additional candidates may be nominated by any member of the Alumni Association at least ten (10) days before the annual meeting with written consent of the nominee. The approved slate, plus any additional candidates who have been nominated as aforesaid, shall be presented to the voting members at the annual meeting.

Section 4. **Elections.** At the annual meeting, if but one candidate is named for an office, election is by voice vote. If more than one candidate is nominated for an office, the secretary /treasurer prepares printed ballots for the voting members for the contested election.

Article VII. Committees

Section 1. **Nominating Committee.** At least twenty (20) days prior to the annual meeting, the president shall select a slate of candidates for the nominating committee to serve in the next succeeding year, comprised in accordance with Article VII, Section 3, below, for approval by the voting members at the annual meeting. Additional candidates may be nominated by any voting member at least ten (10) days before the annual meeting with written consent of the nominee. Members of the nominating committee may not immediately succeed themselves. If there are no additional candidates, the approval is by voice vote. If there have been additional nominations, the vote is by written ballot.

Section 2. **Committees.** The president appoints all committees except the nominating committee. Nominating committee is selected as defined in Section 1 above.

Section 3. **Membership.** All committees are chaired by a board member, have at least two additional directors and at least three but no more than four non-board members.

Section 4. **Standing Committees.** Standing committees are: Finance, Stewardship, Marketing and Communication, Awards and Recognition.

Section 5. **Actions.** Committees may act by mail, telephone, electronic communication or other means of communication. Minutes of all actions will be kept.

Article VIII. Meetings

Section 1. **Annual Meeting of Members.** The annual meeting of the Alumni Association shall be held in July each year. The meeting shall be held at such time and place as shall be fixed by the president with approval of the board of directors. The call for the meeting shall be included in all publications and posted year-round on the Alumni Association's web site. The agenda shall include the election by the voting members of officers, directors and the nominating committee to serve for the next succeeding year, a financial report, and a report on the activities of the Alumni Association.

Section 2. **Special Meetings of the Voting Members.** A special meeting of the voting members of the Alumni Association may be held at the request of the executive committee or on the petition of fifty (50) members or three voting members. The executive committee will decide the time and place of the meeting and send notices to each voting member, in compliance with Section 605 of the New York State Not-For-Profit Corporation Law or other applicable law. No business not stated in the call for the special meeting is binding on the Alumni Association.

Section 3. **Board Meetings.** Regular meetings of the board of directors shall be held at least four times per year at a time and place agreed to by the executive committee. Notice of regular board meetings shall be given to the board members not less than ten (10) days prior to the meeting. Special meetings of the board are held at the request of any three members of the board.

Section 4. **Executive Committee Meetings.** The executive committee meets on the request of any two members of said committee.

Section 5. **Quorum.** At any meeting of the Alumni Association, 51% of all voting members shall constitute a quorum. At any meeting of the board of directors, 51% of all directors shall constitute a quorum.

Section 6. **Procedures.** Roberts Rules of Order shall govern all meetings of the members, board of directors and executive committee.

Article IX. Financial Matters

Section 1. **Fiscal Year.** The fiscal year shall begin on July 1 and continue through June 30.

Section 2. **Audit.** The financial records of the alumni Association shall be subject to an annual audit by a certified public accountant, which shall be selected and approved by the board of directors.

Section 3. **Gifts.** Gifts and bequests shall be received by the board of directors, as they deem appropriate. Should there be contingencies attached to such gifts, the board of directors shall be responsible for the administration of said contingencies.

Section 4. **Revenue Generating.** Revenue generating shall be the responsibility of the board of directors. All activities or campaigns must be initiated and executed by them through an appropriate committee. Chapters may engage in revenue generating as pre-authorized by the board of directors of the Alumni Association. Any funds generated by such activities may be available to the chapter as authorized by the board of directors and the Alumni Association.

Section 5. **Funding of Chapters.** All chapters shall receive funding from the Alumni Association as determined by the board of directors of the Alumni Association. Funds shall be disbursed by the treasurer or the College's Director of Alumni Affairs, through the Alumni Association's fiscal agent, to those chapters entitled to funds upon proper documentation of the amount and purpose of the expenditure.

Section 6. **Fiscal Agent.** The Foundation shall be the fiscal agent of the Alumni Association, designated to disburse funds upon receipt of a written purchase order signed by the College's Director of Alumni Affairs and to prepare the financial records of the Alumni Association. The College's Director of Alumni Affairs is authorized to deposit funds with the alumni Association's Foundation as its duly authorized fiscal agent.

Section 7. **Investment.** The board of directors and the treasurer as its designee, or the Foundation as the Alumni association's fiscal agent, shall be authorized to invest assets of the Alumni Association with financial institutions authorized and approved by the board of directors for the investments of such assets.

Article X. Chapters

Section 1. Ten (10) members of the Buffalo State Alumni Association may petition the board of directors for the right to form a chapter of the Alumni Association to provide alumni events in geographic areas with high concentrations of alumni. This petition must be presented in person by a representative of the chapter at a board of directors meeting.

Section 2. A proposed chapter shall be duly formed when the board of directors has accepted the Constitution of the chapter.

Section 3. Chapter status shall be granted or withdrawn solely at the discretion of the board of directors of the Alumni Association.

Section 4. All members of a chapter will designate their chapter affiliation in a manner specified by the board of directors of the Alumni Association.

Section 5. All chapters shall be funded pursuant to Article IX of these bylaws.

Section 6. Each chapter will have a steering committee to advise and assist the Alumni Association in planning and implementing events.

Article XI. Mailing Lists

The membership lists and mailing lists of the Alumni Association shall be the property of the Alumni Association and the Foundation and shall not be released to any agency or person for any purpose without prior approval of the board of directors. The use of lists, if released, shall be limited to the use expressly approved by the board of directors and shall be subject to all applicable laws. This provision shall not be interpreted as prohibiting the College or the Foundation from using the Association's mailing list for purposes approved by the Alumni Association provided that such use is consistent with applicable law.

Article XII. Indemnification, Defense and Severability

Section 1. **Indemnification and Defense.** The assets of the Alumni Association shall be used to indemnify and defend the acts or omissions of any officer or director of the Alumni Association, to the maximum extent allowed by law. The right of indemnification herein provided shall not be deemed exclusive of any other rights to which any director or officer may now or hereafter be otherwise entitled and specifically, without limiting generality of the foregoing, shall not be deemed exclusive of any rights, pursuant to statute or otherwise, of any such director or officer in any such action or proceeding to have assessed or allowed in the director's favor, against the Alumni

Association or otherwise, any cost and expense incurred therein or in connection with any part thereof.

Section 2. **Severability.** If any provision of these By-laws is interpreted to be contrary to law, it shall be deemed severable from the remaining provisions.

Article XIII. Amendments

Section 1. **Amendments.** These By-laws may be amended at a meeting of the board of directors by an affirmative vote of two-thirds of the number of votes cast Proposed amendments shall be presented to the board of directors at least fifteen (15) days prior to consideration at a meeting of the board.

Article XIV. Miscellaneous

Section 1. **Property Management.** The property of the Alumni Association is vested with the board of directors in trust for the benefit of the Alumni Association. No member, officer or any private individual is entitled to share in the distribution of any part of the assets and obligations upon liquidation. Upon dissolution, the assets, if any, after payments of debts and obligations, will be transferred to the Foundation.

Section 2. **Effectiveness.** These amended and restated By-laws shall be effective immediately upon their adoption by the board of directors.

Amended and restated on January 11, 2011.

EXHIBIT "C"

State of New York
Department of State } ss:

I hereby certify, that the Certificate of Incorporation of BUFFALO STATE ALUMNI ASSOCIATION, INC. was filed on 05/06/1937, under the name of BUFFALO STATE TEACHERS COLLEGE ALUMNI ASSOCIATION, INC., as a Not-for-Profit Corporation and that a diligent examination has been made of the Corporate index for documents filed with this Department for a certificate, order, or record of a dissolution, and upon such examination, no such certificate, order or record has been found, and that so far as indicated by the records of this Department, such corporation is an existing corporation. I further certify the following:

A Certificate of Amendment was filed on 01/22/1952.

A certificate changing name to BUFFALO STATE ALUMNI ASSOCIATION, INC. was filed on 01/06/1975.

Restated Certificate was filed on 04/15/2009.

I further certify, that no other documents have been filed by such Corporation.



*Witness my hand and the official seal
of the Department of State at the City
of Albany, this 27th day of May
two thousand and eleven.*

A handwritten signature in black ink, appearing to read "Daniel Shapiro".

Daniel Shapiro
First Deputy Secretary of State

EXHIBIT "D"

Internal Revenue Service

Department of the Treasury

District
Director

10 MetroTech Center
625 Fulton St., Brooklyn, NY 11201

DEC 8 1998

▷ Alumni Association of
State University
College at Buffalo
1300 Elmwood Avenue
Buffalo, NY 14222-1095

Date: Person to Contact:
Patricia Holub
Contact Telephone Number:
(718) 488-2333
EIN: 16-6041024

Dear Sir or Madam:

Reference is made to your request for verification of the tax exempt status of Alumni Association of State University College at Buffalo.

A determination or ruling letter issued to an organization granting exemption under the Internal Revenue Code remains in effect until the tax exempt status has been terminated, revoked or modified.

Our records indicate that exemption was granted as shown below.

Sincerely yours,

(Patricia Holub)

Patricia Holub
Manager, Customer
Service Unit

Name of Organization: Alumni Association of State University College at Buffalo

Date of Exemption Letter: August 1962

Exemption granted pursuant to section 501(c)(3) of the Internal Revenue Code.

Foundation Classification (if applicable): Not a private foundation as you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code.

EXHIBIT "E"

**BUFFALO STATE ALUMNI ASSOCIATION, INC.
BOARD RESOLUTION**

Adopted: May 21, 2009

WHEREAS, Section 355 of the New York State Education Law (the "Enabling Act") authorizes and empowers the trustees of the State University of New York ("SUNY") to, among other things, lease to alumni associations of institutions of SUNY portions of the grounds occupied by such institutions for the erection thereon of dormitories to be used by students in attendance at such institutions; and

WHEREAS, pursuant to an Amended and Restated Certificate of Incorporation filed in the New York Secretary of State's Office on April 15, 2009, the Corporation was formed under the New York Not-For-Profit corporation law to, among other things, enter into arrangements with SUNY for the construction of student housing pursuant to and in accordance with Section 355 of the New York Education Law; and

WHEREAS, in furtherance of the powers afforded to the trustees of SUNY pursuant to the Enabling Act, the trustees have been requested to lease to Buffalo State Alumni Association, Inc., (the "Corporation") a parcel of land containing approximately 3.28 acres at the northeast corner of Grant Street and Letchworth Street in the City of Buffalo, New York (the "Premises"), on the grounds of the SUNY institution known as Buffalo State College (the "College"), to be used for the development and operation of a student housing complex (the "Project") to serve the needs of the students of the College; and

WHEREAS, to facilitate the construction of the Project, the Corporation has agreed to sublease the premises to Buffalo State College Foundation Housing Corporation ("Subtenant"), a New York Not-For-Profit corporation which will procure financing for the Project and enter into the contractual arrangements with the developers of the Project; and

WHEREAS, as a function of its mission related to providing support to various activities and initiatives for the benefit of the College, the Corporation wishes to participate in and facilitate the Project.

NOW, THEREFORE, in consideration of the foregoing, it is

RESOLVED, that the Corporation enter into a ground lease with SUNY pursuant to which SUNY will lease the Premises to the Corporation (the "Ground Lease"); and be it further

RESOLVED, that the Executive Committee of the Corporation or any director or directors appointed by such Executive Committee or by the President of the Corporation shall have authority, in the name of and on behalf of the Corporation, to negotiate the terms of the Ground Lease with SUNY; and be it further

RESOLVED, that the Corporation sublease the Premises to Subtenant pursuant to a Sublease Agreement between the Corporation and Subtenant (the "Sublease"); and be it further

RESOLVED, that the Corporation recommends that the members of the Corporation approve the sublease of the Premises to Subtenant and affirms that (a) the consideration to be received by the Corporation, consisting of \$1.00 and the mutual promises contained therein, shall be applied by the Corporation in fulfillment of its obligations pursuant to the Ground Lease and in furtherance of the Project and (b) the dissolution of the Corporation is not contemplated by the Sublease; and be it further

RESOLVED, that the Executive Committee of the Corporation or any director or directors appointed by such Executive Committee or by the President of the Corporation shall have authority, in the name of and on behalf of the Corporation, to negotiate the terms of the Sublease with Subtenant; and be it further

RESOLVED, that the President or any other officer of the Corporation, acting alone, is hereby authorized on behalf of the Corporation to execute and deliver (a) the Ground Lease and (b) the Sublease; and be it further

RESOLVED that the President or any other officer of the corporation, acting alone, is hereby authorized on behalf of the Corporation to execute and deliver such other documents and do any and all other acts necessary or appropriate to effectuate the purposes of these resolutions; and be it further

RESOLVED, that any document executed and delivered pursuant to these resolutions is in such form as the officer of the Corporation executing it shall approve, such approval to be conclusively evidenced by the execution thereof.

#3031347

**BUFFALO STATE ALUMNI ASSOCIATION, INC.
VOTING MEMBERS' RESOLUTION**

Adopted: May 21, 2009

WHEREAS, Section 355 of the New York State Education Law (the "Enabling Act" authorizes and empowers the trustees of the State University of New York (the "SUNY") to, among other things, lease to alumni associations of institutions of SUNY portions of the grounds occupied by such institutions for the erection thereon of dormitories to be used by students in attendance of such universities; and

WHEREAS, pursuant to an Amended and Restated Certificate of Incorporation filed in the New York Secretary of State's Office on April 15, 2009, the Corporation was formed under the New York Not-For-Profit corporation law to, among other things, enter into arrangements with SUNY for the construction of student housing pursuant to and in accordance with Section 355 of the New York Education Law; and

WHEREAS, in furtherance of the powers afforded to the trustees of SUNY pursuant to the Enabling Act, the trustees have agreed to lease to Buffalo State Alumni Association, Inc., (the "Corporation") a parcel of land containing approximately 3.28 acres at the northeast corner of Grant Street and Letchworth Street in the City of Buffalo, New York (the "Premises"), on the grounds of the SUNY institution known as Buffalo State College (the "College"), to be used for the development and operation of student housing complex (the "Project") to serve the needs of the students of the College; and

WHEREAS, to facilitate the construction of the Project, the Corporation has agreed to sublease the premises to Buffalo State College Foundation Housing Corporation ("Subtenant"), a New York not-for-profit corporation that will procure financing for the Project and enter into the contractual arrangements with the developers of the Project; and

WHEREAS, as a function of its mission related to providing support to various activities and initiatives for the benefit of the College, the Corporation wishes to participate in and facilitate the Project; and

WHEREAS, the members of the Corporation wish to affirm the actions of the Board of Directors with respect to the Project; it is therefore

RESOLVED, that the members of the Corporation approve the Corporation's leasing of the Premises from SUNY pursuant to a Ground Lease (the "Ground Lease") and the Corporation's subleasing of the Premises to Subtenant pursuant to a Sublease Agreement (the "Sublease"); and be it further

RESOLVED, that the Executive Committee of the Corporation or any director or directors appointed by such Executive Committee or by the President of the Corporation shall have authority, in the name of and on behalf of the Corporation, to negotiate the

terms of the Ground Lease with SUNY and the terms of the Sublease with Subtenant; and be it further

RESOLVED, that the President or any other officer of the Corporation, acting alone, is hereby authorized on behalf of the Corporation to execute and deliver (a) the Ground Lease and (b) the Sublease; and be it further

RESOLVED, that the President or any other officer of the Corporation, acting alone, is hereby authorized on behalf of the Corporation to execute and deliver such other documents and do any and all other acts necessary or appropriate to effectuate the purposes of these resolutions; and be it further

RESOLVED, that any document executed and delivered pursuant to these resolutions is in such form as the officer of the Corporation executing it shall approve, such approval to be conclusively evidenced by the execution thereof.

#3036029

**BUFFALO STATE ALUMNI ASSOCIATION, INC.
BOARD RESOLUTION**

Adopted: By unanimous written consent June 9, 2011

WHEREAS, Section 355 of the New York State Education Law (the "Enabling Act") authorizes and empowers the trustees of the State University of New York ("SUNY") to, among other things, lease to alumni associations of institutions of SUNY portions of the grounds occupied by such institutions for the erection thereon of dormitories to be used by students in attendance at such institutions; and

WHEREAS, pursuant to an Amended and Restated Certificate of Incorporation filed in the New York Secretary of State's Office on April 15, 2009, the Corporation was formed under the New York Not-For-Profit corporation law to, among other things, enter into arrangements with SUNY for the construction of student housing pursuant to and in accordance with Section 355 of the New York Education Law; and

WHEREAS, in furtherance of the powers afforded to the trustees of SUNY by the Enabling Act, and pursuant to a Ground Lease dated as of July 1, 2009, a memorandum of which was recorded in the Office of the Erie County Clerk in Liber 11175 of Deeds at page 8865 (the "Ground Lease"), the SUNY trustees lease to Buffalo State Alumni Association, Inc. (the "Corporation") a parcel of land containing approximately 3.9 acres at the corner of Grant Street and Rockwell Road in the City of Buffalo, New York (the "Premises"), on the grounds of the SUNY institution known as Buffalo State College (the "College"), for the development and operation of a student housing complex (the "Project") to serve the needs of the students of the College; and

WHEREAS, to facilitate the financing and construction of the Project, the Corporation entered into a Sublease of the Premises to Buffalo State College Foundation Housing Corporation ("Subtenant"), dated as of July 1, 2009, a memorandum of which was recorded in the Office of the Erie County Clerk in Liber 11175 of Deeds at page 8872 (the "Sublease"); and

WHEREAS, in connection with the original financing of the Project, the Corporation executed (a) a General Certificate dated December 28, 2009, to which (i) its Restated Certificate of Incorporation dated January 22, 2009 ("Certificate of Incorporation"), (ii) its Amended and Restated By-laws dated December 6, 2008 (the "By-laws"), (iii) a good standing certificate issued by the Department of State of New York State ("Good Standing Certificate"), the letter issued by the Internal Revenue Service on December 8, 1988 determining that the Corporation is tax exempt under Section 501(c)(3) of the Internal Revenue Code (the "IRS Determination Letter") and resolutions adopted by the Board of Directors of the Corporation on May 21, 2009 and resolutions adopted by the voting members of the Corporation on May 21, 2009 (collectively, the "Original Resolutions") are appended (the "Original General Certificate"); and (b) an Acknowledgment and Consent dated as of December 1, 2009 by and among SUNY, the Corporation, Buffalo and Erie County Industrial Land Development Company (the "Issuer") and

Manufacturers and Traders Trust Company (the "Trustee"), pursuant to which the Corporation represented and warranted that the Sublease was in full force and effect and had not been modified or assigned, transferred, or encumbered and that no default had occurred thereunder, and the Corporation covenanted with the Issuer and Trustee that while the various tax-exempt and taxable bonds issued for the Project remain outstanding, the Corporation will maintain its tax-exempt status and observe and perform its obligations under the Ground Lease and Sublease to the extent required to maintain the excludability of interest on the tax-exempt bonds from gross income for federal income tax purposes (the "Original Consent"); and

WHEREAS, Subtenant desires to make certain modifications to the original financing of the Project and in connection therewith has requested the Corporation to execute and deliver to it: (a) a new General Certificate, generally in the form of the Original General Certificate, with the Certificate of Incorporation, the By-laws, a current Good Standing Certificate, the IRS Determination Letter and the Original Resolutions attached thereto and indicating all of the attached documents remain in effect without modification, or stipulating the modifications (the "New General Certificate") and (b) a new Consent containing essentially the same representations, warranties, covenants and agreements with respect to the Refinancing as are in the Original Consent (the "New Consent"); and

WHEREAS, as a function of its mission related to providing support to various activities and initiatives for the benefit of the College, the Corporation wishes to facilitate the Refinancing by executing the New Consent and the New General Certificate.

NOW, THEREFORE, in consideration of the foregoing, it is

RESOLVED, that the President, Executive Director or any other officer of the Corporation (each being an "Authorized Person") acting alone, is hereby authorized on behalf of the Corporation to execute and deliver (a) the New General Certificate, (b) the New Consent and (c) any other documents which, in the opinion of the Authorized Person, are necessary or desirable in connection with the Refinancing; and be it further

RESOLVED, that any Authorized Person, acting alone, is hereby authorized on behalf of the Corporation to execute and deliver such other documents and do any and all other acts necessary or appropriate to effectuate the purposes of these resolutions; and be it further

RESOLVED, that any document executed and delivered pursuant to these resolutions is in such form as the officer of the Corporation executing it shall approve, such approval to be conclusively evidenced by the execution thereof.

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION**

**\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION PROJECT), SERIES 2011A**

**\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION PROJECT), SERIES 2011B**

CERTIFICATE OF STATE UNIVERSITY OF NEW YORK

THIS CERTIFICATE is made pursuant to Section 6(h) of the Bond Purchase Agreement dated May 26, 2011 (the "*Bond Purchase Agreement*"), among Buffalo and Erie County Industrial Land Development Corporation, Buffalo State College Foundation Housing Corporation (the "*Company*") and M&T Securities, Inc. relating to the Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "*Series 2011A Bonds*") and Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Bonds*"). Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Bond Purchase Agreement. The State University of New York ("*SUNY*") has granted a leasehold interest in the Land to the Buffalo State College Alumni Association, Inc. (the "*Association*") pursuant to a certain Ground Lease dated as of July 1, 2009 (the "*Ground Lease*"), between SUNY and the Association. SUNY has entered into an Agreement dated as of June 1, 2011 (the "*SUNY Agreement*") with the Company and a Facility Management Agreement dated as of July 1, 2009 (the "*Facility Management Agreement*"), with the Company with respect to the Student Housing Facility.

The undersigned does hereby certify as follows:

1. The Ground Lease, SUNY Agreement and the Facility Management Agreement have been duly executed and delivered by SUNY and are in full force and effect in accordance with their terms as of the date hereof.

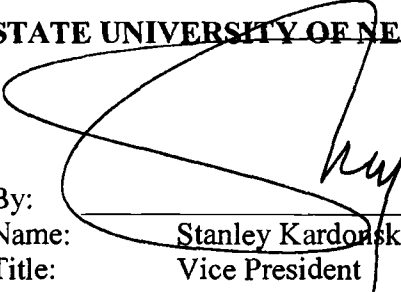
2. The information in the Official Statement with respect to SUNY and Buffalo State College (the "*College*") is true and correct in all material respects.

3. To the best of the undersigned's knowledge, after reasonable inquiry, no event affecting SUNY, the College or the Student Housing Facility has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to disclose therein in order to make the statements and

information therein, in the light of the circumstances under which such statements and information were made or provided, not misleading.

IN WITNESS WHEREOF, I have set my hand and signature this 16th day of June,
2011.

STATE UNIVERSITY OF NEW YORK



By: _____
Name: Stanley Kardonsky
Title: Vice President

GENERAL CERTIFICATE

OF

MANUFACTURERS AND TRADERS TRUST COMPANY

This certificate is made in connection with the execution and delivery by Manufacturers and Traders Trust Company, as trustee (the "Trustee") of a trust indenture dated as of June 1, 2011 (the "Indenture") by and between the Buffalo and Erie County Industrial Land Development Corporation (the "Issuer"), and the Trustee, and any other document to be executed by the Trustee (collectively, the "Trustee Documents") in connection with the issuance by the Issuer of its \$43,875,000 Refunding Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A and \$410,000 Taxable Refunding Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B.

Capitalized terms used herein which are not otherwise defined herein and which are defined in the Indenture shall have the meanings ascribed to them in the Indenture, except that, for purposes of this certificate, (A) all definitions with respect to any document shall be deemed to refer to such document only as it exists as of the date of this certificate and not as of any future date, and (B) all definitions with respect to any Person shall be deemed to refer to such Person only as it exists as of the date of this certificate, and not as of any future date or to any successor or assign.

THE UNDERSIGNED OFFICER OF THE TRUSTEE HEREBY CERTIFIES THAT:

1. I am an officer of the Trustee and am duly authorized to execute and deliver the Trustee Documents on behalf of the Trustee as provided in the certificate of the Trustee (the "Certificate of Authority") attached hereto as Exhibit A.

2. The Trustee is a banking corporation organized and existing under the laws of the State of New York, is authorized to act as a trustee in the State of New York, has the power to enter into the Trustee Documents and to carry out its obligations thereunder and has properly authorized the execution, delivery and performance of the Trustee Documents.

3. Neither the execution and delivery of the Trustee Documents, the consummation of the transactions contemplated thereby nor the fulfillment of or compliance with the provisions thereof will, to the best of my knowledge, conflict with or result in a breach of any of the terms, conditions or provisions of the Trustee's charter or by-laws or any other documents under which the Trustee was formed or is governed or any order, judgment, agreement or instrument to which the Trustee is a party or by which it is bound, or will constitute a default under any of the foregoing.

4. Each of the Trustee Documents is a valid and binding obligation of the Trustee, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws relating to fraudulent

conveyances or affecting the enforcement of rights of creditors of the Trustee generally and equitable principles of general applicability.

5. There is no litigation or proceeding pending at law or in equity against the Trustee or, to the best of my knowledge, threatened in any judicial, quasi-judicial or administrative forum which challenges the validity of the Trustee Documents or any resolution or other action of the Trustee adopted or taken in connection with the Trustee Documents, or which seeks to enjoin any of the transactions contemplated by such instrument or the performance by the Trustee of any of its obligations under the Trustee Documents, or which in any way contests the existence or the powers of the Trustee, or which would in any way adversely affect the Project.

6. All necessary action has been taken by the Trustee for the approval, execution and delivery by the Trustee of the Trustee Documents and any and all such other agreements, documents and approvals as are required to be executed, delivered and received by the Trustee in order to carry out, give effect to and consummate the transactions contemplated thereby.

[signature page follows]

IN WITNESS WHEREOF, the undersigned has executed this General Certificate of Trustee this 16th day of June, 2011.

MANUFACTURERS AND TRADERS TRUST
COMPANY, as trustee

By: *M. Ant Aguirre*
 Authorized Officer

EXHIBIT A
CERTIFICATE OF AUTHORITY

Certificate of Authority

of the

Manufacturers and Traders Trust Company

I, Nancy L. George, a Vice President of Manufacturers and Traders Trust Company (“M&T Bank”), do hereby certify that the following is an abstract of Article IV, Section 13 of the Bylaws of M&T Bank, which are now in force:

“The Chairman of the Board, the Vice Chairmen of the Board, the Chief Executive Officer, the President, any Vice President, any Assistant Vice President, any Banking Officer, the Corporate Secretary, any Assistant Secretary, and the Treasurer shall each have power and authority:

“To sign, countersign, certify, issue, assign, endorse, transfer and/or deliver notes, checks, drafts, bills of exchange, certificates of deposit, acceptances, letters of credit, advices for the transfer or payment of funds, orders for the sale and for delivery of securities, guarantees of signatures, and all other instruments, documents and writings in connection with the business of M&T Bank in its corporate or in any trust or fiduciary capacity;

“To sign the name of M&T Bank and affix its seal, or cause the same to be affixed, to deeds, mortgages, satisfactions, assignments, releases, proxies, powers of attorney, trust agreements, and all other instruments, documents or papers necessary for the conduct of the business of M&T Bank, either in its corporate capacity or in any trust or fiduciary capacity;

“To endorse, sell, assign, transfer and deliver any stocks, bonds, mortgages, notes, certificates of interest, certificates of indebtedness, certificates of deposit and any evidences of indebtedness or of any rights or privileges which now are or may hereafter be held by or stand in the name of M&T Bank, either in its corporate capacity, or in any fiduciary or trust capacity, and to execute proxies, powers of attorney or other authority with respect thereto;

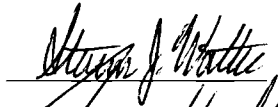
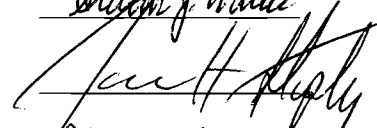
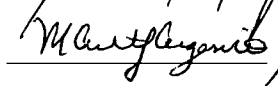
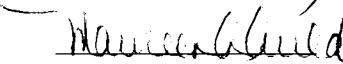
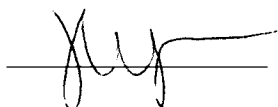
“To accept on behalf of M&T Bank any guardianship, receivership, executorship or any general or special trust specified in the Banking Law of the State of New York;

“To authenticate or certificate any bonds, debentures, notes, or other instruments issued under or in connection with any mortgage, deed of trust or other agreement or instrument under which M&T Bank is acting as trustee or in any other fiduciary capacity;

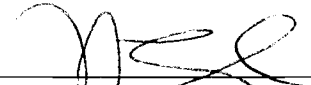
“To sign, execute and deliver certificates, reports, checks, orders, receipts, certificates of deposit, interim certificates, and other documents in connection with its duties and activities as registrar, transfer agent, disbursing agent, fiscal agent, depositary, or in any other corporate fiduciary capacity.

“The powers and authority above conferred may at any time be modified, changed, extended or revoked, and may be conferred in whole or in part on other officers and employees by the Board of Directors or the Executive Committee.”

I further certify that the following persons are the duly elected, qualified, and acting incumbents of the offices set forth below, and that the signatures set forth opposite their names are their true and genuine signatures:

<u>Name</u>	<u>Title</u>	<u>Specimen Signature</u>
Steven J. Wattie	Vice President	
Joan H. Stapley	Assistant Vice President	
M. Anthony Argenio	Assistant Vice President	
Maureen A. Auld	Banking Officer	
Jennifer L. Cyr	Banking Officer	

IN WITNESS WHEREOF, I have hereunto set my hand this 16th day of June, 2011.


Nancy L. George
Vice President

State of New York
Banking Department

I, **MARTIN D. COFSKY**, Deputy Superintendent of Banks of the State of New York,
DO HEREBY CERTIFY:

THAT, the records in the Office of the Superintendent of Banks indicate that **MANUFACTURERS AND TRADERS TRUST COMPANY** is a corporation duly organized and existing under the laws of the State of New York as a trust company, pursuant to Article III of the Banking Law; and

THAT, the Organization Certificate of **MANUFACTURERS AND TRADERS TRUST COMPANY** was filed in the Office of the Superintendent of Banks on September 13, 1892, under the title of **THE FIDELITY TRUST & GUARANTY COMPANY OF BUFFALO** and such corporation was authorized on June 27, 1893; and

THAT, the following amendments to its Organization Certificate have been filed in the Office of the Superintendent of Banks as of the dates specified:

*Certificate of Amendment of the Certificate of Incorporation providing for a change of name to **THE FIDELITY TRUST COMPANY OF BUFFALO** - filed March 13, 1901*

Certificate of Amendment of the Certificate of Incorporation providing for a decrease in number of directors - filed January 4, 1912

Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed December 17, 1918

Certificate of Amendment of the Certificate of Incorporation providing for an increase in number of directors - filed January 30, 1919

Certificate of Extension of Existence changing existence to perpetual - filed December 15, 1925

Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed December 15, 1925

State of New York
Banking Department

Certificate of Amendment of the Certificate of Incorporation providing for an increase in number of directors - filed December 15, 1925

*Certificate of Amendment of the Certificate of Incorporation providing for a change of name to **MANUFACTURERS AND TRADERS TRUST COMPANY** - filed December 15, 1925*

Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed May 14, 1927

Certificate of Amendment of the Certificate of Incorporation providing for an increase in number of directors - filed May 16, 1927

*Certificate of Amendment of the Certificate of Incorporation providing for a change of name to **MANUFACTURERS' & TRADERS' - PEOPLES TRUST COMPANY** - filed May 16, 1927*

Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed July 18, 1928

Certificate of Amendment of the Certificate of Incorporation providing for an increase in number of directors - filed January 10, 1929

Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed October 17, 1929

*Certificate of Amendment of the Certificate of Incorporation providing for a change of name to **M & T TRUST COMPANY** - filed October 22, 1929*

Certificate of Amendment of the Certificate of Incorporation providing for a change in number of directors - filed February 10, 1930

*Certificate of Amendment of the Certificate of Incorporation providing for a change of name to **MANUFACTURERS AND TRADERS TRUST COMPANY** - filed January 30, 1933*

State of New York
Banking Department

Certificate of Amendment of the Certificate of Incorporation providing for a reduction in capital stock - filed January 9, 1934

Certificate of Amendment of the Certificate of Incorporation providing for a change in number of directors - filed June 11, 1934

Certificate of Amendment of the Certificate of Incorporation providing for a change in number of directors - filed January 16, 1941

Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed June 21, 1945

Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed October 18, 1945

Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed December 27, 1945

Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed April 27, 1946

Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed June 29, 1946

Certificate of Amendment of the Certificate of Incorporation providing for an increase in capital stock - filed November 30, 1949

Certificate of Amendment of the Certificate of Incorporation providing for a change of purposes, powers and provisions of the Corporate Charter - filed January 13, 1950

THAT, a Restated Organization Certificate was approved and filed in the Office of the Superintendent of Banks on August 6, 1954; and

THAT, the following amendments to its Restated Organization Certificate have been filed in the Office of the Superintendent of Banks as of the dates specified:

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed August 8, 1955

State of New York
Banking Department

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed August 31, 1955

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 13, 1956

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed March 7, 1956

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed November 23, 1956

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 14, 1957

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed August 30, 1957

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed November 29, 1957

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 16, 1958

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed December 2, 1958

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 19, 1959

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed June 30, 1959

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 14, 1960

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed February 29, 1960

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 13, 1961

State of New York
Banking Department

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 16, 1963

Certificate of Amendment of Certificate of Incorporation providing for an increase in capital stock - filed January 17, 1964

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed January 14, 1965

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed November 16, 1966

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed June 4, 1971

Certificate of Amendment of the Organization Certificate providing for an increase in capital stock - filed November 20, 1984; and

THAT, a Restated Organization Certificate providing for, among other things, an increase in capital stock was approved and filed in the Office of the Superintendent of Banks February 26, 1991; and

THAT, a Restated Organization Certificate providing for, among other things, an increase in capital stock was approved and filed in the Office of the Superintendent of Banks May 22, 1992; and

THAT, a Restated Organization Certificate was filed in the Office of the Superintendent of Banks on April 1, 2003; and

*THAT, a Restated Organization Certificate providing for **MANUFACTURERS AND TRADERS TRUST COMPANY** to also be known as **M&T BANK** was filed in the Office of the Superintendent of Banks on September 9, 2004; and*

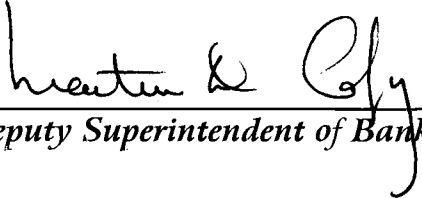
THAT, a Restated Organization Certificate was filed in the Office of the Superintendent of Banks on March 17, 2011; and

THAT, no amendments to its Restated Organization Certificate have been filed in the Office of the Superintendent of Banks except those set forth above; and

State of New York
Banking Department

I DO FURTHER CERTIFY THAT, MANUFACTURERS AND TRADERS TRUST COMPANY is validly existing as a banking organization with its principal office and place of business located at **One M & T Plaza, Buffalo, New York.**

WITNESS, my hand and official seal of the Banking Department at the City of New York, this
1st day of June in the Year two thousand and eleven.



Deputy Superintendent of Banks

SAFEKEEPING RECEIPT OF THE FAST AGENT

June 16, 2011

Buffalo and Erie County Industrial Land Development Corporation
143 Genesee Street
Buffalo, New York 14203

Ladies and Gentlemen:

Manufacturers and Traders Trust Company, as FAST Agent (the "*FAST Agent*") for The Depository Trust Company ("*DTC*"), hereby acknowledges receipt from the Buffalo and Erie County Industrial Land Development Corporation (the "*Issuer*") of possession, custody and control of the Issuer's Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "*Series 2011A Bonds*") and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*") and with the Series 2011A Bonds, the "*Bonds*"). The Bonds are dated June 16, 2011. The FAST Agent agrees to hold the Bonds in safekeeping on behalf of DTC, in accordance with the DTC Operational Arrangements memorandum, as it may be from time to time amended.

**MANUFACTURERS AND TRADERS TRUST
COMPANY, as FAST Agent**

By: M. Anthony Argénio
M. Anthony Argénio, Assistant Vice President

SUPPLEMENT DATED MAY 23, 2011

to

PRELIMINARY OFFICIAL STATEMENT DATED MAY 18, 2011

relating to

**\$45,175,000 (preliminary)
BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION
REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

**\$410,000 (preliminary)
BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION
TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011B**

This Supplement amends and supplements the attached Preliminary Official Statement, dated May 18, 2011 (the "Preliminary Official Statement"), relating to the above-captioned bonds, and must be read together with the attached Preliminary Official Statement.

A new section captioned "CASH FLOW FORECAST" is hereby added to the Preliminary Official Statement immediately following the section captioned "SECURITY FOR THE 2011 BONDS" and immediately prior to the section captioned "DEBT SERVICE REQUIREMENTS FOR THE 2011A BONDS." Such new section shall read in its entirety as set forth in Exhibit "A" attached hereto.

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION**

EXHIBIT A TO SUPPLEMENT

CASH FLOW FORECAST

A Cash Flow Forecast (the “Cash Flow Forecast”) relating to the Project and the Company’s ability to generate revenues from the operations of the Project sufficient to pay principal and interest on the 2011 Bonds for each of the fiscal years ending June 30 of the years 2012 through 2021 has been prepared by the Company based on projected occupancy and is presented below. The Cash Flow Forecast assumes that the 2011 Bonds will be issued in the aggregate principal amount of \$45,585,000, will bear interest at a yield of approximately 5.60% and will be structured to produce approximately level annual debt service. The Rental Revenues which are estimated in the Cash Flow Forecast are based on the following assumed rent levels:

<u>Number of Units</u>	<u>Number of Beds</u>	<u>Academic Year Rents</u>	<u>Summer Term Rents</u>	<u>Vacancy Rate (Yr/Sum)</u>	<u>Total Rents</u>
125	507	\$8,800	\$1,800	3%/60%	\$4,683,536

Vacancies of 3% during the academic year and 60% during the summer term are assumed based on the experience of the College at its other residence halls. Income and expense estimates are escalated at an assumed rate of 5% and 4%, respectively, per annum.

The achievement of any financial forecast is dependent upon future events, the occurrence of which cannot be assured. Therefore, the actual results achieved may vary from the forecast. Such variation could be material.

The Cash Flow Forecast and underlying assumptions have been developed by the Company based upon projected occupancy.

Buffalo State College Foundation Housing

Cash Flow Pro-Forma Summary											
Fiscal Year Ending June 30,	Year 1 2012*	2013	2014	2015	2016	2017	2018	2019	2020	2021	
Revenues: (assumed 5% Inflation Rate)											
Room Rental Income	4,683,536	\$4,917,712.80	\$5,163,598.44	5,421,778	5,692,867	5,977,511	6,276,386	6,590,205	6,919,716	7,265,702	
Damages/Cancellation Termination Fees	23,418	24,589	25,818	27,109	28,464	29,888	31,382	32,951	34,599	36,329	
Interest Income on Repair/Replace Fund @ 1%		6,000	12,000	19,000	27,000	36,000	46,000	46,000	46,000	46,000	
Total	4,706,954	4,948,301	5,201,416	5,467,887	5,748,332	6,043,398	6,353,768	6,669,157	7,000,314	7,348,030	
Expenditures: (assumed 4% Inflation Rate)											
Insurance	70,000	72,800	75,712	78,740	81,890	85,166	88,572	92,115	95,800	99,632	
Audit	7,500	7,800	8,112	8,436	8,774	9,125	9,490	9,869	10,264	10,675	
Subordinated Expenditures: (assumed 4% Inflation Rate)											
Staffing	59,500	61,880	64,355	66,929	69,607	72,391	75,286	78,298	81,430	84,687	
Security	9,000	9,360	9,734	10,124	10,529	10,950	11,388	11,843	12,317	12,810	
Leasing Promotion (level)	10,000	10,400	10,816	11,249	11,699	12,167	12,653	13,159	13,686	14,233	
Fringe Benefits	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319	27,371	28,466	
Annual Repairs / Maintenance	45,000	46,800	48,672	50,619	52,644	54,749	56,939	59,217	61,586	64,049	
Utilities	275,000	286,000	297,440	309,338	321,711	334,580	347,963	361,881	376,356	391,411	
Laundry	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319	27,371	28,466	
Cable	18,600	19,344	20,118	20,922	21,759	22,630	23,535	24,476	25,455	26,474	
Internet	10,000	10,400	10,816	11,249	11,699	12,167	12,653	13,159	13,686	14,233	
Contract Services	62,500	65,000	67,600	70,304	73,116	76,041	79,082	82,246	85,536	88,957	
Programming	10,000	10,400	10,816	11,249	11,699	12,167	12,653	13,159	13,686	14,233	
CD & RA Waivers	52,800	54,912	57,108	59,393	61,769	64,239	66,809	69,481	72,260	75,151	
Total Expenses Before Debt Service	669,900	696,696	724,564	753,546	783,688	815,036	847,637	881,543	916,804	953,477	
Excess Revenue Available to Pay Debt Service	4,037,054	4,251,605	4,476,853	4,714,341	4,964,643	5,228,362	5,506,131	5,787,614	6,083,510	6,394,553	
Coverage and Fund Analysis											
Excess Revenue Available to Pay Debt Service	4,037,054	4,251,605	4,476,853	4,714,341	4,964,643	5,228,362	5,506,131	5,787,614	6,083,510	6,394,553	
Total Funds Available to Pay Debt Service	4,037,054	4,251,605	4,476,853	4,714,341	4,964,643	5,228,362	5,506,131	5,787,614	6,083,510	6,394,553	
Net Annual Debt Service	1,871,633	3,079,907	3,078,240	3,080,215	3,076,515	3,077,140	3,080,871	3,076,578	3,078,178	3,080,928	
Debt Service Coverage (requirement: 1.25x)	2.16	1.38	1.45	1.53	1.61	1.70	1.79	1.88	1.98	2.08	

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2011 Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or the availability of an appropriate exemption under the applicable securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED MAY 18, 2011

New Issue – Book-Entry Only

RATING: S&P: “A+”
(See “Rating” herein)

In the opinion of Hiscock & Barclay, LLP, Bond Counsel, under existing statutes and court decisions, (1) interest on the 2011A Bonds is excluded from gross income for federal income tax purposes, assuming compliance with certain covenants and the accuracy of certain representations, and is not an item of tax preference for purposes of the individual and corporate alternative minimum taxes imposed by the Internal Revenue Code of 1986, as amended (the “Code”); however, for the purpose of computing the alternative minimum tax imposed on certain corporations (as determined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings; and (2) interest on the 2011A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York and the City of Yonkers). INTEREST ON THE 2011B BONDS IS NOT EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES AND IS NOT EXEMPT FROM PERSONAL INCOME TAXES IMPOSED BY THE STATE OF NEW YORK OR ANY OF ITS POLITICAL SUBDIVISIONS. See “TAX MATTERS” herein.



**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION
\$45,175,000* REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION PROJECT), SERIES 2011A
and
\$410,000* TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION PROJECT), SERIES 2011B**

Dated: Date of Delivery
Interest Payable: April 1 and October 1

Due: October 1, as shown on inside front cover
First Interest Payment Date: April 1, 2012

The Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A (the “2011A Bonds”) and the Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B (the “2011B Bonds”) and together with the 2011A Bonds, the “2011 Bonds”) of Buffalo and Erie County Industrial Land Development Corporation (the “Issuer”) are to be issued under the Trust Indenture, dated as of June 1, 2011 (the “Indenture”), between the Issuer and Manufacturers and Traders Trust Company, as trustee (“Trustee”), as fully registered bonds without coupons in denominations of \$5,000 and integral multiples thereof.

All payments of principal of the 2011 Bonds are payable at the trust office of the Trustee described herein, in Buffalo, New York, and interest, payable each April 1 and October 1, commencing April 1, 2012, and the redemption price of 2011 Bonds upon mandatory sinking fund redemption, shall be paid by check of the Trustee mailed to the registered owners of the 2011 Bonds at their registered addresses, or in lieu of a check and (i) if so requested before a Record Date by an Owner of at least \$1,000,000 in principal amount of 2011 Bonds as determined under the terms of the Indenture, by wire transfer of funds, or (ii) for 2011 Bonds registered in the name of Cede & Co., as described below.

The 2011 Bonds and interest thereon are special limited obligations of the Issuer, payable solely from loan payments to be made by, and certain collateral security to be furnished by,

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION

a New York not-for-profit corporation (referred to herein as the “Company”), as more fully described herein.

The 2011 Bonds are being issued to pay or reimburse certain costs of, and to refund certain indebtedness previously incurred in connection with, the development by the Company in the City of Buffalo, New York, of an approximately 225,000 square foot student housing complex consisting of three wings of varying heights with approximately 507 beds to serve students of Buffalo State College.

The 2011 Bonds will be subject to redemption prior to maturity, as described under the caption “THE 2011 BONDS – Redemption Prior to Maturity” herein.

THE 2011 BONDS SHALL NEVER BE A DEBT OF THE STATE OF NEW YORK, THE COUNTY OF ERIE OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE STATE OF NEW YORK, THE COUNTY OF ERIE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON. NONE OF THE STATE OF NEW YORK, THE COUNTY OF ERIE OR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK, THE COUNTY OF ERIE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF, THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE 2011 BONDS. THE 2011 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY OUT OF THE REVENUES, RECEIPTS, FUNDS OR MONEYS OF THE ISSUER PLEDGED UNDER THE INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE INDENTURE FOR THE PAYMENT OF THE 2011 BONDS. THE 2011 BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

The purchase of the 2011 Bonds involves certain risks. See the caption “CERTAIN BONDHOLDERS’ RISKS” herein.

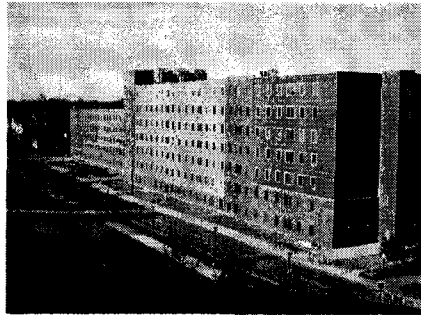
The 2011 Bonds will be issued only as fully-registered bonds in book-entry-only form, and when delivered, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York (“DTC”). Individual purchases of beneficial interests in the 2011 Bonds will be made in book-entry only form (without certificates). So long as DTC or its nominee is the registered owner of the 2011 Bonds, payments of principal, redemption price, and interest on the 2011 Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursements of such payments to the beneficial owners in the responsibility of DTC participants.

The 2011 Bonds are offered, subject to prior sale, when, as and if issued and accepted by the Underwriter, subject to the approving opinion of Hiscock & Barclay, LLP, Buffalo, New York, Bond Counsel, and certain other conditions. In connection with the issuance of the 2011 Bonds, certain legal matters for the Company will be passed on by its counsel, Hodgson Russ LLP, Buffalo, New York, certain legal matters for the Issuer will be passed on by its counsel, Harris Beach, PLLC, Buffalo, New York, and certain legal matters for the Underwriter will be passed on by its counsel, Reed Smith LLP, Philadelphia, Pennsylvania. Delivery and payment in full for the 2011 Bonds are anticipated to occur on or about June __, 2011.



This Official Statement is dated May __, 2011

* Preliminary, subject to change



BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION

\$45,175,000* REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A

Maturity Schedule*

<u>Maturity (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP[†]</u>
2012	\$325,000	%	%		
2013	755,000				
2014	780,000				
2015	800,000				
2016	825,000				
2017	855,000				
2018	880,000				
2019	920,000				
2020	970,000				
2021	1,015,000				

\$5,925,000 ___% Term Bonds due October 1, 2026, priced @ ___ to yield ___%, CUSIP[†] _____
 \$7,655,000 ___% Term Bonds due October 1, 2031, priced @ ___ to yield ___%, CUSIP[†] _____
 \$23,470,000 ___% Term Bonds due October 1, 2041, priced @ ___ to yield ___%, CUSIP[†] _____

\$410,000* TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011B

Maturity Schedule*

<u>Maturity Date (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP[†]</u>
2012	\$410,000	%	%		

* Preliminary, subject to change

[†] The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the Issuer, the Company or the Underwriter, 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 bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the Issuer, the Company nor the Underwriter has agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2011 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE ISSUER, THE COMPANY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING. ALL INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM THE ISSUER, THE COMPANY AND OTHER SOURCES WHICH ARE BELIEVED TO BE ACCURATE AND RELIABLE, BUT NO REPRESENTATION, WARRANTY, OR GUARANTEE IS MADE AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION IN THIS OFFICIAL STATEMENT. NOTHING CONTAINED IN THIS OFFICIAL STATEMENT CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE 2011 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO COMPLETION AND AMENDMENT. ALL SUMMARIES CONTAINED IN THIS OFFICIAL STATEMENT ARE SUBJECT IN ALL RESPECTS TO THE COMPLETE CONSTITUTIONAL PROVISION, STATUTE, REGULATION, RULE, COURT DECISION, DOCUMENT OR REPORT REFERRED TO. THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE. NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY STATEMENT NOR ANY SALE MADE HEREUNDER WILL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER, THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE 2011 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE 2011 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE 2011 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN THE OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE 2011 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The Issuer assumes no responsibility with respect to the accuracy or completeness of the information contained in this Official Statement, other than information under the captions "THE ISSUER" and "LITIGATION-The Issuer," all of which information has been furnished by others.

This Official Statement contains summaries of certain documents believed to be accurate, but reference is hereby made to the actual documents, copies of which are available at the offices of the Trustee, and all such summaries are qualified in their entirety by this reference. During the initial offering period with respect to the 2011 Bonds, copies of all such documents in draft or executed form may be obtained by contacting the underwriting firm, M&T Securities, Inc., 160 Technology Drive, Suite 201, Canonsburg, Pennsylvania 15317.

**CAUTIONARY STATEMENTS
REGARDING FORWARD-LOOKING STATEMENTS
IN THIS OFFICIAL STATEMENT**

This Official Statement contains certain “forward-looking statements” concerning the operations and financial condition of the Project and the Company. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the Company. The words “may,” “would,” “could,” “will,” “expect,” “anticipate,” “believe,” “intend,” “plan,” “estimate” and similar expressions are meant to identify these forward-looking statements. *The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Company does not plan to issue any updates or revisions to these forward-looking statements if or when changes to its expectations, or events, conditions or circumstances on which such statements are based, occur.* A number of important factors affecting the Company’s financial results could cause actual results to differ materially from those stated in the forward-looking statements.

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* The Table of Contents does not list all of the subjects in this Official Statement. In all instances, reference should be made to the complete Official Statement to determine the subjects set forth herein.

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OFFICIAL STATEMENT

relating to

\$45,175,000*

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION
REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

\$410,000*

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION
TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011B**

INTRODUCTORY STATEMENT

This Official Statement, including the cover page and appendices, provides certain information with respect to Buffalo and Erie County Industrial Land Development Corporation (the "Issuer") and its \$45,175,000* aggregate principal amount of Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A (the "2011A Bonds"), and its \$410,000* aggregate principal amount of Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B (the "2011B Bonds" and, together with the 2011A Bonds, the "2011 Bonds"). The 2011 Bonds are being issued under and pursuant to a Trust Indenture, dated as of June 1, 2011 (the "Indenture"), between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "Trustee"). The 2011 Bonds shall be dated the date of their delivery and shall mature on the dates and bear interest at the rates set forth on the inside front cover hereof. The 2011 Bonds are subject to redemption prior to maturity as set forth more fully herein under "THE 2011 BONDS - Redemption Prior to Maturity."

Capitalized words and terms used in this Official Statement and not otherwise defined herein shall have the meanings assigned to them in APPENDIX B - "CERTAIN DEFINITIONS AND DOCUMENT SUMMARIES."

The 2011 Bonds are to be issued pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the "State"), as amended, and the Resolutions of the Legislature of the County of Erie, New York (the "County"), Nos. 218 and 295 of 2009 and No. 5-3 of 2010, each as amended to date (collectively referred to as the "Act"), and the certificate of incorporation, bylaws and proceedings of the Issuer. The 2011 Bonds will be special, limited obligations of the Issuer payable solely from the moneys received under the Loan Agreement described herein, from the moneys held by the Trustee under the Indenture described herein, and from the other collateral security furnished by the Company as described herein.

The 2011 Bonds are being issued at the request of Buffalo State College Foundation Housing Corporation (the "Company"), a New York not-for-profit corporation and an organization determined by the Internal Revenue Service to be exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Treasury Department promulgated thereunder (the "Code"). See the section captioned "THE COMPANY" herein.

* Preliminary, subject to change

The 2011 Bonds are being issued to pay or reimburse certain costs of, and to refinance certain indebtedness of the Company previously incurred in connection with, a project consisting of the acquisition, construction, equipping and furnishing of an approximately 225,000 square foot student housing complex (sometimes referred to in this Official Statement as the "Student Housing Facility", the "Project" or the "Facility") consisting of three wings of varying heights with approximately 507 beds, together with related infrastructure improvements, located on 3.9 acres of land (the "Land") situated at the corner of Letchworth Street and Grant Street in the City of Buffalo, Erie County, New York and serving students of Buffalo State College (the "College"), a part of the State University of New York ("SUNY") system of higher education. See the sections captioned "THE STUDENT HOUSING FACILITY," "THE COLLEGE" and "STATE UNIVERSITY OF NEW YORK" herein and APPENDIX A hereto. In connection with the development of the Student Housing Facility, SUNY (for and on behalf of the College) leased the Land (the "Leased Premises") to Buffalo State Alumni Association, Inc., a New York not-for-profit corporation (the "Alumni Association") pursuant to a Ground Lease, dated July 1, 2009 (the "Ground Lease"), between SUNY and the Alumni Association. The term of the Ground Lease extends to June 30, 2051, and this term may be extended to June 30, 2059 unless SUNY elects, prior to one year before the expiration of the original term, not to renew the term. The Alumni Association has subleased the Leased Premises to the Company pursuant to a Sublease Agreement, dated as of July 1, 2009 (the "Sublease"), between the Alumni Association and the Company. The Sublease extends for a term ending one day prior to the expiration of the term of the Ground Lease. The Company has constructed the Student Housing Facility on the Leased Premises. Construction of the Student Housing Facility has been substantially completed and the Student Housing Facility is fully assigned for occupancy for the fall 2011 semester of the College. See "THE STUDENT HOUSING FACILITY" herein.

The Company and SUNY (for and on behalf of the College), as Manager (the "Manager"), have entered into a Facility Management Agreement, dated as of July 1, 2009 (the "Facility Management Agreement"). Under the Facility Management Agreement, the Company has appointed the Manager to be the manager of the Student Housing Facility for a term coincident with the term of the Ground Lease. Under the Facility Management Agreement, the Manager agrees, among other things, to cause the College to actively promote and market the Student Housing Facility as an integral part of the overall housing program of the College; to cause the College to establish a schedule of license rates to be charged at the Student Housing Facility sufficient to generate revenues in an amount each year equal to 120% of debt service plus amounts for capital reserves, operating expenses, and certain other expenses and payments; and to cause to be licensed units in the Student Housing Facility to students on a first-priority basis until the Student Housing Facility has attained an occupancy level sufficient to generate revenues sufficient to pay debt service, operating expenses, capital reserves and certain other expenses and payments. See "THE MANAGEMENT AGREEMENT" herein.

In addition, the Company and SUNY (for and on behalf of the College) will enter into an Agreement, dated as of June 1, 2011 (the "SUNY Agreement"), for a term coincident with the term of the Ground Lease, pursuant to which, among other things, SUNY will agree that if at the beginning of the fall or spring semester in any academic year the occupancy of the Student Housing Facility falls below the level that is projected to be necessary to achieve the level of revenues required under the Facility Management Agreement as described above, SUNY will promptly license in its own name those of the unoccupied units in the Student Housing Facility, and pay at such time the then established license rates for the Student Housing Facility, as shall be necessary to achieve the required level of Project Revenues. See "THE SUNY AGREEMENT" herein.

The Issuer and the Company will enter into a Loan Agreement, dated as of June 1, 2011 (the "Loan Agreement"), under which the Company will be obligated to make Loan Payments in amounts sufficient to pay the principal of, premium, if any, and interest on the 2011 Bonds when due. Pursuant to the Indenture, the Issuer will assign and pledge to the Trustee, as security for the payment of the 2011 Bonds and all Additional Bonds issued under the Indenture, all right, title and interest of the Issuer in and to the Loan Agreement, including payments to be made by the Company pursuant to the Loan Agreement (except certain Unassigned Rights including indemnity, payment of fees, and repayment of expenses and advances), and all right, title and interest of the Issuer in and to all money and securities held by the Trustee in any fund or account under the Indenture (other than the Rebate Fund). In order to secure the 2011 Bonds and its obligations under the Loan Agreement, the Company and the Trustee shall enter into a Guaranty Agreement, dated as of June 1, 2011 (the "Guaranty"), under which the Company will unconditionally guarantee the full and prompt payment of debt service on the 2011 Bonds; the Company and the Issuer shall enter into a Leasehold Mortgage and Security Agreement, dated as of June 1, 2011 (the "Leasehold Mortgage"), pursuant to which the Company shall grant to the Issuer (which shall assign to the Trustee) a mortgage

lien on and security interest in its interest in the real and personal property comprising the Student Housing Facility; the Company shall enter into an Assignment of Rents and Leases, dated as of June 1, 2011 (the "Assignment of Rents"), pursuant to which the Company shall assign to the Trustee all rents, residency agreements, leases, subleases, licenses or occupancy agreements with regard to the Student Housing Facility; and the Company and the Trustee shall enter into an Assignment of Agreements, dated as of June 1, 2011 (the "Assignment of Agreements"), pursuant to which the Company shall assign to the Trustee all of its right, title and interest under the SUNY Agreement and the Facility Management Agreement. See "SECURITY FOR THE 2011 BONDS" herein and APPENDIX B hereto.

There follow in this Official Statement and in the Appendices hereto descriptions of the 2011 Bonds and the security for the 2011 Bonds; summaries of certain Bond Documents; descriptions of the Company, the Issuer, the Student Housing Facility, the College and SUNY; a summary of certain Bondholders' risks; and certain other information. These summaries and descriptions do not purport to be complete and are expressly made subject to the further provisions of this Official Statement (including the Appendices hereto) as well as to the exact provisions of the complete documents, which may be obtained from the Trustee or, during the offering period for the 2011 Bonds, from the Underwriter.

THE ISSUER

The Issuer was established as a not-for-profit local development corporation of the State pursuant to the purposes and powers contained within the Act, and pursuant to its certificate of incorporation filed on January 13, 1982, as amended on October 15, 1996, with 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 and to issue its revenue bonds in furtherance of the foregoing.

The Act further authorizes the Issuer to lease and sell any or all of its facilities, to issue bonds and to make loans 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 the revenues and receipts from the lease or sale thereof to secure the payment of such bonds and interest thereon.

The sole member of the Issuer is the County of Erie, New York, acting by and through its County Executive. The Issuer currently has seven (7) directors. The persons currently serving as directors of the Issuer are as follows:

<u>Name</u>	<u>Position</u>
Hon. Chris Collins	Chairperson
Philip C. Ackerman	Director
Philip Corwin	Director
Hon. Byron W. Brown	Director
Hon. Barbara Miller-Williams	Director
Hon. Timothy J. Whalen	Director
Michael Hoffert	Director

The persons currently serving as officers of the Issuer are as follows:

<u>Name</u>	<u>Position</u>
Alfred D. Culliton	Chief Operating Officer
Andrew Schoepich	Treasurer/CFO
John Cappellino	Executive Vice President
David W. Kerchoff	Assistant Treasurer
Karen Fiala	Assistant Treasurer
Shawn M. Griffin	Secretary
Robert G. Murray	Assistant Secretary

THE 2011 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE PAYMENTS MADE BY THE COMPANY UNDER THE LOAN AGREEMENT, FROM THE MONIES HELD BY THE TRUSTEE UNDER THE INDENTURE, AND THE OTHER COLLATERAL SECURITY FURNISHED BY THE COMPANY. THE ISSUER, ITS MEMBER, DIRECTORS AND OFFICERS ARE NOT PERSONALLY LIABLE WITH RESPECT TO THE 2011 BONDS. ACCORDINGLY, NO FINANCIAL INFORMATION WITH RESPECT TO THE ISSUER OR ITS MEMBER, DIRECTORS OR OFFICERS HAS BEEN INCLUDED IN THIS OFFICIAL STATEMENT.

THE ISSUER HAS NO TAXING POWER. THE 2011 BONDS SHALL NEVER CONSTITUTE A DEBT OF THE STATE OR THE COUNTY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE COUNTY OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2011 BONDS, AND NEITHER THE STATE NOR THE COUNTY SHALL BE LIABLE THEREON NOR SHALL THE 2011 BONDS BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE DULY PLEDGED THEREFOR PURSUANT TO THE INDENTURE.

The Issuer has not verified, reviewed or approved, and does not make any representations with respect to, the accuracy or completeness of any of the information set forth in this Official Statement, other than information set forth under "THE ISSUER" and "LITIGATION-The Issuer" herein.

THE COMPANY

The Company is a not-for-profit corporation organized in 2008 under the laws of the State of New York for the purpose of, among other things, supporting the College and Buffalo State College Foundation, Inc. (the "Foundation") by, among other things, providing and maintaining residential and other facilities for the use of students and faculty at the College and obtaining financing to accomplish such purposes. The Internal Revenue Service has determined that the Company is an organization described in Section 501(c)(3) of the Code and is exempt from federal income taxation under Section 501(a) of the Code.

The Company is governed by a seven member board of directors which currently includes the Vice President for Finance and Management of the College, the Vice President for Institutional Advancement of the College, and a member-at-large of the Board of Directors of the Alumni Association.

The development and construction of the Student Housing Facility are the first and only activities undertaken by the Company. The Student Housing Facility and the contract rights of the Company relating thereto constitute the primary assets of the Company, and the revenues from the Student Housing Facility are expected to constitute the primary source of income of the Company.

See APPENDIX A hereto for certain additional information concerning the Foundation and the Company.

THE STUDENT HOUSING FACILITY

The Student Housing Facility consists of an approximately 225,000 square foot apartment style student housing complex consisting of approximately 507 beds, located on the Land at the western edge of the College's

campus at the corner of Letchworth Street and Grant Street in the City of Buffalo, Erie County, New York. The facility consists of three wings of various heights. In keeping with the preferences of today's resident student, each apartment contains four single bedrooms, two full baths, and a full kitchen and living room. The Student Housing Facility has been constructed on land owned by SUNY that has been leased to the Alumni Association pursuant to the Ground Lease and subleased by the Alumni Association to the Company under the Sublease. Construction of the Student Housing Facility began in November 2009 and the facility is now substantially completed, with a certificate of occupancy anticipated to be issued in May 2011. The architect for the project is Cannon Design and the construction manager is LPCiminelli, Inc. The total cost for the design and construction of the Student Housing Facility is approximately \$44,600,000.

The Student Housing Facility is expected to be completed and delivered ahead of schedule in May 2011 and to be open for occupancy by students for the fall 2011 semester of the College. The Student Housing Facility is fully assigned for fall 2011 occupancy.

The College has marketed the Student Housing Facility to current and prospective students through the use of a marketing brochure mailed to all newly accepted students and to incoming transfer students; a postcard mailer sent to parents of current upper division students; a web site; virtual and on-site tours; and posters located throughout the College campus.

Housing rates per student per semester for the Student Housing Facility are expected to be initially \$4,400. Other current housing rates for other student residence facilities at the College range from \$3,169 for a standard double room to \$4,019 for a standard single room to \$3,570 for a Moore Complex double room and \$4,400 for a Moore Complex single room.

Construction of the Student Housing Facility was financed by two series of variable rate bonds and one series of fixed rate bonds, in the aggregate principal amount of \$47,755,000, issued by the Issuer in a private placement on December 31, 2009 (the "Construction Financing"). The 2011 Bonds are being issued to refund the Construction Financing and to pay or reimburse certain remaining costs of the construction and equipping of the Student Housing Facility.

THE COLLEGE

The College is a public, coeducational, residential college located on a 125-acre campus in the City of Buffalo, New York. The College was founded in 1871 as the "Buffalo Normal School" for the purpose of training public school teachers. The College became part of the SUNY system in 1948 and is the largest comprehensive college in the SUNY system. The College's enrollment in the fall of 2010 was 11,695 students (9,788 undergraduate and 1,907 graduate). The College offers 166 undergraduate programs (with 11 honors options) and 62 graduate programs. Total enrollment at the College over the past five years is shown in the table below.

Academic Year,					
<u>Fall:</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Undergraduate	9,314	9,139	9,371	9,822	9,788
Graduate	<u>1,906</u>	<u>1,854</u>	<u>1,863</u>	<u>1,892</u>	<u>1,907</u>
TOTAL	11,220	10,993	11,234	11,714	11,695

More than 2,200 students live on campus at the College in ten residence halls. As many as 275 resident students must be accommodated off-campus each fall semester because of a shortage of on-campus housing. The College anticipates even greater demand for on-campus housing because of planned renovations to four existing dormitory towers and an increased focus on recruiting downstate students. The current campus housing capacity (not taking the Student Housing Facility into account) is comprised of 1000 beds double occupancy/suites; 872 beds double occupancy/corridor; 62 beds single occupancy; 13 beds handicapped-accessible; and 18 beds apartment-style.

Current College housing policy requires first and second-year students residing more than 35 miles from the College to live on campus. The 2013-2023 master plan of the College recommends the demolition of three

outmoded, difficult to renovate residential buildings in the campus core, which will require the replacement of 557 beds in the campus inventory.

For more information about the College, see APPENDIX A hereto.

THE COLLEGE SHALL NOT BE LIABLE OR OBLIGATED (GENERALLY, SPECIALLY, MORALLY OR OTHERWISE) TO PAY THE PRINCIPAL OF THE 2011 BONDS OR THE PREMIUM, IF ANY, OR INTEREST THEREON.

STATE UNIVERSITY OF NEW YORK

SUNY is a corporate entity created within the Education Department of the State of New York and under the State Board of Regents. SUNY has campuses across the entire State. In carrying out its responsibilities and in order to operate and maintain its facilities, SUNY receives moneys from various sources, a substantial portion of which consists of annual appropriation of State funds. The successful maintenance and operation of the facilities of SUNY and the overall financial viability of SUNY are dependent upon the ability and the willingness of the State Legislature to continue making appropriations of State funds in the amounts required for the operation of SUNY. See APPENDIX A hereto for more information concerning SUNY.

SUNY SHALL NOT BE LIABLE OR OBLIGATED (GENERALLY, SPECIALLY, MORALLY OR OTHERWISE) TO PAY THE PRINCIPAL OF THE 2011 BONDS OR THE PREMIUM, IF ANY, OR INTEREST THEREON.

THE MANAGEMENT AGREEMENT

Under the Facility Management Agreement, the Company has appointed SUNY as the Manager of the Student Housing Facility for a term coincident with the term of the Ground Lease. Under the Facility Management Agreement, the Manager agrees to cause to be licensed on behalf of the Company units in the Student Housing Facility to students associated with the College's campus until the occupancy is at a level sufficient to generate aggregate license fees and other charges paid by occupants ("Project Revenues") in an amount that will allow the Company to fund all necessary reserves for the capital repair, replacement, alteration or improvement of the Student Housing Facility ("Capital Reserves"), to pay all operating expenses with respect to the Student Housing Facility ("Operating Expenses"), to make all principal and interest payments on the 2011 Bonds ("Debt Service Payments"), to pay all expenses of the College for staff, utilities and non-capital maintenance and repairs at the Student Housing Facility ("College Expenses"), and to make all other payments required under the Indenture, the Ground Lease, the Sublease and the Loan Agreement (the "Principal Agreements").

Under the Facility Management Agreement, a management committee (the "Management Committee") is created comprised of one member appointed by the Company and two appointed by the Manager acting on behalf of the College. The Management Committee oversees the financial aspects of the Facility and sets general operating policies. The Manager will cause the College, through its housing office, to operate the Student Housing Facility under annual budgets submitted by the College to the Management Committee not later than 210 days prior to the beginning of each academic year.

No later than 210 days prior to the commencement of each academic year, the Manager shall cause the College to establish and submit to the Management Committee a schedule setting forth the license rates to be charged at the facility for such academic year, which rates shall be sufficient at historic occupancy levels to generate aggregate Project Revenues in an amount equal to: (a) 120% of all Debt Service Payments scheduled to become due during such year and (b) the total sum needed by the Company in such year to: (i) fund all Capital Reserves, (ii) pay all Operating Expenses, (iii) pay all non-deferred College Expenses, and (iv) make all other payments required under the Principal Agreements.

As provided in the Facility Management Agreement, subject to applicable law:

(a) The Manager will cause to be licensed on behalf of Company units in the Student Housing Facility to students associated with the College campus who desire, or are required by the College's current or future housing policy to occupy housing on the Campus (the "On-Campus Occupants") until the Student Housing Facility has attained occupancy levels sufficient to generate aggregate Project Revenues in an amount which will allow the Company to fund all Capital Reserves, to pay all Operating Expenses, to make all Debt Service Payments, to pay all College Expenses and to make all other payments required under the Principal Agreements during such academic year. Such licensing shall be on a first priority basis such that the College shall refrain from licensing or entering into any other type of use or occupancy arrangement for any other student housing on the campus for such academic year until the Student Housing Facility reaches the occupancy level required by the preceding sentence. Spaces in the Student Housing Facility shall be made available to the On-Campus Occupants as follows:

Each semester, the Manager acting for and on behalf of the College shall permit all On-Campus Occupants, regardless of classification, to apply for occupancy at the Project (the "Applicants"). Based upon the limited availability of the Student Housing Facility, the Manager acting for and on behalf of the College shall have the right, from time to time, to designate certain Applicants as priority occupants (the "Priority Occupants") based upon criteria established by the College (for example, Priority Occupant designation may be given to Applicants who are graduate students, upperclassmen, transfer students, or students that currently reside in College residence halls). The Manager acting for and on behalf of the College may assign Priority Occupants to the Student Housing Facility prior to assigning Applicants who are not Priority Occupants to the Project.

(b) Student license payments will be assessed and collected by the Manager along with student tuition bills and payments.

(c) Any students delinquent in the payment of their student housing license fees will be precluded by the Manager from registering and the Manager will withhold grade reports and transcripts until payment in full has been made by the particular student.

In addition, the Facility Management Agreement provides that the Manager shall cause the College, through its housing office, to manage, operate and maintain the Project in accordance with the requirements of applicable law. In particular, the Manager shall cause the College, through its housing office, to:

(a) Prepare and submit to the Management Committee at least annually, a marketing program (the "Marketing Program") which shall entail license rates, license terms and marketing strategies.

(b) Supervise the preparation of all advertising layouts, brochures, campaigns and model apartments and ensure compliance of all such items with applicable law.

(c) Prepare and submit to the Management Committee an annual budget, which shall describe in detail all of the revenue and expenses entailed in the operation and maintenance of the Project (including capital repairs, replacements and refurbishments) and the provision of all payments required by or in connection with the 2011 Bonds, the Principal Agreements and the Facility Management Agreement.

(d) Implement the Marketing Program and annual budget (the "Management Plans") as approved by the Management Committee.

(e) Institute monthly reports and accounting systems to accurately reflect the implementation of the Management Plans.

(f) Establish requirements for security deposits, in accordance with the Marketing Program, and collecting, holding, applying and refunding security deposits in accordance with applicable law and terms of each license.

(g) Collect all Project Revenues, which shall, upon receipt by the College, be promptly deposited into the College's cash receivables account, and thereafter promptly remitted without set-off or deduction (in any event no later than two weeks after receipt by the College) to the Company.

(h) Take those steps required by the Indenture to assure that all Operating Expenses and other expenses included in an approved Annual Budget are promptly paid by the Owner out of Project Revenues. As used in this Agreement, the term "Operating Expenses" shall mean the aggregate of the following expenses incurred in connection with or arising from the ownership, operation, management, repair, maintenance, and use or occupancy of the Project: (i) license and permit fees, real estate taxes, assessments and payments in lieu thereof, and any other charges of any kind or nature imposed or assessed against the Project by any governmental authority; (ii) legal, accounting, engineering and other professional and consulting fees and disbursements; (iii) accounts payable to third party contractors and vendors providing labor, material, services and equipment to the Project; (iv) premiums for insurance paid with respect to the Project or the operations thereof; (v) costs of capital maintenance, repairs, reserves and replacements of any equipment dedicated to the Project; (vi) service contracts and public utility charges not supplied by the College to the Project; and (vii) costs of credit reports, bank charges and like matters.

(i) Pay when due all College Expenses, defined to include: (i) all payroll costs for on-site staff of the College including wages, salary, incentive bonuses, holiday and vacation pay, insurance benefits, workers' compensation premiums or allocable costs for self insurance of such matters, pension and health and welfare payments, payroll taxes and other governmental assessments so long as such salary and wage costs and benefits conform to the approved Annual Budget or are otherwise approved in writing by the Company; (ii) any backcharge by the College for or with respect to any utilities supplied by the College to the Project; and (iii) costs of non-capital maintenance and repairs at the Project.

(j) Supervise and cause to be made all capital and non-capital repairs, replacements, alterations, additions, improvements, and decorations necessary to keep the Project in good condition and repair and at its optimum operating efficiency and otherwise as specified in the Management Plans, utilizing, in each instance, contractors retained by the College on behalf of the Company to perform such work.

(k) In general, do all things necessary, proper, or expedient in connection with carrying out the spirit and intent of the Facility Management Agreement with respect to the licensing, management, operations and improvement of the Project.

The Facility Management Agreement provides that each month during the term thereof, the Manager shall cause the College to submit an invoice to the Company for all College Expenses incurred during the preceding month. The Company will cause such invoice to be paid on or before the thirtieth day following receipt to the extent of available Project Revenues after making provisions for the funding of all outstanding Capital Reserves, and the payment of all Operating Expenses, Debt Service Payments and other monetary obligations under the Principal Agreements then due and owing. To the extent that available Project Revenues, after making provisions for the payments referenced in this paragraph, are sufficient to pay any portion of the College Expenses, the Company shall pay such portions of such expenses and damages. If at the time of any such invoice, available Project Revenues, after making provisions for the payments referenced in the preceding sentence, are insufficient to pay all invoiced College Expenses, the amount of such insufficiency shall be deferred on a non-interest bearing basis until such time as the Company accumulates sufficient Project Revenues to pay such outstanding expenses.

The Company may terminate the Facility Management Agreement for cause at any time during the term by giving to the College and the Manager notice that the Agreement shall cease immediately upon the receipt of such notice. Termination for cause shall consist of the Manager's or the College's (or the Manager's or the College's employees) gross negligence, willful misconduct, malfeasance or fraud. In the event of breach of contract, the Company shall give the Manager notice of such breach and an opportunity to cure the breach within thirty (30) days after the receipt of such notice. If such breach shall continue following such thirty (30) day period, such breach shall constitute grounds for termination for cause.

THE SUNY AGREEMENT

The SUNY Agreement provides that if at the beginning of the fall or spring semester in any academic year during the term thereof occupancy of the Project falls below the level necessary to achieve the level of Project Revenues required under the Facility Management Agreement, including, but not limited to 120% of all Debt Service Payments scheduled to become due and payable during that academic year, measured as of the last day of the calendar month preceding the beginning of the fall or spring semester, as the case may be, SUNY will promptly

license in its own name those of the unoccupied units in the Project, and pay at such time the then established license rates for the Project, as shall be necessary to achieve the required level of Project Revenues.

As provided in the SUNY Agreement, upon determination by the Company that occupancy at the Project for any fall or spring semester during the term thereof shall be at a level below that which is required under the terms of the Facility Management Agreement, the Company will within three (3) business days thereafter notify SUNY whereupon SUNY will promptly enter into a license agreement based upon the Company's then current form of student license under which SUNY shall license those portions of the unoccupied units in the Project, provided, however, that notwithstanding any terms and conditions in such license which prohibit subletting or sublicensing, SUNY shall have the unfettered right to sublet or sublicense any such units on such terms and conditions as SUNY shall in its sole discretion determine. Such license shall obligate SUNY to perform all obligations with respect to such units in the manner specified in such license, even if such units are later sublet or sublicensed, including, without limitation, payment of license fees and any other sums due under the license at the times and in matter set forth therein.

THE GROUND LEASE AND THE SUBLEASE

Under the Ground Lease, SUNY has leased the Land to the Alumni Association for a term ending on June 30, 2051, which term may be extended to June 30, 2059 unless SUNY elects, prior to one year before the expiration of the original term, not to renew the term. The rent under the Ground Lease is one dollar per year. The Ground Lease requires the Alumni Association to cause the Company to construct, operate and maintain the Student Housing Facility on the Land, and requires the Alumni Association to cause the Company to enter into the Facility Management Agreement with SUNY. The Ground Lease expressly requires that the use of the Leased Premises shall be limited to the purposes of constructing, developing or operating student housing and such attendant uses as are commonly carried out at SUNY campuses in similar student housing facilities. The Alumni Association agrees in the Ground Lease that any lease, assignment, sublease, foreclosure sale, leasehold mortgage, or any other agreement relating to an interest in the Leased Premises shall be subject to this condition and to all of the terms and conditions of the Facility Management Agreement.

An event of default under the Ground Lease includes the bankruptcy, insolvency or receivership of the Alumni Association and the default by the Alumni Association in fulfilling any of the material covenants or agreements of the Ground Lease, which material default continues for 30 days after notice from SUNY. No event of default is deemed to occur if the reason for such default is the failure by SUNY to perform any obligation as manager under the Facility Management Agreement. Upon the occurrence of an event of default under the Ground Lease, SUNY may give the Alumni Association a 60-day notice of its intention to terminate the Ground Lease and the Ground Lease will terminate at the expiration of such 60-day period if the event of default still exists.

Under the Ground Lease, the Company, as subtenant of the Alumni Association, has the right with the prior written consent of SUNY to mortgage its interest under the Sublease to a leasehold mortgagee (the "Subleasehold Mortgagee"). The Subleasehold Mortgagee has the right to receive notices of default under the Ground Lease and an additional grace period of 30 days to cure defaults. SUNY agrees that it will take no action to terminate the Ground Lease upon an event of default without giving the Subleasehold Mortgagee reasonable time within which to either obtain possession of the Leased Premises and cure such default or to institute foreclosure proceedings and complete such foreclosure or otherwise acquire the interest of the Company under the Sublease. Also, in the event of termination of the Ground Lease prior to its stated expiration date, and provided the Subleasehold Mortgagee has paid all rent then due and the new lessee agrees to diligently proceed to cure all other defaults capable of being cured by it, SUNY will enter into a new lease with the Subleasehold Mortgagee or its designee upon the same terms. Under the Ground Lease, SUNY reserves the right to approve (such approval not to be unreasonably withheld, conditioned or delayed) any sublessee, or any party which succeeds to the interest of the Company's in the leased premises, by reason of a foreclosure, by reason of a cure of any event of default or by reason of any other means, to ensure that the leased premises are used for the exclusive purpose of developing, constructing and operating student housing.

Under the Sublease, the Alumni Association subleases the Leased Premises to the Company for a term ending one day prior to the end of the term of the Ground Lease. The Company agrees to comply with and be bound by all of the terms, covenants, promises and conditions of the Ground Lease. An event of default under the Sublease

includes the occurrence of a default under the Ground Lease caused by the Company; failure by the Company to observe or perform the covenants of the Sublease and the continuance of such default for 20 days after written notice; or bankruptcy, insolvency, dissolution, merger or transfer of substantially all of the assets of the Company. Upon the occurrence of any such event of default, the Alumni Association may terminate the Sublease.

PLAN OF FINANCE

The proceeds of the 2011A Bonds will be applied to redeem the entire outstanding principal balance of that portion of the Construction Financing constituting tax-exempt bonds, to pay or reimburse certain remaining costs of the construction and equipping of the Student Housing Facility, and to pay a portion of the costs of issuance of the 2011A Bonds. The proceeds of the 2011B Bonds will be applied to redeem the entire outstanding principal balance of that portion of the Construction Financing constituting taxable bonds, together with a portion of the costs of issuance of the 2011 Bonds.

ESTIMATED SOURCES AND APPLICATION OF FUNDS

The estimated sources and application of funds in connection with the issuance of the 2011 Bonds are anticipated to be as follows:

SOURCES OF FUNDS

Par Amount of 2011 Bonds	\$
[Less] [Plus] Original Issue [Discount] [Premium]	()
TOTAL SOURCES	\$ _____

USES OF FUNDS

Redemption of Construction Financing	\$
Construction Fund	
Costs of Issuance**	
TOTAL USES	\$ _____

** Includes Underwriter’s discount, legal fees, trustee fees, printing costs, rating fees and miscellaneous expenses.

THE 2011 BONDS

General

The 2011A Bonds are authorized to be issued in the aggregate principal amount of \$45,175,000* and the 2011B Bonds are authorized to be issued in the aggregate principal amount of \$410,000*. The 2011 Bonds are to be dated the date of issuance and are to bear interest payable semiannually on April 1 and October 1 of each year, commencing April 1, 2012, at the rates per annum, according to years of maturity, as set forth on the inside front cover hereof. The 2011 Bonds are to mature on October 1 of the years and in the principal amounts set forth on the inside front cover hereof, and will be subject to redemption prior to maturity, including optional redemption, extraordinary redemption and mandatory redemption, as applicable, as set forth below under “Redemption Prior to Maturity.”

* Preliminary, subject to change

Interest payable on each Interest Payment Date for the 2011 Bonds is to be paid to the persons in whose names the 2011 Bonds are registered on the bond register maintained by the Trustee (sometimes referred to herein as the "Holders") on the 15th calendar day of the month (regardless of whether such day is a Business Day) immediately preceding the relevant Interest Payment Date, or, in certain events, if payment of the 2011 Bonds is not deposited with the Trustee on or before any such Interest Payment Date, to the Holders at the close of business on a Special Record Date established by the Trustee, notice of which shall have been mailed to all Owners not less than 15 days prior to such date.

The 2011 Bonds are to be issued in the form of fully registered 2011 Bonds, without coupons, each in minimum denominations of \$5,000 and integral multiples thereof. Each 2011 Bond shall be transferable only on the books of the Issuer as maintained by the Trustee in its capacity as bond registrar, upon surrender thereof at the designated office of the Trustee, together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or his attorney duly authorized in writing. Upon the transfer of any registered 2011 Bond, the Issuer shall issue in the name of the transferee a new registered 2011 Bond or 2011 Bonds, of the same series, aggregate principal amount, maturity and rate of interest as the surrendered 2011 Bond.

The Issuer, the Trustee and any paying agent may deem and treat the Person in whose name any 2011 Bond shall be registered upon the books of the Issuer as the absolute owner thereof, whether such 2011 Bond shall be overdue or not for the purpose of receiving payment of the principal or redemption price of and interest on such 2011 Bond and for all other purposes. All such payments so made to any such Owner or upon his order shall be valid and effectual to satisfy and discharge the liability of the Issuer upon such 2011 Bond to the extent of the sum or sums so paid. Neither the Issuer, the Trustee nor any paying agent shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging or transferring 2011 Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver 2011 Bonds in accordance with the provisions of the Indenture. For every exchange or transfer of Bonds, whether temporary or definitive, the Issuer or the Trustee may make a charge sufficient to reimburse it for (i) any tax, fee or other governmental charge required to be paid with respect to the delivery of definitive 2011 Bonds in exchange for temporary 2011 Bonds, (ii) the reasonable cost of preparing each new 2011 Bond, and (iii) any other expenses of the Issuer or the Trustee incurred in connection therewith.

Neither the Issuer nor the Trustee shall be obligated to exchange or transfer any 2011 Bond during the ten (10) days next preceding (i) principal or interest payment date or (ii) in the case of any proposed redemption of 2011 Bonds, the date of the first mailing of notice of such redemption.

In the event any 2011 Bond is mutilated, lost, stolen or destroyed, the Trustee will authenticate a new 2011 Bond in accordance with the provisions of the Indenture, and the Trustee may charge the owner of such 2011 Bond with its reasonable fees and expenses in connection therewith and require indemnity reasonably satisfactory to the Trustee.

Redemption Prior to Maturity

Optional Redemption of 2011A Bonds. The 2011A Bonds maturing on or after October 1, _____, are subject to redemption at the option of the Company, in whole or in part at any time on or after April 1, _____, at the par amount of the 2011A Bonds to be redeemed, without premium, plus accrued interest to the Redemption Date.

Mandatory Sinking Fund Redemption of 2011A Bonds. The 2011A Bonds are subject to scheduled mandatory sinking fund redemption pursuant to the operation of the mandatory sinking fund, as provided for in the Indenture, from payments to be made by the Company under the Loan Agreement, as follows:

The 2011A Bonds maturing on October 1, _____ shall be subject to redemption on October 1 of each year, and in the principal amounts each year, as set forth below, at a Redemption Price equal to their principal amount plus accrued interest to the Redemption Date.

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

\$

*

* Maturity

The 2011A Bonds maturing on October 1, _____ shall be subject to redemption on October 1 of each year, and in the principal amounts each year, as set forth below, at a Redemption Price equal to their principal amount plus accrued interest to the Redemption Date.

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

\$

*

* Maturity

Extraordinary Redemption. The 2011 Bonds are subject to redemption prior to maturity (1) as a whole, without premium, in the event of (i) a taking in Condemnation of, or failure of title to, all or substantially all of the Project, (ii) damage to or destruction of part or all of the Project and the election by the Company to redeem the 2011 Bonds, or (iii) a taking in Condemnation of part of the Project and election by the Company to redeem the 2011 Bonds; (2) as a whole, without premium, in the event that any court or administrative body shall enter a judgment or decree requiring the Company to cease all or any substantial part of its operations at the Project; or (3) in part, without premium, in the event that (i) excess moneys remain in the Insurance and Condemnation Fund established under the Indenture following damage or Condemnation of a portion of the Project and completion of the repair, rebuilding or restoration of the Project by the Company, and (ii) such excess moneys are not paid to the Company. In any such event, the 2011 Bonds shall be redeemed, as a whole or in part, as the case may be, in the manner provided in the Indenture, on the earliest practicable date for which the Trustee can give notice of redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the Redemption Date, without premium.

Notice of and Procedures for Redemption. In the event of any partial redemption, the particular 2011 Bonds or portions thereof to be redeemed shall be selected by the Trustee not more than sixty (60) days prior to the Redemption Date in inverse order of maturity, and within each maturity by lot or by such other method as the Trustee shall deem fair and appropriate. The Trustee shall apply any partial redemption payments made with respect to any 2011 Bonds subject to mandatory sinking fund installments to the schedule of mandatory sinking fund installments for such 2011 Bonds in inverse order of maturity. Further, the Trustee may provide for the selection of redemption of portions (equal to \$5,000 or any integral multiple of \$5,000 in excess thereof) of 2011 Bonds. In no event shall the principal amount of 2011 Bonds subject to any partial redemption be other than a whole multiple of

\$5,000. When 2011 Bonds are to be redeemed, the Trustee shall give written notice to the Bondowners in the name of the Issuer, which notice shall identify the 2011 Bonds to be redeemed, state the date fixed for redemption and specify the office of the Trustee at which such 2011 Bonds will be redeemed. The notice shall further state that on such date there shall become due and payable upon each 2011 Bond to be redeemed the Redemption Price thereof together with interest accrued to the Redemption Date, and that moneys therefor having been deposited with the Trustee, from and after such date, interest thereon shall cease to accrue and that the 2011 Bonds or portions thereof called for redemption shall cease to be entitled to any benefit under the Indenture except the right to receive payment of the Redemption Price, together with interest accrued to the Redemption Date. All such notices shall be given not less than thirty (30) days prior nor more than sixty (60) days prior to the date fixed for redemption. Failure to mail notice to a particular Bondowner, or any defect in the notice to such Bondowner, shall not affect the redemption of any other 2011 Bond. If at the time of mailing of notice of any optional redemption there shall not have been deposited moneys in the Bond Fund available for payment sufficient to redeem all the 2011 Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of the redemption moneys in the Bond Fund available for payment not later than the opening of business on the Redemption Date, in which case such notice shall be of no effect unless moneys are so deposited.

Book-Entry Only System

Unless otherwise noted, the following description of the procedures and record keeping with respect to beneficial ownership interests in the 2011 Bonds, payment of interest and other payments on the 2011 Bonds to Participants or Beneficial Owners (as such terms are defined below) of the 2011 Bonds, confirmation and transfer of beneficial ownership interests in the 2011 Bonds and by and between DTC, Participants and Beneficial Owners of the 2011 Bonds is based solely on information furnished by DTC. Accordingly, the Issuer, the Company, and the Underwriter do not and cannot make any independent representations concerning these matters.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the 2011 Bonds. The 2011 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity (and, if appropriate, each fixed interest rate within a maturity) of each separate series of the 2011 Bonds, 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 State’s banking law (the “Banking Law”), a “banking organization” within the meaning of the Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the State’s Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. 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 2011 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2011 Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2011 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic

statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2011 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 2011 Bonds, except in the event that use of the book-entry system for the 2011 Bonds is discontinued.

To facilitate subsequent transfers, all 2011 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 2011 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 2011 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2011 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the 2011 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2011 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Company 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 2011 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the 2011 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 Trustee, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of 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 depository with respect to the 2011 Bonds at any time by giving reasonable notice to Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2011 Bond certificates are required to be printed and delivered.

The Company may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2011 Bond certificates will be printed and delivered to DTC.

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

Use of Certain Terms in Other Sections of the Official Statement. In reviewing this Official Statement, it should be understood that while the 2011 Bonds are in the Book-Entry System, references in other sections of this Official Statement to Owners of the 2011 Bonds or Bondholders shall refer to Cede & Co., as nominee of DTC, and should be read with the understanding that (a) all rights of the Beneficial Owners must be exercised through DTC and the Book-Entry System and (b) notices that are to be given to Holders by the Trustee will be given only to DTC.

DTC will forward (or cause to be forwarded) the notices to the Direct Participants by its usual procedures so that the Direct Participants may forward (or cause to be forwarded) such notices to the Beneficial Owners.

SECURITY FOR THE 2011 BONDS

Limited Obligations

THE 2011 BONDS SHALL NEVER BE A DEBT OF THE STATE OF NEW YORK, THE COUNTY OF ERIE OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE STATE OF NEW YORK, THE COUNTY OF ERIE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON. NONE OF THE STATE OF NEW YORK, THE COUNTY OF ERIE OR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK, THE COUNTY OF ERIE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF, THE PRINCIPAL OR REDEMPTION PRICE, IF ANY, OF OR INTEREST ON, THE 2011 BONDS. THE 2011 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE ISSUER PLEDGED UNDER THE INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE INDENTURE FOR THE PAYMENT OF THE 2011 BONDS. THE 2011 BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

Trust Estate

Under the Indenture, the Issuer assigns and pledges to the Trustee, and grants to the Trustee a security interest in, for the benefit of the owners and future owners of the Bonds issued under the Indenture, (A) all right, title and interest of the Issuer in and to the Loan Agreement (except for the Unassigned Rights expressly retained by the Issuer), the present and continuing right to make claim for, collect, receive and receipt for any of the Pledged Revenues and other sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Loan Agreement or the Indenture (except for amounts payable to the Issuer with respect to Unassigned Rights), the exclusive right to bring actions and proceedings thereunder or for the enforcement thereof (except as otherwise specifically provided with respect to Unassigned Rights), the right to grant consents and waivers and to enter into amendments and to do any and all things which the Issuer is or may become entitled to do thereunder; (B) all right, title and interest of the Issuer in and to all moneys and securities held by the Trustee under the terms of the Indenture or credited to any fund or account established thereunder (except moneys and securities in the Rebate Fund); (C) any and all other property of every name and nature from time to time by delivery or by writing of any kind given, granted, sold, conveyed, mortgaged, pledged, assigned or transferred, or as to which a Lien is granted, as and for additional security under the Indenture by the Issuer or by anyone on its behalf or with its written consent or by the Company, subject to the Unassigned Rights, in favor of the Trustee; and (D) any and all proceeds (including real property) acquired by the Issuer or the Trustee as a result of the exercise of any remedies under the Loan Agreement or the other security documents.

Loan Agreement

Under the Loan Agreement, the Company shall agree to pay to the Trustee, on the tenth day preceding a principal or interest payment date for the 2011 Bonds, an amount sufficient to pay the principal of and interest on the 2011 Bonds on such payment date. The obligations of the Company to make payments under the Loan Agreement are absolute and unconditional. See APPENDIX B hereto.

Security Interest in Gross Revenues

Under the Loan Agreement and the Leasehold Mortgage, as security for the payment of all liabilities and the performance of all obligations of the Company pursuant thereto, the Company pledges, grants a Lien on and assigns to the Issuer the Gross Revenues, together with the Company's right to receive and collect the Gross Revenues and the proceeds of the Gross Revenues. The Company covenants that, except in connection with the issuance of Additional Bonds pursuant to the Indenture, it shall not create or permit the creation of any Lien in or other commitment of or with respect to the Gross Revenues or the Project. For purposes of the Lien granted by the

Company, "Gross Revenues" is defined to mean all Project Revenues, issues, profits, revenues, income, receipts, moneys and royalties derived from all license, lease or rental arrangements for dormitory rooms in the Project, operating revenues and gains from or relating to the Project, determined in accordance with generally accepted accounting principles, including Federal or State grant or other programs, insurance and condemnation payments and awards and amounts received under the SUNY Agreement and Facility Management Agreement, and also including investment income on all funds and accounts (except the Rebate Fund) held by the Trustee under the Indenture, and all proceeds thereof and rights to receive the same, but excluding (i) any Restricted Gift, or (ii) any income derived from the investment of any such Restricted Gift.

Leasehold Mortgage; Assignment of Rents

Under the Leasehold Mortgage, the Company grants to the Issuer a first priority mortgage lien on all of its right, title and interest in and to the real and personal property comprising the Student Housing Facility, including its leasehold interest under the Sublease. The Issuer shall assign its rights under the Leasehold Mortgage to the Trustee.

Under the Assignment of Rents, the Company assigns to the Trustee all rents, issues, fees, sums, amounts, profits and, to the extent permitted by law, security deposits of and from the Student Housing Facility, and all residency agreements, leases, subleases, licenses or occupancy agreements of all or part of the Student Housing Facility. See APPENDIX B hereto.

Indenture Funds

The Trustee will establish various funds and accounts under the Indenture. Pursuant to the Loan Agreement, the Company agrees to collect the Gross Revenues and transfer them to the Trustee for deposit to the Pledged Revenue Fund.

Except as otherwise provided in the Indenture, on September 25 (or if not a Business Day, the next succeeding Business Day) and March 25 (or if not a Business Day, the next succeeding Business Day), commencing September 25, 2011 (each such date being referred to as a "Transfer Date"), the Trustee will withdraw moneys from the Pledged Revenue Fund and transfer them to the following funds in the following order of priority:

FIRST, to the Rebate Fund to pay any Rebate Amount then owing;

SECOND, commencing with the Transfer Date on March 25, 2012 (there being no transfer to the Bond Fund on the first Transfer Date) (a) to the Interest Account of the Bond Fund, until there is on deposit therein amounts sufficient to fund the next succeeding Debt Service Payment attributable to interest on the 2011 Bonds; and (b) to the Principal Account of the Bond Fund, until there shall be on deposit therein amounts sufficient to fund one-half of the next succeeding Debt Service Payment attributable to principal on the 2011 Bonds;

THIRD, to the Repair and Replacement Fund Requirement an amount equal to one-half of the amount of the Repair and Replacement Fund Requirement allocable to such Fiscal Year (together with an amount equal to any amount withdrawn from the Repair and Replacement Fund and not previously replenished). Once an amount equal to the full Repair and Replacement Fund Requirement has been deposited into the Repair and Replacement Fund (which amount is \$4,600,000), no further funds shall be transferred into the Repair and Replacement Fund pursuant to this clause THIRD;

FOURTH, to the Operation and Maintenance Fund until there is on deposit therein an amount equal to one-half of the budgeted Operating Expenses for the current Fiscal Year; and

FIFTH, after the Fiscal Year ending June 30, 2017, to the Repair and Replacement Fund any amount necessary to fully fund such Fund at the Repair and Replacement Fund Requirement.

On April 15 of each Fiscal Year, the Trustee shall transfer all remaining amounts on deposit in the Pledged Revenue Fund to the Surplus Fund. See "APPENDIX B – CERTAIN DEFINITIONS AND DOCUMENT SUMMARIES".

Guaranty

Pursuant to the Guaranty, the Company irrevocably guarantees to the Trustee the full and prompt payment of principal of and interest and premium, if any, due on the 2011 Bonds and all other sums payable by the Issuer to the Trustee under any Bond Documents when and as the same shall become due.

Assignment of Agreements

Under the Assignment of Agreements, the Company assigns to the Trustee all of its rights under the Facility Management Agreement and the SUNY Agreement.

Financial Covenants

Under the Loan Agreement, the Company agrees that it shall cause the Project to maintain at all times while the Bonds remain Outstanding a Debt Service Coverage Ratio of 1.10 to 1.00. In addition, the Company agrees in the Loan Agreement that so long as any of the Bonds shall remain Outstanding, the Company shall not, nor shall it permit any subsidiary to, directly or indirectly, create, assume, incur or in any manner become or remain liable in respect to, any Indebtedness secured by the Project or the Gross Revenues, or create, assume, incur or suffer to exist or allow to be created, assumed or incurred or suffered to exist any Lien upon any of the Project or the Gross Revenues, now owned or hereafter acquired, excepting, however, Permitted Encumbrances. See APPENDIX B hereto.

The Company has estimated that all initial rates, revenues and expenses of the Project, together with anticipated future increases to such variables, will allow the Project to be self-supporting. The Company has projected revenues and expenses when planning the Project to achieve a Debt Service Coverage Ratio in excess of 1.25 to 1.00. Furthermore, the Company estimates that the Debt Service Coverage Ratio will range between 1.30 to 1.00 and 1.60 to 1.00 during the first five years of operation, but no assurances can be given that such estimated results will actually be achieved.

DEBT SERVICE REQUIREMENTS FOR THE 2011A BONDS

<u>Fiscal Year</u> <u>(June 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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DEBT SERVICE REQUIREMENTS FOR THE 2011B BONDS

<u>Fiscal Year (June 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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CERTAIN BONDHOLDERS' RISKS

General

AN INVESTMENT IN THE 2011 BONDS INVOLVES CERTAIN RISKS AND EACH INVESTOR SHOULD CONSIDER THE RISKS INVOLVED TO DETERMINE THE SUITABILITY OF INVESTING IN THE 2011 BONDS. Each prospective investor should also carefully examine this Official Statement and his or her own financial condition (including the diversification of his or her investment portfolio) in order to make a judgment as to whether the 2011 Bonds are an appropriate investment.

The Company has identified and summarized below a number of "Bondholders' Risks" that could adversely affect the operation of the Project and/or the 2011 Bonds which should be considered by prospective investors. The following discussion is not intended to be exhaustive, but includes certain major factors which should be considered along with other factors set forth elsewhere in this Official Statement, including the Appendices hereto.

If the Company is unable to generate sufficient revenues from the operation of the Student Housing Facility to pay its operating expenses and principal of and interest on the 2011 Bonds, an event of default will occur under the Bond Documents. Upon such an event of default, the 2011 Bonds may be paid before maturity or applicable Redemption Dates. The Company's ability to generate revenues and its overall financial condition may be adversely affected by a wide variety of future events and conditions including (i) a decline in the enrollment of the College, (ii) increased competition from other schools or student housing facilities, (iii) loss of accreditation of the College's programs, (iv) failure of the College to meet applicable federal guidelines or some other event which results in students of the College being ineligible for federal financial aid, and (v) the overall financial viability of SUNY and the ability and willingness of the State Legislature to continue making appropriations of State funds in the amounts required for the operation of SUNY. See APPENDIX A hereto for more information concerning SUNY.

Limited Obligations of the Issuer

The 2011 Bonds constitute special limited obligations of the Issuer and have two potential sources of payment. The sources of payment are as follows:

- (1) Loan Payments received by the Trustee from the Company pursuant to the terms of the Indenture and the Loan Agreement.

The Issuer has no obligation to pay the 2011 Bonds except from the Trust Estate assigned and pledged under the Indenture, including Loan Payments derived from the Loan Agreement. The 2011 Bonds are special limited obligations of the Issuer, are not a debt of the County of Erie, the State of New York or any political subdivision thereof and are payable solely from the sources referred to in the 2011 Bonds as described herein. Neither the general credit of the Issuer nor the credit or taxing power of the County of Erie, the State of New York or any political subdivision thereof is pledged to the payment of the principal or Redemption Price of, or interest on, the 2011 Bonds. The Issuer has no taxing power. Under the Loan Agreement, the Company will be required to make Loan Payments to the Trustee, as the assignee of the Issuer, in amounts sufficient to enable the Trustee to pay the principal of, premium, if any, and interest on the 2011 Bonds. The Loan Payments are anticipated, however, to be derived solely from the operation of the Project. Furthermore, the Company's ability to meet its obligations under the Loan Agreement will depend upon achieving and maintaining certain occupancy levels at the Student Housing Facility throughout the term of the 2011 Bonds. However, no assurance can be made that the Company will

generate sufficient revenues from the Project to pay maturing principal of, premium, if any, and interest on the 2011 Bonds when due after payment of operating expenses of the Student Housing Facility.

- (2) Proceeds realized from the sale or lease of Company's interest in the Student Housing Facility to a third party by the Trustee at or following foreclosure by the Trustee of the Leasehold Mortgage and proceeds realized from the liquidation of other security for the 2011 Bonds.

Debtors frequently employ defensive measures, such as protracted litigation and bankruptcy proceedings, in response to lenders' efforts to foreclose on real property or otherwise to realize upon collateral to satisfy indebtedness which is in default. Such defensive measures can prevent, or greatly increase the expense and time involved in achieving, such foreclosure or other realization. In addition, the Trustee could experience difficulty in selling or leasing the real and personal property portion of the Student Housing Facility upon foreclosure due to the special purpose nature of a student housing facility, and the proceeds of such sale may not be sufficient to pay fully the owners of the 2011 Bonds. See "CERTAIN BONDHOLDERS' RISKS - Liquidation of Security may not be Sufficient in the Event of a Default" herein. Accordingly, prospects for uninterrupted payment of principal and interest on the 2011 Bonds in accordance with their terms are largely dependent upon the Loan Payments described in paragraph (1) above, which are wholly dependent upon the success of the Project. Even if the Project is operating in an efficient manner, other factors could affect the Company's ability to make Loan Payments under the Loan Agreement.

Moreover, subject to the terms of the Loan Agreement, the Company also may become engaged in other ventures in the future. If losses are experienced in such other future ventures, the Company might default in payments under the Loan Agreement, regardless of the successful operation of the Project. The filing by, or against, the Company for relief under the United States Bankruptcy Code (the "Bankruptcy Code") in connection with any other project may have an adverse effect on the ability of the Trustee and Bondholders to enforce their claim or claims to the security granted by the Indenture and the Leasehold Mortgage which secure the Project, and their claim or claims to moneys owed them as unsecured claimants, if any. Such a filing would generally operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Company and its property and as an automatic stay of any act or proceeding to enforce a lien against such property, which may include the Project even though the Project is not pledged to secure any other indebtedness. Further, once a bankruptcy court has acquired jurisdiction over the Company in connection with this Project or any other project or venture, such court would likely have the ability to exercise its jurisdiction generally in respect of the Company and its assets, including the Project and any other project.

Limited Resources of the Company

Other than its ownership of the Student Housing Facility, the Company has no substantial revenues or assets. Therefore, timely payment of principal of, premium, if any, and interest on the 2011 Bonds will be dependent upon the Company's ability to generate revenues from the Project sufficient to pay its operating expenses and Loan Payments under the Loan Agreement. If after payment of operating expenses, net revenues are insufficient to pay the debt service on the 2011 Bonds, the Company likely will have no moneys or assets other than the Project from which to make the payments required under the Loan Agreement.

No Recourse Against the College or SUNY

Neither the College nor SUNY will be liable for the payment of the principal of, premium, if any, or interest on the 2011 Bonds, nor shall the College or SUNY be responsible or liable for any other obligations of the Company, except as may otherwise be expressly stated herein, under the Loan Agreement or any of the other Bond Documents, either as principal or guarantor.

Liquidation of Security may not be Sufficient in the Event of a Default

The Project is specifically designed and constructed as a student housing facility, is located on the campus of the College, and may not be suitable for other uses. The Ground Lease restricts the use of the Leased Premises to the operation of a student housing facility subject to the Facility Management Agreement. Under the Ground Lease, SUNY reserves the right to approve any party which succeeds to the interest of the Company's in the Leased

Premises, by reason of a foreclosure, by reason of a cure of any event of default or by reason of any other means, to ensure that the Leased Premises are used for the exclusive purpose of developing, constructing and operating student housing. The number of entities that could be expected to purchase or lease the Company's interest in the Student Housing Facility is therefore limited, and thus the ability of the Trustee to realize funds from the sale or lease of such interest upon an event of default may be limited. Such value may be also limited by actual or alleged rights of residents. Any foreclosure proceeding may be subject to substantial delays. In addition, the Leasehold Mortgage is on the Company's subleasehold interest in the Project rather than fee simple title to the Project. The term of the Ground Lease (and the Sublease) extends to 2051, but the Ground Lease (and the Sublease) could be terminated under certain circumstances prior to the final maturity of the 2011 Bonds and such termination will extinguish the Company's interest in the Student Housing Facility. The ability of the Trustee to receive funds sufficient to pay the 2011 Bonds from any sale or foreclosure of the Company's leasehold interest in the Project may be limited by a number of factors, including the limited operational use of the Project as a student housing facility and the fact that the purchaser of such interest may control the Project only for a limited period of time.

Required Occupancy Levels and Rents

In order for the Company to generate sufficient revenues to enable it to make Loan Payments under the Loan Agreement at the times required under the Loan Agreement, the Project must meet certain assumed occupancy levels and achieve certain assumed rents during each academic school year. There can be no assurance, however, that the Project will be able to meet and maintain such required occupancy and rent levels during any academic school year.

Special Use Nature of the Project

The Student Housing Facility has been constructed to serve as a student housing facility and is located on the campus of the College. If it were necessary to sell the Company's interest in the Sublease pursuant to the Leasehold Mortgage upon an event of default, the special use nature of the Project as a student housing facility, its location and the fact that the interest to be sold is in the nature of a leasehold interest and subject to the terms of the Ground Lease, the Facility Management Agreement and the Sublease may limit the purchase price that could be obtained, and the net proceeds received may be less than the principal amount of 2011 Bonds Outstanding. For all practical purposes, payment of the 2011 Bonds will be almost solely dependent upon the continued operation of the Student Housing Facility as housing for students of the College.

Clean-up Costs and Liens under Environmental Statutes

There are potential risks relating to environmental liability associated with the ownership or operation of, or secured lending with respect to, any real property. If hazardous substances are found to be located on real property, owners or operators of, or secured lenders regarding, such property may be held liable for costs and other liabilities relating to such hazardous substances on a strict liability basis. In the event of repossession, purchase or participation in the management of the Project by the Trustee or the Bondholders, the Trustee and/or the Bondholders may be held liable for costs and other liabilities relating to hazardous substances, if any, on the site of the Project on a strict liability basis and such costs might exceed the value of such property.

The Company is not aware of any enforcement actions currently in process with respect to any releases of pollutants or contaminants at the site of the Project. However, there can be no assurance that an enforcement action or actions will not be instituted under such statutes at a future date. In the event such enforcement actions were initiated, the Company could be liable for the costs of removing or otherwise treating pollutants or contaminants located at the Project. In addition, under applicable environmental statutes, in the event an enforcement action were initiated, a lien superior to the Trustee's lien on behalf of the Bondholders could attach to the Project, which would adversely affect the Trustee's ability to realize value from the disposition of the Company's interest in the Project upon foreclosure of the Leasehold Mortgage. Furthermore, in determining whether to exercise any foreclosure rights with respect to the Project under the Leasehold Mortgage, the Trustee and the Bondholders would need to take into account the potential liability of any tenant of the Project, including a tenant by foreclosure, for clean-up costs with respect to such pollutants and contaminants.

Pledge, Assignment, and Grant of Security Interest in Future Revenues

Under the Loan Agreement and the Leasehold Mortgage, the Company shall grant to the Issuer (which shall assign to the Trustee) a lien on and security interest in the Gross Revenues and all other personal property of the Company relating to the Student Housing Facility. Nevertheless, certain interests and claims of others may be on a parity with or prior to the pledge, assignment, and grant of a security interest made in the Loan Agreement and/or the Leasehold Mortgage and in the Indenture and certain statutes and other provisions may limit the Company's right to make such pledges, assignments, and grants of security interests. Examples of such claims, interests, and provisions are:

- (1) statutory liens;
- (2) rights arising in favor of the United States of America or any agency thereof;
- (3) present or future prohibitions against assignment contained in any federal statutes or regulations;
- (4) the New York Uniform Commercial Code may not recognize a security interest in future revenues derived from the Project;
- (5) Permitted Encumbrances;
- (6) any parity or subordinated lien permitted under the Loan Agreement;
- (7) constructive trusts, equitable liens, or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction;
- (8) federal bankruptcy laws as they affect amounts earned with respect to the Project after any effectual institution of bankruptcy proceedings by or against the Company or the Issuer;
- (9) as to those items in which a security interest can be perfected only by possession, including items converted to cash, the rights of third parties in such items not in the possession of the Trustee;
- (10) items not in possession of the Trustee, the records to which are located or moved outside the State of New York, which are thereby not subject to or are removed from the operation of the State of New York; and
- (11) the requirement that appropriate continuation statements be filed in accordance with the New York Uniform Commercial Code as from time to time in effect.

Enforceability of Remedies

The 2011 Bonds are payable from the Trust Estate pledged under the Indenture, including payments to be made under the Loan Agreement and the proceeds of the collateral security pledged to secure the 2011 Bonds. See "SECURITY FOR THE 2011 BONDS" herein. The practical realization of value upon any default will depend upon the exercise of various remedies specified by the Bond Documents. These and other remedies may, in many respects, require judicial actions, which are often subject to discretion and delay. Under existing law (including, particularly, the Bankruptcy Code), the remedies specified by the Bond Documents may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Bond Documents. The various legal opinions to be delivered concurrently with the delivery of the 2011 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies, including judicial discretion in the application of the principles of equity, and by bankruptcy, reorganization, or other laws affecting the enforcement of creditors' rights generally.

Effect of Determination of Taxability

The Company will covenant not to take any action that would cause the 2011A Bonds to be arbitrage bonds or that would otherwise adversely affect the federal income tax status of interest in the 2011A Bonds. The Company

has also made representations with respect to certain matters within its knowledge which have been relied on by Bond Counsel and which Bond Counsel has not independently verified. Failure to comply with such covenants could cause interest on the 2011A Bonds to become subject to federal income taxation retroactively from their date of issuance.

It is possible that a period of time may elapse between the occurrence of the event which causes interest to become taxable and the determination that such an event has occurred. In such a case, interest previously paid on the 2011A Bonds could become retroactively taxable from the date of their issuance. Additionally, certain owners of 2011A Bonds are subject to possible adverse tax consequences. See "TAX MATTERS" herein.

Risks Relating to the College

The ability of the Company to pay debt service on the 2011 Bonds depends upon its ability to market the Project to students of the College. The economic feasibility of the Project depends upon the ability of the College to enroll students seeking campus housing and upon the ability of the Company to attract sufficient those students to the Student Housing Facility and to maintain substantial occupancy at projected rent levels throughout the term of the 2011 Bonds. The College and its operations are subject to regulation, certification and accreditation by various federal, state and local government agencies and by certain nongovernmental agencies. No assurance can be given as to the effect on future operations of existing laws, regulations and standards for certification or accreditation or of any future changes in such laws, regulations and standards. The College could face additional competition in the future from both private and public educational institutions that offer comparable services and programs to the population which the College presently serves. This could include the establishment of new programs and the construction, renovation or expansion of competing educational institutions.

The recent global economic downturn and market dislocation over the past two years has effected higher education in a number of ways, including (1) a decrease in the funds spent by families on higher education, causing many colleges and universities to increase institutional scholarships, which are funded in part or in whole through an institution's operating budget; (2) fewer eligible students applying to some colleges and universities; and (3) certain student loan providers choosing not to participate in various state and federal student loan programs. There is no guaranty that a continuation or worsening of the overall economic situation will not have a negative effect on enrollment or the affordability of education offered by the College.

Additional factors may affect future operations of the College to an extent that cannot be determined at this time. These factors include, among others, (1) changes in the demand for higher education in general or for programs offered by the College in particular; (2) cost and availability of energy; (3) high interest rates, which could prevent borrowing for needed capital expenditures; (4) a decrease in student loan funds or other aid that permits many students the opportunity to pursue higher education; (5) claims presently unknown to the College; (6) increased competition from both public and private institutions of higher learning which may offer similar academic programs or may recruit similar students; (7) reduced availability of qualified faculty to teach the programs offered by the College; (8) an inability to retain students, resulting in enrollment losses and reduced revenues; (9) a downgrade in the State's bond rating to a level which prevents SUNY from being able to borrow at affordable rates in the future; and (10) reductions or delays in appropriations by the State to SUNY.

Additional Bonds

The Issuer has the right to issue Additional Bonds under the Indenture which will be equally and ratably secured on a parity basis with the 2011 Bonds. SUCH ADDITIONAL BONDS COULD DILUTE THE SECURITY FOR THE 2011 BONDS. Such Additional Bonds may be issued to refund other Bonds issued under the Indenture or to finance improvements or repairs to the Project or the acquisition of furniture, fixtures, machinery or other tangible personal property for installation in the Project or use at the Project. One of the conditions precedent to the issuance of Additional Bonds is the delivery of a Company Certificate that the Debt Service Coverage Ratio of the Company for the Fiscal Year prior to the Fiscal Year in which such Additional Bonds are to be issued is equal to or greater than 1.10:1.00 and a Company Certificate accompanied by a Certificate of a firm of independent accountants of recognized standing that the Debt Service Coverage Ratio of the Company for the Fiscal Year during which such Additional Bonds are being issued (taking into account Debt Service Payments on such Additional Bonds) will be equal to or greater than 1.10:1.00.

Consequences of Changes in the Company's Tax Status

The Company has obtained a determination letter from the Internal Revenue Service stating that it will be treated as an exempt organization as described in §501(c)(3) of the Code and not a "private foundation". In order to maintain its exempt status and to not be considered a private foundation, the Company is subject to a number of requirements affecting its operation. The possible modification or repeal of certain existing federal income tax laws, the change of Internal Revenue Service policies or positions, the change of the Company's method of operations, purposes or character or other factors could result in loss by the Company of its tax-exempt status.

The Company has covenanted to remain eligible for such tax-exempt status and to avoid operating the Project as an unrelated trade or business (as determined by applying §512(a) of the Code). Failure of the Project to remain so qualified or of the Company so to operate the Project could affect the funds available to the Company for payments under the Loan Agreement by subjecting the Company to federal income taxation and could result in the loss of the excludability of interest on the 2011A Bonds from gross income for purposes of federal income taxation. See "CERTAIN BONDHOLDERS' RISKS - Effect of Determination of Taxability" above.

Taxation of Interest on 2011A Bonds

An opinion of Bond Counsel will be delivered as described under "TAX MATTERS" herein. Such an opinion is not binding on the Internal Revenue Service. Application for a ruling from the Internal Revenue Service regarding the status of the interest on the 2011A Bonds has not been made. The opinion of Bond Counsel contains certain exceptions and is based on certain assumptions described herein under the heading "TAX MATTERS". Failure by the Issuer or the Company to comply with certain provisions of the Code and covenants contained in the Indenture and the Loan Agreement could result in interest on the 2011A Bonds becoming includable in gross income for federal tax purposes.

An opinion of Bond Counsel has been obtained regarding the exemption of interest on the 2011 Bonds from certain taxation by the State of New York and its political subdivisions, as described under "TAX MATTERS" herein. Bond Counsel has not opined as to whether interest on the 2011 Bonds is subject to state or local in taxation in jurisdictions other than New York. Interest on the 2011 Bonds may or may not be subject to state or local income taxation in jurisdictions other than New York under applicable state or local laws. Each purchaser of the 2011 Bonds should consult his or her own tax advisor regarding the taxable status of the 2011 Bonds in a particular state or local jurisdiction.

New York Foreclosure Procedures

In order to recover the debt due on a defaulted mortgage loan, the holder of the mortgage loan may either commence an action on the mortgage debt or commence an action to foreclose the mortgage. State law restricts the ability of the holder of a mortgage loan to simultaneously bring an action to recover the mortgage debt and foreclose the mortgage. For purposes of these restrictions, actions to recover the mortgage debt include actions against the party primarily liable on the mortgage debt, actions against any guarantor of the mortgage debt and certain actions on title insurance policies insuring the mortgage premises. If an election is made to commence an action to foreclose the mortgage, no other action on the mortgage debt may be commenced to recover any part of the mortgage debt without leave of the court. If an election is made to commence an action on the mortgage debt, where final judgment has been rendered in such an action, an action may not be commenced to foreclose the mortgage unless an execution has been issued against the property of the defendant, which has been returned wholly or partially unsatisfied. In addition, there is case law indicating that if an action is commenced on the mortgage debt where final judgment has not been rendered and a subsequent action is commenced to foreclose the mortgage, then the action on the mortgage debt may be stayed or discontinued to prevent the mortgagee from pursuing both actions simultaneously.

Where a foreclosure action is brought, every person having an estate or interest in possession or otherwise in the property whose interest is claimed to be subject and subordinate to the mortgage must be made a party defendant to the action in order to have its interest in the property extinguished. Judicial foreclosure in the State is a lengthy process, as judicial intervention is required at all stages, including, but not limited to: (i) the appointment of

a referee to compute the amount due; (ii) the appointment of a receiver to operate the property during the pendency of the action; (iii) the confirmation of the referee's oath and report; (iv) the issuance of the judgment of foreclosure and sale; (v) the confirmation of the sale; and (vi) the issuance of a deficiency judgment and/or rights to surplus monies. If during the pendency of the action the mortgagor pays into court the amount due for principal, interest, the costs of the action and the expenses of the proceedings to sell, if any, the court will: (i) dismiss the complaint without costs against the mortgagee if the payment is made before judgment directing the sale; or (ii) stay all proceedings upon judgment if the payment is made after judgment directing sale but before sale.

Where the mortgage debt remains partly unsatisfied after the sale of the property, the court, upon application, may award the mortgagee a deficiency judgment for the unsatisfied portion of the mortgage debt, or as much thereof as the court may deem just and equitable, against a mortgagor who has appeared or has been personally served in the action. Prior to entering a deficiency judgment the court determines the fair and reasonable market value of the mortgaged premises as of the date such premises were bid in at auction or as of such nearest earlier date upon which there shall have been any market value thereof. In calculating the deficiency judgment, the court will reduce the amount to which the mortgagee is entitled by the higher of the bid price of the mortgaged property or the fair market value of the mortgaged property, as determined by the court.

The mortgagee may also, at its discretion, negotiate with the delinquent mortgagor to offer a deed in lieu of foreclosure to the mortgagee, subject to existing Liens. In some situations this would allow the mortgagee to reduce the cost of, and the time involved in, acquiring the property.

TAX MATTERS

2011A Bonds

In the opinion of Bond Counsel, under existing statutes and court decisions, interest on the 2011A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"); interest on the 2011A Bonds is not treated as a preference item in calculating the federal alternative minimum tax imposed on individuals or corporations; however, for the purpose of computing the alternative minimum tax imposed on certain corporations (as determined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings.

The Code imposes various requirements that must be met in order that interest on the 2011A Bonds will be and remain excludable from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the 2011A Bonds and the rebate of certain earnings in respect of such investments to the United States. Failure to comply with the requirements of the Code may cause interest on the 2011A Bonds to be includable in gross income for purposes of federal income tax retroactive to the date of original execution and delivery of the 2011A Bonds, regardless of the date on which the event causing such inclusion occurs. The Issuer and the Company have made certain covenants contained in the Indenture, Loan Agreement and Tax Compliance Agreement to comply with the requirements of the Code and have made representations in the Indenture, Loan Agreement and Tax Compliance Agreement addressing various matters relating to the requirements of the Code. The opinion of Bond Counsel assumes continuing compliance with such covenants as well as the accuracy of such representations made by the Issuer and the Company.

Certain requirements and procedures contained or referred to in the Indenture, Loan Agreement and Tax Compliance Agreement may be changed, and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of Bond Counsel. The opinion of Hiscock & Barclay, LLP states that such firm, as Bond Counsel, expresses no opinion as to any 2011A Bond or the interest thereon if any such change occurs or action is taken upon the advice or approval of Bond Counsel other than Hiscock & Barclay, LLP.

Prospective purchasers of the 2011A Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of the 2011A Bonds may have collateral federal income tax consequences for certain taxpayers, including financial institutions, insurance companies, Subchapter S Corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or

carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the 2011A Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Interest paid on tax-exempt obligations is subject to information reporting to the Internal Revenue Service (the “IRS”) in a manner similar to interest paid on taxable obligations. Although information reporting does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, the reporting requirement causes payment of interest on the bonds to be subject to backup withholding. Interest on the 2011A Bonds may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner’s taxpayer identification number) in the manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owner of the 2011A Bonds and will be allowed as a refund or credit against such owner’s federal income tax liability (or the federal income tax liability of the beneficial owner of the 2011A Bonds, if other than the registered owner).

In the opinion of Bond Counsel, interest on the 2011A Bonds is exempt, under existing statutes, from personal income taxes of the State of New York or its political subdivisions (including the City of New York and the City of Yonkers). See “APPENDIX C – Proposed Form of Opinion of Bond Counsel”. The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the 2011A Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Issuer or the Company, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS.

Premium Bonds

Certain maturities of the 2011A Bonds (the “Premium Bonds”) may be sold to the initial purchasers at prices greater than the stated principal amount thereof. The Premium Bonds will be subject to requirements under the Code relating to tax cost reduction associated with the amortization of bond premium and, under certain circumstances, the initial owner of a Premium Bond may realize taxable gain upon disposition of Premium Bonds even though sold or redeemed for an amount less than or equal to such owner’s original cost of acquiring Premium Bonds. The amortization requirements may also result in the reduction of the amount of stated interest that an owner of Premium Bonds is treated as having received for federal tax purposes (and an adjustment to basis). Owners of Premium Bonds are advised to consult with their own tax advisors with respect to the tax consequences of owning such Premium Bonds.

Original Issue Discount

“Original issue discount” (“OID”) is the excess of the sum of all amounts payable at the stated maturity of a 2011 Bond (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the “issue price” of a maturity means the first price at which a substantial amount of the 2011A Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of the 2011A Bonds is expected to be the initial public offering price set forth on the inside cover page of this Official Statement. Bond Counsel further is of the opinion that, for any 2011 Bond having OID (a “Discount Bond”), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the 2011A Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner’s adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or

deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

2011B Bonds

The following discussion is a brief summary of the principal federal income tax consequences of the acquisition, ownership and disposition of 2011B Bonds by original purchasers of the 2011B Bonds who are “U.S. Holders”, as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the 2011B Bonds will be held as “capital assets”; and (iii) does not discuss all of the federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the 2011B Bonds as a position in a “hedge” or “straddle”, holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, holders who acquire 2011B Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Holders of 2011B Bonds should consult with their own tax advisors concerning the federal income tax and other consequences with respect to the acquisition, ownership and disposition of the 2011B Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a 2011B Bond, a holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such holder’s adjusted tax basis in the 2011B Bond.

For federal income tax purposes, the defeasance of 2011B Bonds pursuant to the Indenture could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the 2011B Bonds subsequent to any such defeasance could also be affected.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest, and the proceeds of the sale of a 2011B Bond before maturity within the United States. Backup withholding may apply to holders of 2011B Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner’s federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders

The term “U.S. Holder” means a beneficial owner of a 2011B Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

In the opinion of Bond Counsel, interest on the 2011B Bonds is not exempt from personal income taxes imposed by the State or any of its political subdivisions.

LEGAL MATTERS

The 2011 Bonds are offered, subject to prior sale, when, as and if issued and accepted by the Underwriter, subject to the approving opinion of Hiscock & Barclay, LLP, Buffalo, New York, Bond Counsel, and certain other conditions. In connection with the issuance of the 2011 Bonds, certain legal matters for the Company will be passed upon by its counsel, Hodgson Russ LLP, Buffalo, New York, certain legal matters for the Issuer will be passed upon by its counsel, Harris Beach, PLLC, Buffalo, New York, and certain legal matters for the Underwriter will be passed upon by its counsel, Reed Smith LLP.

The various legal opinions to be delivered concurrently with the delivery of the 2011 Bonds express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of the parties to the transaction. In addition, the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

LITIGATION

The Issuer

There is not now pending or, to the knowledge of the Issuer, threatened any litigation restraining or enjoining the issuance or delivery of the 2011 Bonds or questioning or affecting the validity of the 2011 Bonds or the proceedings or authority under which they are to be issued. Neither the creation, organization or existence of the Issuer nor the title of any of the present member, directors or other officials of the Issuer to their respective offices is being contested. There is no litigation pending or, to the Issuer's knowledge, threatened which in any manner questions the right of the Issuer to enter into the any of the Bond Documents or to secure the 2011 Bonds in the manner provided in the Indenture or the Act.

The Company

There is not now pending or, to the knowledge of the Company, threatened any litigation restraining or enjoining the execution or delivery by the Company of any of the Bond Documents, or questioning or affecting the validity of the Bond Documents, or the proceedings or authority under which the Bond Documents are to be executed and delivered by the Company. Neither the creation, organization or existence of the Company nor the title of any of the present members of the board of directors of the Company to their respective offices is being contested. There is no litigation pending or, to the Company's knowledge, threatened which in any manner questions the right of the Company to enter into any of the Bond Documents.

UNDERWRITING

The 2011 Bonds are being purchased by the Underwriter shown on the cover page (the "Underwriter"). The Underwriter has agreed to purchase the 2011 Bonds for an aggregate purchase price of \$_____. Such purchase price represents the par amount of the 2011 Bonds (\$_____), less underwriter's discount (\$_____), [and less net original issue discount (\$_____)] and plus net original issue premium (\$_____).

The Underwriter will be obligated to purchase all of the 2011 Bonds if any of such 2011 Bonds are purchased. The 2011 Bonds may be offered and sold to certain dealers (including dealers depositing such 2011 Bonds into investment trusts) at prices lower than the initial public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter. The Company has agreed to indemnify the Issuer and the Underwriter against losses, claims and liabilities arising out of any materially incorrect statement or information contained in or material information omitted from this Official Statement.

Subject to prevailing market conditions, the Underwriter intends, but is not obligated, to maintain a secondary market for the 2011 Bonds. The Underwriter is not, however, obligated to repurchase any 2011 Bonds at the request of any Holder thereof.

CONTINUING DISCLOSURE

The substantial form of the Continuing Disclosure Agreement to be entered into between the Company and the Trustee is attached hereto as APPENDIX D to this Official Statement (the "Continuing Disclosure Agreement"). Pursuant to the Continuing Disclosure Agreement, the Company will covenant and agree to provide (a) annual financial information and operating data to the Trustee within 150 days after the end of each fiscal year of the Company and (b) quarterly financial information to the Trustee within 45 days after the end of fiscal quarter of the Company. Annual financial information shall include, collectively, (i) the annual financial statements of the Company, as audited by a firm of independent certified public accountants, (ii) the computation of the Debt Service Coverage Ratio for the fiscal year of the Company covered by the relevant Audited Financial Statements as described in the section of this Official Statement captioned "SECURITY FOR THE 2011 BONDS – Financial Covenants", (iii) information detailing the occupancy of the Student Housing Facility for the fiscal year of the Company covered by the relevant audited financial statements, (iv) an annual update of the information in the sections captioned "BUFFALO STATE COLLEGE – Enrollment" and -- "Demand" in APPENDIX A to this Official Statement, and (v) certain information regarding amendments to the Continuing Disclosure Agreement. Quarterly financial information shall include unaudited quarterly financial statements of the Company.

The Trustee shall provide such annual financial information and quarterly financial information to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system within five business days after receipt by the Trustee.

In addition, the Company will agree in the Continuing Disclosure Agreement that, if an event listed below occurs, the Company shall provide, in a timely manner (but in all cases in sufficient time for the Trustee to send notice thereof to the MSRB through the EMMA system within ten business days after the occurrence of such event), written notice of such event to the Trustee. The Trustee shall send notice of such event to the MSRB through the EMMA system not later than three business days after receipt of notice of such event. These notice events include the following:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of security holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;

- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or a similar event of the obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Continuing Disclosure Agreement may be amended, by written agreement of the parties, without the consent of the holders of the 2011 Bonds (except to the extent described below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Company or the type of business conducted thereby, (2) the Continuing Disclosure Agreement as so amended would have complied with the requirements of SEC Rule 15c2-12 (the "Rule") as of the date of the Continuing Disclosure Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Company shall have delivered to the Trustee an opinion of counsel, addressed to the Company and the Trustee, to the same effect as set forth in clause (2) above, (4) either (i) the Company shall have delivered to the Trustee an opinion of counsel or a determination by a person, in each case unaffiliated with the Issuer or the Company (such as bond counsel or the Trustee) and acceptable to the Company, addressed to the Company and the Trustee, to the effect that the amendment does not materially impair the interests of the holders of the 2011 Bonds or (ii) the holders of the 2011 Bonds consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Indenture with consent of holders of 2011 Bonds pursuant to the Indenture, and (5) the Trustee shall have delivered copies of such opinion(s) and amendment to the MSRB through the EMMA system and to the Issuer. The Trustee shall so deliver such opinion(s) and amendment with one business day after receipt by the Trustee.

The provisions of the Continuing Disclosure Agreement shall inure to the benefit of the holders from time to time of the 2011 Bonds, including beneficial owners of 2011 Bonds held in a book-entry system by a securities depository. The obligations of the Company to comply with the provisions of the Continuing Disclosure Agreement shall generally be enforceable by any holder of Outstanding 2011 Bonds, or by the Trustee on behalf of the holders of Outstanding 2011 Bonds; *provided, however*, that the Trustee shall not be required to take any enforcement action except at the direction of the holders of not less than a majority in aggregate principal amount of the 2011 Bonds at the time Outstanding, who shall have provided the Trustee with adequate security and indemnity. The holders' and Trustee's rights to enforce the provisions of the Continuing Disclosure Agreement shall be limited solely to a right, by action for specific performance, to compel performance of the Company's obligations under the Continuing Disclosure Agreement. Any failure by the Company or the Trustee to perform in accordance with the Continuing Disclosure Agreement shall not constitute a default or an Event of Default under the Indenture or the Loan Agreement, and the rights and remedies provided by the Indenture or the Loan Agreement upon the occurrence of a default or an Event of Default shall not apply to any such failure.

CERTAIN RELATIONSHIPS AMONG FINANCING PARTICIPANTS

The Trustee under the Indenture (Manufacturers and Traders Trust Company) and the Underwriter of the 2011 Bonds (M&T Securities, Inc.) are affiliates. Manufacturers and Traders Trust Company is also the holder of a portion of the Construction Financing that will be refunded by the 2011 Bonds. An officer of M&T Bank is a member of the College Council of the College and another officer of M&T Bank is a member of the board of directors of the Foundation. A partner in the firm of Hodgson Russ LLP (which is acting as counsel to the Company in this transaction) is also a member of the board of directors of the Foundation.

RATING

Standard & Poor's Ratings Group ("S&P") has given the 2011 Bonds a rating of "A+" with a "Stable Outlook" based upon the rating agency's analysis of the structure of the financing, the agreements between the Company and SUNY, and information provided by the Company and the College, and a meeting with representatives of the Company and the College. Such rating and outlook reflects only the view of S&P and its rationale for such rating, and any desired explanation of the significance of such rating or rationale should be obtained from S&P. There is no assurance that such rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of S&P, circumstances so warrant. The Underwriter has undertaken no responsibility to bring to the attention of the holders of the 2011 Bonds any proposed revision or withdrawal of the rating on the 2011 Bonds or to oppose any such proposed revision or withdrawal. Any downward revision or withdrawal of such rating and/or outlook could have an adverse effect on the market price of the 2011 Bonds. Such rating should not be taken as a recommendation to buy or hold the 2011 Bonds.

MISCELLANEOUS

The references herein to laws and various of the Bond Documents are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and, accordingly, are qualified by reference and are subject to the full texts thereof.

Neither this Official Statement nor any other disclosure in connection with the 2011 Bonds is to be construed as a contract with the holders of the 2011 Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so identified, are intended merely as such and not as representations of fact. No representation is made that any of such statements will be realized.

The Issuer has consented to the use of this Official Statement, but has not participated in the preparation of this Official Statement and has made no independent investigation with respect to the information contained in this Official Statement and, accordingly, the Issuer assumes no responsibility for the sufficiency, accuracy or completeness of such information, other than information set forth under "THE ISSUER" and "LITIGATION-The Issuer" herein. The Company has authorized the distribution of this Official Statement.

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

By: _____
Vice President

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION**

By: _____
Assistant Treasurer

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APPENDIX A

**CERTAIN INFORMATION CONCERNING SUNY, THE COLLEGE,
THE FOUNDATION AND THE COMPANY**

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APPENDIX A

CERTAIN INFORMATION CONCERNING SUNY, THE COLLEGE, THE FOUNDATION AND THE COMPANY

STATE UNIVERSITY OF NEW YORK

General

The State University of New York (“SUNY” or the “University”) is a corporate entity created within the Education Department of the State of New York and under the State Board of Regents. Created in 1948, today SUNY has 64 campuses across the entire State. In carrying out its responsibilities and in order to operate and maintain its facilities, SUNY receives moneys from various sources, a substantial portion of which consists of annual appropriation of State funds. The successful maintenance and operation of the facilities of SUNY and the overall financial viability of SUNY are dependent upon the ability and the willingness of the State Legislature to continue making appropriations of State funds in the amounts required for the operation of SUNY.

SUNY is assigned the responsibility for the planning, supervision and administration of facilities enabling programs in accordance with a master plan to be proposed by the University and approved by the Board of Regents. The University is governed by a Board of Trustees comprised of 17 members, 15 appointed by the Governor with the advice and consent of the Senate, the president of the University-wide Student Assembly, ex officio and voting, and the president of the University Faculty Senate, ex officio and non-voting. The Chairman and Vice-Chairman of the Board are designated by the Governor. The 15 Trustees appointed by the Governor currently serve overlapping terms of seven years, the student Trustee a one-year term, and the faculty Trustee a two-year term. Trustees receive no compensation for their services other than reimbursement of expenses. The Board of Trustees appoints its own officers, the Chancellor, the senior System Administration staff and campus Presidents.

On April 1, 1949, the University assumed jurisdiction over the 29 existing State-supported institutions of higher education. These institutions were primarily professional and technical schools, placing emphasis on applied arts and sciences and the training of teachers. In the period between 1957 and 1962, the Trustees established three university centers: the State University of New York at Albany, the State University of New York at Binghamton, and the State University of New York at Stony Brook. In addition, the former private University of Buffalo was merged into the University system and became the State University of New York at Buffalo. Two health science centers were added, one in Brooklyn serving the New York City metropolitan area and one in Syracuse serving upstate New York. In 1961, the University Trustees set into motion a plan under which the teachers colleges included in the system became multipurpose institutions offering baccalaureate preparation in liberal arts, business and technologies, as well as education courses. In 1964, the six, two-year Agricultural and Technical Institutes became Agricultural and Technical Colleges and in 1987 were redesignated either Colleges of Technology or Colleges of Agriculture and Technology. Two additional colleges of arts and sciences were opened in 1968, the State University College at Old Westbury and the State University College at Purchase.

Other components of the present University system are the State University Institute of Technology at Utica/Rome, the Empire State College in Saratoga Springs, the Maritime College at Fort Schuyler, the State University of New York College of Environmental Science and Forestry at Syracuse, the College of Optometry at New York City, the five statutory colleges - four at Cornell University (College of Veterinary Medicine, School of Industrial and Labor Relations, College of Agriculture and Life Sciences, and College of Human Ecology) and one at Alfred University (College of Ceramics), and the New York State Agricultural Experiment Station at Geneva. The statutory colleges are administered by the private universities under the general supervision of the University Board of Trustees.

Each University Center and College of the University is administered locally although subject to overall review and supervision by the University’s Board of Trustees. Graduate study at the doctoral level is offered by the University at 15 of its institutions, and graduate work at the master’s level at 30 campuses. The University is

continuing to broaden and expand overall opportunities for advanced degree study. Graduate study areas embrace a wide spectrum including agriculture, business administration, criminal justice, dentistry, education, engineering, forestry, law, library science, medicine, nursing, optometry, pharmacy, social work, and veterinary medicine as well as the liberal arts and sciences. Four-year programs strongly emphasize the liberal arts and sciences and also include specialization in teacher education, business, forestry, maritime service, ceramics, and the fine and performing arts. Two-year programs include nursing and liberal arts transfer programs and a wide variety of technical curriculums such as agriculture, business, and the industrial and medical technologies. The University Educational Opportunity Centers located throughout the State provide training for skilled and semiskilled occupations and college foundation courses. In addition to courses such as high school equivalency, college preparation, typing, bookkeeping, and vending and business machine repair, these centers provide a broad range of services, including personal counseling, diagnostic testing, placement and referral services.

Since 1952, the University as an entity has maintained accreditation by the Middle States Association of Colleges and Secondary Schools. This accreditation applies to all State-operated colleges of the University.

University Centers

State University of New York at Albany
State University of New York at Binghamton

State University of New York at Buffalo
State University of New York at Stony Brook

Health Sciences Centers

Health Science Center at Brooklyn
Health Science Center at Syracuse

Health Science Center at Buffalo University Center
Health Science Center at Stony Brook University Center

University Colleges

State University College at Brockport
State University College at Buffalo
State University College at Cortland
State University College at Fredonia
State University College at Geneseo
State University College at New Paltz

State University College at Old Westbury
State University College at Oneonta
State University College at Oswego
State University College at Plattsburgh
State University College at Potsdam
State University College at Purchase Empire State College

Fiscal Structure

The University has several sources of revenue. Revenues and expenditures relating to the University's core instructional budget, (i.e., tuition and fees and State general fund support), dormitory operations, and hospital and clinics, and certain user fees are subject to State appropriation. Revenues generated from sponsored research and food service and bookstore operations that are administered by legally separate not-for-profit organizations are not subject to State appropriations.

The University Controller's Office prepares annual statements of revenues and expenditures that include all programs operated at the various University campuses. The financial statements include current operations financed predominantly from appropriations of State funds, tuition and fees, dormitory room rents, dining and food service fees, hospital and clinical fees and restricted revenues financed from federal, State and other sources.

The University receives a large percentage of its State funds from the State's General Fund. The major source of revenues for the General Fund is State tax moneys which are supplemented by certain transfers from other funds and miscellaneous revenue sources. Appropriations to the University from the State, along with tuition and fees, comprise the University's core instructional budget, and are expended within the requirements of the State Finance Law. These expenditures are subject to the pre-audit of the State Comptroller. Post-audits are also conducted periodically at the various campuses of the University by the State Comptroller. The University's internal audit staff also conducts periodic audits of campus activities. In addition, the University obtains an audit of the

University's annual financial statements in accordance with generally accepted accounting principles by independent certified public accountants.

The annual budget request of the University contains its estimated financial requirements for all programs for which expenditures are subject to State appropriations, existing and proposed, and is submitted to the Governor and the legislative fiscal committees. The Governor prepares recommendations on the requests of all agencies and departments (including the University) which comprise the Executive Budget as submitted to the State Legislature. The State Legislature in turn may approve or reduce individual items presented in the Executive Budget and may enact separate appropriations bills. In addition to the so-called regular budget bills, the State Legislature has also enacted from time to time a "deficiency" budget bill, covering obligations incurred near the close of a fiscal period and, in some years, a "supplemental" budget bill containing amendments to the "regular" bill. The State's fiscal year begins on April 1st and ends on March 31st, while the University's fiscal year begins on July 1st and ends on June 30th.

The majority of sponsored research that generates restricted grant revenue is operated through The Research Foundation of State University of New York (the "Research Foundation"). The Research Foundation is a separate, not-for-profit educational corporation, chartered by the State Board of Regents in 1951 to administer gifts, grants and contracts for the University's campuses, with particular emphasis on federally-sponsored research grants. Annual audits of the financial activities of the Research Foundation are performed by independent certified public accountants, and periodic audits are performed by the State Comptroller and the Research Foundation's internal audit staff. Other programs supported by restricted revenues are operated through State treasury funds which are subject to normal State fiscal controls.

Appropriations of State Funds to the University

In addition to its own sources of revenues, the successful maintenance and operation of the University and its overall financial viability are dependent upon the ability and willingness of the State to continue making appropriations of State funds in the amounts which, together with other available revenues of the University, are sufficient to pay the operating expenses and to meet other financial obligations of the University. Appropriations of State funds have historically constituted a significant portion of the University's revenues, and no assurance can be given that State funds will be available in the future in the amounts contemplated or required by the University or which have been historically appropriated and paid to the University. The State has made appropriations to the University from the General Fund. These appropriations are made in connection with the State's annual budget process and are therefore dependent upon the availability of budgetary resources and the allocation thereof.

A portion of the total State appropriation to the University is offset by the application of other University income for operating expenses and the remainder of the appropriation constitutes the State-funded portion. The appropriations of this State-funded portion from the State to support the University core operating budget made directly to the University (exclusive of Student Aid appropriations, fringe benefits budgeted separately, debt service for educational facilities, community colleges and other special programs) were as follows for the indicated State fiscal years:

State-Funded University Appropriations	
<u>Fiscal Year</u>	<u>Appropriated from State Purposes Account</u>
2006-07	\$ 1,212,440,000
2007-08	1,340,363,000
2008-09	1,255,125,000*
2009-10	1,223,540,000**
2010-11	1,086,314,000

* Available State support net of one-time collective bargaining funding.

** State-supported appropriation was reduced by \$90 million due to mid-year reductions in the State budget.

Source: College Officials

BUFFALO STATE COLLEGE

General

Buffalo State College, State University of New York (the “College”), is a public, coeducational, residential college located on a 125-acre campus in the City of Buffalo, New York. The College was founded in 1871 as the “Buffalo Normal School” for the purpose of training public school teachers. The College became part of the SUNY system in 1948 and is the largest comprehensive college in the SUNY system. The College’s enrollment in the fall of 2010 was 11,695 students (9,788 undergraduate and 1,907 graduate). The College offers 166 undergraduate programs (with 11 honors options) and 62 graduate programs.

The College is accredited by the Middle States Association of Colleges and Schools as well as numerous professional organizations for specific academic programs. The Middle States Association is an institutional accrediting agency recognized by the United States Secretary of Education and the Commission on Recognition and Postsecondary Accreditation.

Through the SUNY Research Foundation, the College receives more grants and research support than all other SUNY comprehensive colleges combined. Many of the College’s faculty members conduct applied research that makes a direct and immediate impact in the Buffalo Niagara community. Each year, hundreds of undergraduate students gain hands-on experience in their fields by partnering with faculty members on research projects. In addition, the College is a leader in human services research and training.

Mission Statement

The College is committed to the intellectual, personal, and professional growth of its students, faculty, and staff. The goal of the College is to inspire a lifelong passion for learning, and to empower a diverse population of students to succeed as citizens of a challenging world. Toward this goal, and in order to enhance the quality of life in Buffalo and the larger community, the College is dedicated to excellence in teaching and scholarship, cultural enrichment, and service.

Vision Statement

The College’s vision statement is that the College will be a nationally recognized leader in public higher education, known for the intellectual and creative accomplishments of its faculty, staff, and students, a caring academic environment where lives are transformed through education and each individual is valued, and an institution that serves to improve our region, our nation, and our world, one student at a time.

Organization and Governance

The College Council is responsible for the “operations and affairs” of the College. It is composed of ten members --- nine appointees of the Governor of New York, and one elected student representative. Appointees serve seven-year terms, and student representatives are elected for one-year terms.

<u>Name</u>	<u>Occupation</u>
John T. Hoskins, <i>Chair</i>	Chairman and CEO, Curtis Screw Co., Inc.
Howard A. Zemsky, <i>Vice Chair</i>	President, Taurus Capital Partners, LLC
William J. Bissett	President, Delaware North Companies Gaming & Entertainment
James Bradys, '71, '73	Senior Vice President, Investment Wealth Management Advisor, Merrill Lynch
Melissa Brinson	Board of Education President, Town of Tonawanda, NY Town Clerk, Town of Tonawanda, NY
Robert D. Bulman, '84	Partner, Capitol Public Strategies, LLC
Charles J. Naughton, '85	Director of Labor Relations, Town of Tonawanda, NY
Alphonso O'Neil-White	President and CEO, HealthNow New York, Inc.
Gerald C. Saxe	Insurance Sales-President, M&T Bank
Renea A. Johnson	Student Representative

Administration

Aaron Podolefsky, Ph.D., President of the College. Aaron Podolefsky was named President of the College in 2010. President Podolefsky received his B.A. in Mathematics at San Jose University. He then went on to receive an M.A. in Liberal Studies, M.A. in Anthropology, and a Ph.D. with distinction in Anthropology at the State University of New York at Stony Brook. Prior to being named President at the College, President Podolefsky was a professor of anthropology as well as the President at the University of Central Missouri from 2005 until 2010. There he created and implemented new strategic and campus master plans, oversaw the first major campus construction and renovation since 1999, and emphasized diversity and sustainability as campus priorities through a 24-month, \$36 million project to dramatically reduce energy consumption and carbon footprint of the university. President Podolefsky is also a member of the Board of Directors for the Missouri Biotechnology Council, the Missouri Council on Transfer and Articulation, the Mid-America Intercollegiate Athletic Association Council, the Board of Directors for the General Anthropology Division of the American Anthropological Association and a book review editor of *General Anthropology*.

Dennis Ponton, Ph.D., Provost. Dr. Ponton has been the Provost at the College since 2003, and has served as Interim President preceding the appointment of President Podolefsky. He attended Marshall University from 1962 to 1965. Dr. Ponton later received his A.B. in Biology, M.S. in Zoology, and Ph.D. in Agricultural Biochemistry from West Virginia University. In addition to his duties as Provost, Dr. Ponton is also the Operations Manager for the Buffalo State College Research Foundation, Accreditation Liaison Officer to the Middle States Commission on Higher Education, and Convener of the Buffalo-Niagara Council of Chief Academic Officers (BNCCAO). Prior to being named Provost at the College, Dr. Ponton held the positions of Associate Vice President for Budget and Planning of Academic Affairs, Interim Provost and Vice President for Academic Affairs, and Interim Dean for the Faculty of Applied Science and Education, all at the College.

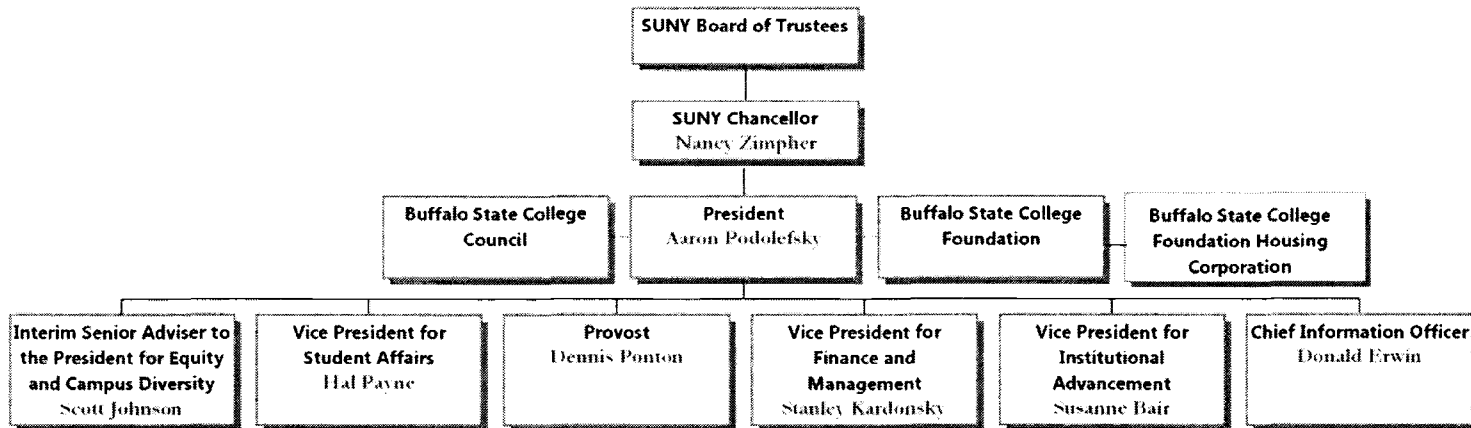
Stanley Kardonsky, Ph.D., Vice President for Finance and Management. Dr. Kardonsky has been the Vice President for Finance and Management since 1993. He received his B.S. in Chemistry at Long Island University, his M.S. in Chemistry at University of Florida, and his Ph.D. in Physical/Nuclear Chemistry at the City University of New York. Dr. Kardonsky is responsible for the development, implementation control, and reconciliation of a \$140,000,000 annual budget including both state purpose and income funds. He provides leadership and management relating to the College's business and finance operations; human resources; internal

controls; facilities design construction and operations; University Police; and the Burchfield Penney Art Center. Concurrent with his position as Vice President for Finance and Management at the College, he was also Interim Vice President for Institutional Advancement from 2006-2007. Prior to joining the College, Dr. Kardonsky was the Vice President for Administration and Professor of Chemistry at San Francisco State University. He is currently a member of the Eastern Association of College and University Business Officers (EACUBO), the Society for College and University Planning (SCUP), the American Association of University Administrators (AAUA), and the National Association of College and Business Officers (NACUBO).

Hal D. Payne, J.D., Vice President for Student Affairs. Hal D. Payne was named Vice President for Student Affairs in 1991. He received his B.A. in History at Adelbert College, and his J.D. at the Cleveland-Marshall College of Law. As Vice President for Student Affairs, he is responsible for the supervision of all student affairs functions, which include the counseling and health centers, residence life, career development, international student affairs, intercollegiate athletics, and student life. He is also responsible for the development and administration of policies and practices for the Student Affairs staff and student development programs. Prior to his current position at the College, Mr. Payne was Acting Vice President for Student Affairs and Assistant Vice President for Student Affairs. He was also a Senior Associate for the Council for Opportunity in Education (COE). Mr. Payne is a member of the Administrative Assistants Association for the U.S. House of Representatives, the National Student Aid Coalition, the Committee for Educational Funding, the Mid-America Association of Educational Opportunity Program Personnel, the American Association of Higher Education, and the Association of College Personnel Administrators.

Susanne P. Bair, DPE., Vice President for Institutional Advancement. Dr. Bair has been the Vice President for Institutional Advancement since 2007. Dr. Bair received a B.S. in Physical Education with a Coaching Specialization and a minor in Business, as well as an M.S. in Physical Education with Athletic Administration Emphasis, at Indiana State University. She then went on to Indiana University, where she acquired a Doctorate in Physical Education. Dr. Bair is responsible for a forty person staff comprised of Advancement Services, Alumni Affairs, College Relations, Events and Protocol, Government Relations, and Major and Planned Giving. As Vice President for Institutional Advancement, she has doubled funding for the All College Honors Program, lead the largest fundraising year in the history of the College with more than \$8 million raised, and completed a Mellon matching grant campaign to provide an endowed chair at the College. Dr. Bair has been Vice President for Development at Fletcher Allen Health Care, Vice President of Development for the Indian University Foundation, and Assistant Dean and Director of Development and Affairs at the Indiana University School of Health, Physical Education and Recreation, prior to her current position. She is a member of the College Planning Council, the College Senate, and the Vice President's Council at the College.

Buffalo State College Table of Organization
January 2011



Tuition and Housing Cost Comparison of Regional Higher Education Institutions

Tuition & Housing Cost Comparison: Full-Time, Undergraduate	Academic Year Tuition	Per Semester Housing Costs
Buffalo State College (SUNY), in-state student	\$4,970	\$3,196 to \$4,400
Medaille College (local, private)	\$10,285	\$3,805 to \$4,875
D'Youville College (local, private)	\$10,400	\$4,000 to \$6,480
Niagara University (local, private)	\$25,600	\$5,325 to \$5,875
Canisius College (local, private)	\$29,020	\$3,845 to \$4,400
University of Buffalo (SUNY), in-state student	\$4,970	\$5,098 to \$6,848
Average, state university, in-state student	\$7,605	\$4,367
Average, private college	\$27,293	\$4,850

Source: College Officials

Enrollment

Total enrollment at the College over the past five years is shown in the table below.

	<u>Fall 2006</u>	<u>Fall 2007</u>	<u>Fall 2008</u>	<u>Fall 2009</u>	<u>Fall 2010</u>
Undergraduate	9,314	9,139	9,371	9,822	9,788
Graduate	<u>1,906</u>	<u>1,854</u>	<u>1,863</u>	<u>1,892</u>	<u>1,907</u>
TOTAL	11,220	10,993	11,234	11,714	11,695

Source: College Officials

Demand

UNDERGRADUATE	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Applications	9,791	9,762	10,304	11,132	12,184
Accepts	4,507	4,631	4,662	4,749	5,149
Enrolled	1,495	1,450	1,559	1,530	1,490

GRADUATE

Applications	860	876	879	876	980
Accepts	726	721	603	606	672
Enrolled	452	400	502	443	464

Source: College Officials

Faculty

The College has 425 full-time faculty members, and about 80% hold terminal degrees. Of the full-time faculty, 61% have tenure, while 30% are on track for tenure. The SUNY Chancellor's Award for Excellence in Teaching has been given to 45 faculty members, and seven faculty members have been honored as SUNY Distinguished Teaching Professors. The College has 412 part-time faculty members, 796 full-time staff and 185 part-time staff.

BUFFALO STATE COLLEGE FOUNDATION

General

The Buffalo State College Foundation was incorporated in New York State on March 15, 1963.

Mission Statement

The mission of the Foundation is to advance the welfare and development of Buffalo State College and to support its goals of excellence in teaching and scholarship, cultural enrichment and service. The Foundation furthers its mission by fostering private sector participation in the College's endeavors, particularly in the areas of philanthropy and fundraising, and by providing various support services to the College.

Board of Directors

<u>Name</u>	<u>Occupation</u>
Linda A. Dobmeier, '71, <i>President</i>	Vice President, Dobmeier Janitor Supply, Inc.
Dorothy T. Ferguson, <i>Vice Chair</i>	
Ross B. Kenzie, <i>Vice Chair</i>	Retired Chairman and CEO, Goldome Bank
Robert M. Zak, <i>Treasurer</i>	President and CEO, Merchants Insurance Group
Anthony J. Baynes, '79, <i>Secretary</i>	Extra Mile Transportation, LLC
Cindy Abbott Letro	Law Offices of Francis M. Letro
Susanne P. Bair	Vice President, Buffalo State College
C. Teo Balbach	Mercury Capital Partners
Shelby Kay Baldwin	Student Representative, Buffalo State College
Timothy P. Balkin	Treasurer, Moog, Inc.
Todd W. Brason, '85	CEO, Willcare
Tim L. Brenner	Senior Vice President, M&T Bank
Gary M. Brost	Chairman and CEO, Strategic Investments & Holdings, Inc.
Gerald L. Cornish, '90	1 st Vice President, Wealth Management Advisor
Jacqueline S. Culliton	Senior Vice President, First Niagara Financial Group
Wanda M. Davis	Professor, Buffalo State College
James F. Dentinger	President, McGuire Development Co.
Rock D. Doyle, '99	Assistant Director Health Services, Buffalo State College
Judy L. Elliot, '82	Chief Academic Officer, Los Angeles Unified School District
Gretchen Fierle	Interim Chief Communications Officer, BlueCross BlueShield of WNY
Allen F. Grum	President, Rand Capital
Paul R. Hojnacki, '84	President, Curtis Screw Company, LLC
William N. Hudson, Jr.	CEO, Hudson Advisor Services, Inc.
Stanley Kardonsky	Vice President, Buffalo State College
Robert J. Lamendola, '72	Consultant Services to Renaissance Reinsurers, Ltd.
Paul J. Lamparelli, '82	President, Lamparelli Construction Co., Inc.
Jacqueline V. LoRusso, '62, '64	JVL Management Co.
Russell J. Maxwell	President, Medical Answering Services, LLC
Thomas J. Murrer	President and CEO, Renold Global Gears & Coupling Group
Arthur F. D. Musarra	Musarra Law Offices
Aaron Podolefsky	President, Buffalo State College
Matthew E. Ryan, '99	Senior Financial Advisor, Merrill Lynch Global Wealth Management
Benjamin M. Zuffranieri, '80	Partner, Hodgson Russ, LLP

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION

Purpose

The Company was incorporated in 2008 to support the College and the Foundation by providing and maintaining residential and other facilities for the use of the students and faculty of the College, and by obtaining financing to accomplish this.

Board of Directors

<u>Name</u>	<u>Occupation</u>
Ross B. Kenzie, <i>President</i>	Retired Chairman and CEO, Goldome Bank
Stanley Kardonsky, <i>Vice President</i>	Vice President for Finance and Management, Buffalo State College
Gerald L. Cornish '90, <i>Secretary</i>	First Vice President-Wealth Management Advisor, Merrill Lynch
Anthony J. Baynes '79, <i>Treasurer</i>	CEO, Owner and Founder, the A.J. Baynes Group
Susanne P. Bair	Vice President for Institutional Advancement, Buffalo State College
Timothy P. Balkin	Treasurer, Moog Inc.
Richard J. Trigilio '90	President and CEO, Medical Management Services

Housing

More than 2,200 students live on campus at the College in ten residence halls. As many as 275 resident students must be accommodated off-campus each fall semester because of a shortage of on-campus housing. The College anticipates even greater demand for on-campus housing due to increased recruitment of students in downstate New York. The current campus housing capacity is comprised of 1000 beds double occupancy/suites; 872 beds double occupancy/corridor; 62 beds single occupancy; 13 beds handicapped-accessible; and 18 beds apartment-style.

Current College housing policy requires first and second-year students residing more than 35 miles from the College to live on campus. The 2013-2023 master plan of the College recommends the demolition of three outmoded, difficult to renovate residential buildings in the campus core, which will require the replacement of 557 beds in the campus inventory.

Campus Housing Capacity (before 2011 Student Housing Facility)

<u>Type</u>	<u>Occupancy</u>
Double occupancy/suites	1,000
Double occupancy/corridor	872
Single occupancy	62
Handicapped-accessible	13
Apartment style	18

The Student Housing Facility

The Student Housing Facility consists of an approximately 225,000 square foot apartment style student housing complex consisting of 507 beds, located on the Land at the western edge of the College's campus at the corner of Letchworth Street and Grant Street in the City of Buffalo, Erie County, New York. The facility consists of three wings of various heights. In keeping with the preferences of today's resident student, each apartment contains four single bedrooms, two full baths, and a full kitchen and living room. The Student Housing Facility has been constructed on land owned by SUNY that has been leased to the Alumni Association pursuant to the Ground Lease and subleased by the Alumni Association to the Company under the Sublease. Construction of the Student Housing Facility began in November 2009 and the facility is now substantially completed, with a certificate of occupancy anticipated to be issued in May 2011. The architect for the project is Cannon Design and the construction manager

is LP Ciminelli. The total cost for the design and construction of the Student Housing Facility is approximately \$44,600,000.

The Student Housing Facility is expected to be completed and delivered ahead of schedule in May 2011 and to be open for occupancy by students for the fall 2011 semester of the College. The Student Housing Facility is fully assigned for fall 2011 occupancy.

The College has marketed the Student Housing Facility to current and prospective students through the use of a marketing brochure mailed to all newly accepted students and to incoming transfer students; a postcard mailer sent to parents of current upper division students; a web site; virtual and on-site tours; and posters located throughout the College campus.

Housing rates per student per semester for the Student Housing Facility are expected to be initially \$4,400. Other current housing rates for other student residence facilities at the College range from \$3,169 for a standard double room to \$4,019 for a standard single room to \$3,570 for a Moore Complex double room and \$4,400 for a Moore Complex single room.

Construction of the Student Housing Facility was financed by two series of variable rate bonds and one series of fixed rate bonds, in the aggregate principal amount of \$47,755,000, issued by the Issuer in a private placement on December 31, 2009 (the "Construction Financing"). The 2011 Bonds are being issued to refund the Construction Financing and to pay or reimburse certain remaining costs of the construction and equipping of the Student Housing Facility.

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APPENDIX B

CERTAIN DEFINITIONS AND DOCUMENT SUMMARIES

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CERTAIN DEFINITIONS

In addition to the other terms defined in the Official Statement, when used in the summaries of certain provisions of the Indenture, the Loan Agreement and the Leasehold Mortgage and Security Agreement, the following terms have the meanings ascribed to them below.

“*Acknowledgment*” means the Acknowledgment by the Company of the Pledge and Assignment.

“*Act*” means Section 1411 of the Not-for-Profit Corporation Law of the State of New York and Resolution Nos. 218 and 295 of 2009 and 5-3 (2010) of the Erie County Legislature, each as amended to date.

“*Additional Bonds*” means any bonds issued by the Issuer pursuant to Section 2.12 of the Indenture.

“*Agency Obligations*” means obligations of any agency or corporation which has been or may hereafter be created pursuant to an act of Congress as an agency or instrumentality of the United States, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Mortgage Association, Student Loan Marketing Association, Farm Credit System, Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank and the Bank for Cooperatives.

“*Annual Budget*” means the annual budget for operation of the Project prepared by the College and approved by the Management Committee pursuant to the Facility Management Agreement.

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

“*Architect*” means Cannon Design, Inc., its successors and/or assigns.

“*Assignment of Agreements*” means the Assignment of Agreements dated as of June 1, 2011, by the Company to the Trustee, as amended or supplemented from time to time.

“*Assignment of Mortgage*” means the Assignment of Mortgage dated as of June __, 2011, by the Issuer.

“*Assignment of Rents*” means Assignment of Rents and Leases dated as of June 1, 2011, from the Company to the Trustee, as amended or supplemented from time to time.

“*Association*” means the Buffalo State Alumni Association, Inc., a not-for-profit corporation incorporated under the laws of the State.

“*Authorized Denomination*” means \$5,000 or any integral multiple of \$5,000 in excess thereof, except that if as a result of redemption partially redeemed Bonds cannot be authenticated in such denominations, such partially redeemed Bonds shall be authenticated in such other denominations to the extent required to effect such redemption.

“*Authorized Representative*” or “*Authorized Officer*” means the Persons or Persons at the time designated to act on behalf of the Issuer or the Company, as the case may be, by written Certificate furnished to the Trustee containing the specimen signature of each such Person and signed on behalf of (A) the Issuer by its Chair, Vice Chair, Chief Executive Officer, Chief Operating Officer, Assistant Treasurer, Treasurer and/or Chief Financial Officer, or other officer designated by the Chair, and (B) the Company by its President, Treasurer or any Vice President, or such other Person as may be authorized by the President of the Company to act on behalf of the Company.

“*Bankruptcy Code*” means the United States Bankruptcy Code, as amended from time to time.

“*Bond*” or “*Bonds*” means the Series 2011A Bonds and the Series 2011B Bonds, together with any Additional Bonds.

“*Bond Counsel*” means the law firm of Hiscock & Barclay, LLP, or such other attorney or firm of attorneys located in the State whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and who is acceptable to the Issuer.

“*Bond Documents*” means the Bond Purchase Agreement, the Indenture, the Loan Agreement, the Tax Compliance Agreement, the Pledge and Assignment, the Guaranty, the Mortgage, the Assignment of Rents, the Assignment of Agreements, the Continuing Disclosure Agreement and the Official Statement.

“*Bond Fund*” means the fund so designated and created pursuant to Section 4.1 of the Indenture.

“*Bondowners*,” “*Bondholders*,” “*Owners*” or words of similar import means the registered owner of any Bond as indicated on the bond register maintained by the Bond Registrar.

“*Bond Payment Date*” means any date on which a Debt Service Payment shall be due on any of the Bonds so long as the Bonds shall be Outstanding.

“*Bond Proceeds*” means the proceeds of the sale of the Bonds, including any accrued interest, paid to the Trustee on behalf of the Issuer by the purchasers from time to time of the Bonds as the purchase price of the Bonds.

“*Bond Purchase Agreement*” means the Bond Purchase Agreement dated May __, 2011, by and among the Issuer, the Company and the Underwriter.

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

“*Bond Resolution*” means the resolution of the Issuer adopted on March 21, 2011, authorizing the Issuer to issue and sell the Initial Bonds and to execute and deliver the Bond Documents to which the Issuer is a party.

“*Bond Year*” shall have the meaning assigned thereto in the Tax Compliance Agreement.

“*Book Entry Only System*” means the system of registration described in Section 2.3(c) of the Indenture.

“*Business Day*” means any day of the year, other than a Saturday or Sunday, on which commercial banks located in the city or cities in which are located the principal corporate trust offices of the Trustee and the New York Stock Exchange is not required or authorized to remain closed.

“*Capital Reserves*” means all necessary reserves for the capital repair, replacement, alteration or improvement of the Project.

“*Certificate*” means a certificate or report, in form and substance satisfactory to the Issuer and the Trustee, executed: (i) in the case of an Issuer Certificate, by an Authorized Representative of the Issuer; (ii) in the case of a Company Certificate, by an Authorized Representative of the Company; and (iii) in the case of a Certificate of any other Person, by such Person, if an individual, and otherwise by an officer, member, partner or other authorized representative of such Person; *provided that* in no event shall any individual be permitted to execute any Certificate in more than one capacity.

“*Certificate of Authentication of the Trustee*” and “*Trustee’s Certificate of Authentication*” means the certificate executed by an authorized officer of the Trustee certifying the due authentication of the Bonds in the aggregate principal amount of \$ _____.

“*Closing Date*” means June __, 2011.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Treasury Department promulgated thereunder.

“*College*” means Buffalo State College.

Appendix B

“*College Expense*” means (i) all payroll costs for on-site staff, including wages, salary, incentive bonuses, holiday and vacation pay, insurance benefits, workers’ compensation premiums or allocable costs for self-insurance of such matters, pension and health and welfare payments, payroll taxes and other governmental assessments so long as such salary and wage costs and benefits conform to the approved Annual Budget or are otherwise approved in writing by the Company; (ii) any backcharge by the College for or with respect to any utilities supplied by the College to the Project; and (iii) costs of non-capital maintenance and repairs at the Project. To the extent that any on-site staff member devotes less than full time (*i.e.*, forty (40) hours per week) to the Project, the expenses identified in clause (i) in the immediately preceding sentence with respect to such employee shall be allocated pro rata based upon the amount of time such employee devotes exclusively to the Project.

“*Company*” means Buffalo State College Foundation Housing Corporation, a not-for-profit corporation incorporated under the laws of the State.

“*Company Documents*” means the Sublease, the Facility Management Agreement, the SUNY Agreement, the Loan Agreement, the Mortgage, the Guaranty, the Assignment of Rents, the Assignment of Agreements, the Bond Purchase Agreement, the Tax Compliance Agreement, the Environmental Compliance and Indemnification Agreement, the Acknowledgment and the other documents, certificates and instruments executed and delivered by the Company in connection with the issuance of the Bonds.

“*Completion Certificate*” means the certificate executed by an Authorized Officer of the Company in accordance with Section 4.5 of the Indenture.

“*Construction Fund*” means the fund established under Section 4.1 of the Indenture.

“*Computation Period*” means “Computation Period” as defined in the Tax Compliance Agreement.

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

“*Continuing Disclosure Agreement*” means the Continuing Disclosure Agreement dated as of June 1, 2011, by and between the Company and the Trustee, as amended or supplemented from time to time.

“*Cost*” or “*Costs*” means all those costs and items of expense relating to (i) the cost of preparing the Plans and Specifications (including any preliminary study or planning of the Project or any aspect thereof); (ii) all costs of constructing, reconstructing and equipping the Project (including architectural, engineering and supervisory services with respect to the Project); (iii) all fees, taxes, charges and other expenses for recording or filing, as the case may be, the Bond Documents, any other agreement contemplated thereby and any financing statements that the Issuer and the Trustee may deem desirable in order to perfect or protect the Issuer’s or the Company’s respective interest in the Project, and any security interests contemplated by the Bond Documents; (iv) all fees and expenses in connection with any actions or proceedings that the Issuer or the Trustee may deem desirable in order to perfect or protect the Issuer’s, the Trustee’s or the Company’s respective interest in the Project; (v) eligible working capital costs; (vi) all legal, accounting and any other fees, costs and expenses incurred in connection with the preparation, printing, reproduction, authorization, issuance, execution, sale and distribution of the Bonds and the Bond Documents and all other documents in connection herewith or therewith, with the acquisition of a leasehold or fee simple interest in the Project and with any other transaction contemplated by the Loan Agreement or the other Bond Documents; (vii) the administrative fee, if any, of the Issuer and the Trustee; (viii) all appraisal and survey costs; (ix) eligible or approved soft costs contemplated by the Bond Documents and all other documents in connection therewith; and (xi) reimbursement to the Company for any of the above-enumerated costs and expenses.

“*Costs of Issuance Fund*” means the fund so designated and created pursuant to Section 4.1 of the Indenture.

“*Costs of the Project*” means all those costs and items of expense relating to (i) the cost of preparing the Plans and Specifications (including any preliminary study or planning of the Project or any aspect thereof); (ii) all costs of constructing, reconstructing and equipping the Project (including architectural, engineering and supervisory services with respect to the Project); (iii) all fees, taxes, charges and other expenses for recording or filing, as the case may be, the Bond Documents or the documents relating to the Outstanding Prior Bonds, any other agreement

contemplated thereby and any financing statements to perfect or protect the Issuer's or the Company's respective interest in the Project, and any security interests contemplated by the Bond Documents or the documents relating to the Outstanding Prior Bonds; (iv) all fees and expenses in connection with any actions or proceedings that the Issuer or the Trustee may deem desirable in order to perfect or protect the Issuer's, the Trustee's or the Company's respective interest in the Project; (v) eligible working capital costs; (vi) all legal, accounting and any other fees, costs and expenses incurred in connection with the preparation, printing, reproduction, authorization, issuance, execution, sale and distribution of the Bonds and the Bond Documents and all other documents in connection herewith or therewith or of the Outstanding Prior Bonds and the documents relating thereto, with the acquisition of a leasehold or fee simple interest in the Project and with any other transaction contemplated by the Loan Agreement or the other Bond Documents or by the documents relating to the Outstanding Prior Bonds; (vii) the administrative fee, if any, of the Issuer and the Trustee; (viii) all appraisal and survey costs; (ix) eligible or approved soft costs contemplated by the Bond Documents, all other documents in connection therewith or the documents relating to the Outstanding Prior Bonds; and (xi) reimbursement to the Company for any of the above-enumerated costs and expenses.

"Debt Service Coverage Ratio" means, with respect to any Fiscal Year, the ratio of aggregate Project Revenues during such Fiscal Year to the sum of Debt Service Payments, Capital Reserves payments, Operating Expense payments, all non-deferred College Expense payments and all other payments required to be made pursuant to the Principal Agreements during such Fiscal Year.

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

"Default" means any Event of Default under either the Indenture or the Loan Agreement or any event or condition which, with the giving of notice or the passage of time or both, would constitute an Event of Default under either the Indenture or the Loan Agreement.

"DTC" means Depository Trust Company.

"Environmental Compliance and Indemnification Agreement" means the Environmental Compliance and Indemnification Agreement dated as of June 1, 2011 by the Company in favor of the Issuer and the Trustee, as amended or supplemented from time to time.

"Equipment" means all furniture, furnishings, machinery and other tangible personal property in and around the Improvements and financed in whole or in part with proceeds of the Outstanding Prior Bonds.

"Event of Bankruptcy" means the filing of a petition in bankruptcy or the filing of a proceeding under the United States Bankruptcy Code or any other applicable insolvency, reorganization or bankruptcy law by or against the Company, any affiliates thereof, any guarantor of the Bonds or the Issuer, as debtor.

"Event of Default" with respect to the Loan Agreement, has the meaning given to such term in Section 30(a) thereof and with respect to the Indenture, Section 8.1 thereof.

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

"Facility Management Agreement" means that certain Facility Management Agreement, dated as of July 1, 2009, by and between the Company and SUNY, as amended or supplemented from time to time.

"Fiscal Year" means the twelve (12) month period beginning on July 1 in any year or such other fiscal year as the Company may select from time to time.

Appendix B

“*Governmental Authority*” means the United States of America, the State, any other state or any political subdivision of any of them, and any agency, department, commission, board, bureau or instrumentality of any of them, having jurisdiction over the Issuer, the Trustee, the Company or the Project.

“*Government Obligations*” means (i) direct obligations of the United States of America or (ii) obligations, the full and timely payment of the principal and interest of which are guaranteed by the United States of America, which are not subject to redemption by the issuer thereof prior to their stated redemption.

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

“*Gross Proceeds*” means one hundred percent (100%) of the proceeds of the transaction with respect to which such term is used, including, but not limited to, the settlement of any insurance claim or Condemnation award.

“*Gross Revenues*” means all Project Revenues, issues, profits, revenues, income, receipts, moneys and royalties derived from all license, lease or rental arrangements for dormitory rooms in the Project, operating revenues and gains from or relating to the Project, determined in accordance with generally accepted accounting principles, including Federal or State grant or other programs, insurance and Condemnation payments and awards and amounts received under the SUNY Agreement and Facility Management Agreement, and also including investment income on all funds and accounts (except the Rebate Fund) held by the Trustee under the Indenture, and all proceeds thereof and rights to receive the same, but excluding (i) any Restricted Gift, or (ii) any income derived from the investment of any such Restricted Gift.

“*Ground Lease*” means that certain Ground Lease dated as of July 1, 2009, by and between SUNY and the Association with respect to the Land, as amended or supplemented from time to time.

“*Guaranty*” means the Guaranty Agreement dated as of June 1, 2011, from the Company to the Trustee, as amended or supplemented from time to time.

“*Holder*” or “*Holder of Bonds*” means Bondowner.

“*Improvements*” means the approximately 225,000 square foot student housing complex consisting of approximately 507 beds, together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements.

“*Indebtedness*” means, for any Person, without duplication: (a) all indebtedness of such Person for borrowed money, for amounts drawn under a letter of credit (other than letters of credit collateralized by cash or cash equivalents, but only to the extent of the amount of such cash or cash equivalents), or for the deferred purchase price of property for which such Person or its assets is liable, (b) all outstanding amounts under a loan agreement, letter of credit (other than letters of credit collateralized by cash or cash equivalents, but only to the extent of the amount of such cash or cash equivalents), or other credit facility, (c) all amounts required to be paid by such Person as a guaranteed payment to partners, members (or other equity holders) or a preferred or special dividend, including any mandatory redemption of shares or interests, (d) all obligations under leases that constitute capital leases for which such Person is liable, (e) all obligations of such Person under interest rate swaps, caps, floors, collars and other interest hedge agreements, in each case whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss, and (f) all Indebtedness referred to in clauses (a), (b), (c), (d) or (e) above guaranteed directly or indirectly in any manner by such Person.

“*Indenture*” means the Trust Indenture dated as of June 1, 2011, by and between the Issuer and the Trustee, entered into in connection with the issuance, sale, delivery and payment of the Bonds and the security therefor as amended or supplemented from time to time.

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

“*Information Report*” means Form 8038 used by the issuers of certain tax-exempt bonds to provide the Internal Revenue Service with the information required.

“*Initial Bond*” or “*Initial Bonds*” means the Series 2011A Bonds and the Series 2011B Bonds.

“*Interest Account*” means the account established in the Bond Fund pursuant to Section 4.1 of the Indenture.

“*Interest Payment Date*” means April 1 and October 1 of each year, commencing April 1, 2012.

“*Issuer*” means the (i) Buffalo and Erie County Industrial Land Development Corporation, its successors and assigns, and (ii) any local development corporation resulting from or surviving any consolidation or merger to which the Issuer or its successors may be a party.

“*Issuer Documents*” means the Bond Purchase Agreement, the Bonds, the Indenture, the Loan Agreement, the Pledge and Assignment, the Assignment of Mortgage, the Tax Compliance Agreement and the Information Report.

“*Issuer Fee*” means the fee payable to the Issuer attributable to the issuance of the Bonds, as more particularly described in Schedule A attached to the Loan Agreement and made a part thereof.

“*Land*” means the approximately 3.9 acres of land located at the corner of Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York, as more particularly described in Exhibit A attached to the Mortgage.

“*Lien*” means any interest in Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including, but not limited to, the security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” includes reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions and other similar title exceptions and encumbrances, including, but not limited to, mechanics’, materialmen’s, warehousemen’s, carriers’ and other similar encumbrances, affecting real property. For the purposes of this definition, a Person shall be deemed to be the owner of any Property that 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 June 1, 2011, between the Issuer and the Company, as amended or supplemented from time to time.

“*Loan Payments*” means the loan payments payable by the Company pursuant to Section 7(a) of the Loan Agreement.

“*Majority of Owners*” means the Owners of more than fifty percent (50%) of the principal amount of all Outstanding Bonds as evidenced by an instrument or instruments executed by said Owners in accordance with the Indenture, and received by the Trustee. Unless an Event of Default has occurred and is continuing or the context requires otherwise, the Company shall be responsible for obtaining any such instruments from a Majority of Owners.

“*Management Committee*” has the meaning given to such term in the Facility Management Agreement.

“*Moody’s*” means Moody’s Investors Service, Inc., a Delaware corporation, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated in writing by the Company.

“*Mortgage*” means the Leasehold Mortgage and Security Agreement dated as of June 1, 2011, granted by the Company to the Issuer, as amended or supplemented from time to time.

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“*Mortgaged Property*” means the real and personal property described in Section 2.01 of the Mortgage and subject to the Lien created thereby.

“*Net Proceeds*” means so much of the Gross Proceeds with respect to which that term is used as remain after payment of all expenses, costs and taxes (including attorneys’ fees) incurred in obtaining such Gross Proceeds.

“*Office of the Trustee*” means the principal corporate trust office of the Trustee as specified in the Indenture or at such other address as Trustee shall designate.

“*Official Statement*” means the Official Statement dated _____, 2011, delivered in connection with the offering and sale of the Initial Bonds.

“*Operating Account*” means the account established by the Company pursuant to Section 10(c) of the Loan Agreement.

“*Operating Expense*” means the aggregate of the following expenses incurred in connection with or arising from the ownership, operation, management, repair, maintenance and use or occupancy of the Project: (i) license and permit fees, real estate taxes, assessments and payments in lieu thereof, and any other charges of any kind or nature imposed or assessed against the Project by any Governmental Authority; (ii) legal, accounting, engineering and other professional and consulting fees and disbursements; (iii) accounts payable to third-party contractors and vendors providing labor, material, services and equipment to the Project; (iv) premiums for insurance paid with respect to the Project or the operations thereof; (v) costs of capital maintenance, repairs, reserves and replacements of any equipment dedicated to the Project; (vi) service contracts and public utility charges not supplied by the College to the Project; and (vii) costs of credit reports, bank charges and like matters. For purposes of the Bond Documents, Operating Expenses shall include College Expenses.

“*Operation and Maintenance Fund*” means the fund so designated and created pursuant to Section 4.1 of the Indenture.

“*Opinion of Bond Counsel*” means an approving legal opinion given by Bond Counsel with respect to the validity, binding nature and enforceability of the Bonds.

“*Opinion of Counsel*” means a written opinion of counsel who is acceptable to the Issuer and the Trustee. In rendering any such written opinion, counsel may rely upon certificates from appropriate individuals with respect to relevant factual matters, *provided that* nothing has come to their attention which would lead them to believe that any of the representations contained in any such Certificate are inaccurate in any respect.

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

“*Outstanding*” or “*Bonds Outstanding*” or “*Outstanding Bonds*” mean all Bonds that have been authenticated by the Trustee and delivered by the Issuer under the Indenture, or any Supplemental Indenture, except: (a) any Bond cancelled by the Trustee because of payment or redemption prior to maturity; (b) any Bond deemed paid in accordance with the provisions of Section 3.1 of the Indenture, except that any such Bond shall be considered Outstanding until the maturity date thereof only for the purposes of being exchanged or registered; (c) any Bond for the redemption of which there has been separately set aside and held in the Bond Fund moneys in an amount sufficient to effect payment of the principal and applicable Redemption Price thereof, together with accrued interest on such Bond to the Redemption Date, in accordance with Section 3.1(f) of the Indenture, (d) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Article II of the Indenture, unless proof satisfactory to the Trustee is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been authenticated and delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State as amended, in which case both the Bond so substituted and replaced and the Bond or Bonds so authenticated and delivered in lieu thereof or in substitution therefor shall be deemed Outstanding.

“*Outstanding Prior Bonds*” means the Prior Tax-Exempt Bonds and the Prior Taxable Bonds.

“*Owner*” means the registered owner of any Bond as shown on the registration books maintained by the Bond Registrar pursuant to the Indenture. For so long as the Bonds are held by DTC, the registered owner shall be Cede & Co.

“*Parity Bonds*” means the Initial Bonds and any series of Additional Bonds issued on parity with the Initial Bonds and any other series of Additional Bonds, if any, subsequently issued under the Indenture.

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

“*Permitted Encumbrances*” means when used in connection with the Project any of the following:

- (i) The Lien of taxes and assessments which are not delinquent;
- (ii) The Lien of taxes and assessments which are delinquent, but the validity of which is being contested in good faith in accordance with the Loan Agreement;
- (iii) Minor defects and irregularities in the title to such property which do not in the aggregate materially impair the use of such property for the purposes for which it is or may be reasonably be expected to be held;
- (iv) Easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of such property for the purposes for which it is or may be reasonably be expected to be held;
- (v) The Mortgage, the Assignment of Rents and the Assignment of Agreements;
- (vi) Security interests, Liens and other encumbrances to secure the purchase price of any equipment or furnishings, and any other Liens, pledges, charges and encumbrances;
- (vii) Any instrument recorded pursuant to Section 21 of the Loan Agreement; and
- (viii) Such other encumbrances, defects, and irregularities to which the prior written consent of the Issuer and the Trustee has been obtained.

“*Permitted Investments*” has the meaning given to such term in Section 4.18 of the Indenture.

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

“*Plans and Specifications*” means the plans and specifications for the Improvements prepared for the Company as revised from time to time.

“*Pledge and Assignment*” means the Pledge and Assignment with Acknowledgment dated as of June 1, 2011, from the Issuer to the Trustee with the Acknowledgment, as amended or supplemented from time to time.

“*Pledged Revenue Fund*” means the fund so designated and created pursuant to Section 4.1 of the Indenture

“*Pledged Revenues*” means (i) Gross Revenues and all amounts payable by, or on behalf of, the Company pursuant to the Company Documents, including all Loan Payments made or to be made under the Loan Agreement (except payments made with respect to the Unassigned Rights), (B) all payments received by the Trustee from or on behalf

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of the Company, (C) all other amounts pledged to the Trustee by the Issuer or the Company to secure the Bonds or performance of their respective obligations under the Loan Agreement and the Indenture, (D) the Net Proceeds (except proceeds with respect to the Unassigned Rights) of insurance and Condemnation awards with respect to the Project, (E) the Net Proceeds received by the Trustee with respect to any other collateral granted to the Trustee to secure the Bonds, (F) all moneys and investments held from time to time in each fund and account established under the Indenture, and investment income thereon, except (1) for moneys and investments held by the Rebate Fund, (2) moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of which has been duly given, and (3) as specifically otherwise provided, and (G) all other moneys received or held by the Trustee for the benefit of the Holders of Bonds pursuant to the Indenture. Notwithstanding anything to the contrary, amounts held in the Rebate Fund shall *not* be considered Pledged Revenues and shall not be subject to the Lien of the Indenture, and amounts held therein shall not secure any amount payable on the Bonds.

“*Preliminary Official Statement*” means the Preliminary Official Statement dated May __, 2011, delivered in connection with the offering and sale of the Initial Bonds.

“*Principal Account*” means the account established in the Bond Fund pursuant to Section 4.1 of the Indenture.

“*Principal Agreements*” means the Indenture, the Ground Lease, the Sublease and the Loan Agreement.

“*Principal User*” means a principal user as that term is defined in the Tax Compliance Agreement.

“*Prior Tax-Exempt Bonds*” means, collectively, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-2, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1, and the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2.

“*Prior Taxable Bonds*” means the Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-3 and the Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-4.

“*Prior Trustee*” means Manufacturers and Traders Trust Company, as trustee of the Outstanding Prior Bonds.

“*Project*” means the Land, the Improvements and the Equipment.

“*Project Bonds*” has the meaning given to such term in Section 2.12 of the Indenture.

“*Project Revenues*” means license fees and other charges to be paid by the occupants of the Project.

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

“*Rating Agency*” means Standard & Poor’s and any of its successors or assigns.

“*Rebate Amount*” means with respect to the Bonds, the amount computed as described in the Tax Compliance Agreement.

“*Rebate Fund*” means the Fund so designated pursuant to Section 4.1 of the Indenture.

“*Record Date*” means the close of business on the fifteenth (15th) day of the calendar month next preceding an Interest Payment Date.

“*Redemption Account*” means the account established in the Bond Fund pursuant to Section 4.1 of the Indenture.

“*Redemption Date*” means, when used with respect to a Bond, the date upon which a Bond is scheduled to be redeemed pursuant to the Indenture.

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

“*Refunding Bonds*” has the meaning given to such term in Section 2.12 of the Indenture.

“*Related Person*” means with respect to any Principal User, a Person who is a related person as determined in Section 144(a)(3) of the Code by reference to Sections 267, 707(b) and 1563(a) of the Code, except that fifty percent (50%) is substituted for eighty percent (80%) in Section 1563(a).

“*Repair and Replacement Fund*” means the Fund so designated pursuant to Section 4.8 of the Indenture.

“*Repair and Replacement Fund Requirement*” means \$4,600,000 and shall initially be funded in six annual installments commencing in the Fiscal Year ended June 30, 2012 in the following amounts \$600,000 for the Fiscal Year ended June 30, 2012, \$600,000 for the Fiscal Year ended June 30, 2013, \$700,000 for the Fiscal Year ended June 30, 2014, \$800,000 for the Fiscal Year ended June 30, 2015, \$900,000 for the Fiscal Year ended June 30, 2016 and \$1,000,000 for the Fiscal Year ended June 30, 2017.

“*Restricted Gift*” means, when used in connection with the Project, any gift, grant or bequest of money or other property made or given by any person the use of which has been restricted by such person to paying any cost or expense of the Project.

“*Schedule of Definitions*” means the words and terms set forth in the Schedule of Definitions attached to the Indenture, as amended or supplemented from time to time.

“*Security Documents*” means the Guaranty, the Mortgage, the Assignments of Rents and the Assignment of Agreements.

“*Series 2011A Bonds*” means the Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$_____.

“*Series 2011B Bonds*” means the Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$_____.

“*Sinking Fund Installments*” means the mandatory sinking fund installments payable by the Company pursuant to Section 3.1(b) of the Indenture.

“*Standard & Poor’s*” means Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc., its successors and assigns, and, if such rating agency shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally-recognized securities rating agency designated in writing by the Company.

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

“*Stated Maturity*” means, when used with respect to any Bond or any installment of interest thereon, the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest on such Bond is due and payable.

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“*Sublease*” means that certain Sublease Agreement dated as of July 1, 2009, between the Association and the Company, as amended or supplemented from time to time in accordance with its terms.

“*Subordinate Bonds*” means any series of Additional Bonds issued pursuant to a Supplemental Indenture that provides that such series of Bonds is subordinate to the Parity Bonds and the Lien of the Indenture and Trust Estate securing any Parity Bonds.

“*Supplemental Indenture*” means any indenture amending or supplementing the Indenture which may be entered into in accordance with the Indenture.

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

“*SUNY Agreement*” means that certain Agreement dated as of June 1, 2011, by and between the Company and “

“*SUNY*, as amended or supplemented from time to time.

“*Surplus Fund*” means the Fund so designated pursuant to Section 4.1 of the Indenture.

“*Tax Compliance Agreement*” means the Tax Compliance Agreement dated the Closing Date executed by the Company and the Issuer regarding, among other things, the restrictions prescribed by the Code in order for interest on the Series 2011A Bonds to remain excludable from gross income for federal income tax purposes.

“*Title Policy*” means leasehold mortgagee title policy issued by Stewart Title Company to the Issuer and the Trustee, as of the Closing Date.

“*Transfer Date*” means September 25 (or if not a Business Day, the next succeeding Business Day) and March 25 (or if not a Business Day, the next succeeding Business Day), commencing September 25, 2011.

“*Trustee*” means Manufacturers and Traders Trust Company, a banking corporation organized and existing under the laws of the State of New York, having an office for the transaction of business located at One M&T Plaza, 7th Floor, Buffalo, New York 14203, or any successor trustee or co-trustee acting as trustee under the Indenture.

“*Trust Estate*” means all Property which may from time to time be subject to a Lien in favor of the Trustee created by the Indenture or any other Issuer Document.

“*UCC*” means the State Uniform Commercial Code as amended from time to time.

“*Unassigned Rights*” means:

(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 Company to complete the Project;

(iv) the right of the Issuer to enforce or otherwise exercise in its own behalf all agreements of the Company with respect to ensuring that the Project shall always constitute a qualified “project” as defined in and as contemplated by the Act;

(v) the right of the Issuer to require any indemnity from any Person;

(vi) 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 2, 3, 4, 5, 6, 7(a)(i), (vi), (vii),

and (viii), 7(c), 15, 16, 17, 18, 20, 22, 23, 24, 25, 26, 27, 29, 30, 36, 37, 39, 40, 41 and 44 of the Loan Agreement; and

(vii) the right of the Issuer in its own behalf to declare an Event of Default under Section 30 of the Loan Agreement or with respect to any of the Issuer's Unassigned Rights.

Notwithstanding the preceding sentence, to the extent the obligations of the Company under the Sections of the Loan Agreement listed above do not relate to the payment of moneys to the Issuer for its own account or to the members, officers, agents and employees of the Issuer for their own account, such obligations, upon assignment of the Loan Agreement by the Issuer to the Trustee pursuant to the Assignment, shall be deemed to and shall constitute obligations of the Company to the Issuer and the Trustee, jointly and severally, and either the Issuer or the Trustee may commence an action to enforce the Company's obligations under the Loan Agreement.

"*Underwriter*" means M&T Securities, Inc., as original purchaser of the Initial Bonds on the Closing Date.

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following is a summary of certain provisions of the Loan Agreement pertaining to the obligations of the Company and the Project. This summary does not purport to be complete and reference is made to the Loan Agreement for full and complete descriptions of the terms thereof.

Compliance with Indenture

The Issuer and the Company agree that the Loan Agreement is executed in part to induce the purchase by others of the 2011 Bonds. Accordingly, all covenants and agreements on the part of the Issuer and the Company set forth in the Loan Agreement are declared to be for the benefit of the Trustee and the Owners from time to time. The Company covenants and agrees that it will comply with the provisions of the Indenture with respect to the Company and that the Trustee will have the power, authority, rights and protections provided in the Indenture.

(Section 2)

Project Completion

The Company represents that the construction and equipping of the Project have been completed and that all permits and approvals of Governmental Authorities necessary for the use and occupancy of the Project have been obtained.

(Section 3)

Use of Proceeds in Construction Fund

(a) Subject to the conditions of the Loan Agreement and the Tax Compliance Agreement, the Issuer will, to the extent of moneys available in the Construction Fund, cause the Company to be reimbursed for, or pay, any costs and expenses incurred by the Company which constitute Costs of the Project. To the extent that moneys are available therefor, moneys in the Construction Fund shall be disbursed in accordance with the terms of the Indenture. Except as otherwise disclosed to, and agreed to by, the Issuer and the Trustee in writing, delivery of a Construction Fund requisition by the Company shall constitute a representation by the Company that it has complied with all provisions of the Loan Agreement and the Tax Compliance Agreement, including, but not limited to those related to the use of the Project and certain non tax-exempt purposes.

(b) The Company will receive the disbursements of moneys in the Construction Fund to be made under the Loan Agreement, and will hold the right to receive the same, as a trust fund for the purpose of paying the Costs of the Project for which each disbursement was made, and will apply the same first to such payment before using any part thereof for any other purposes.

(c) The Company agrees to retain all documents pertaining to expenditures for items which constitute Costs of the Project for at least seven (7) years after the date of completion of the Project to which such documents relate. All such documents shall be made available to the Issuer and its authorized representatives for inspection upon reasonable prior notice.

(d) The Company acknowledges and agrees that disbursements from the Construction Fund are to be made by the Trustee and shall be made in accordance with the Indenture only upon receipt by the Trustee of the documents required by the Indenture to be executed and delivered in connection with such disbursements.

(e) The Project shall be deemed to be complete upon delivery to the Issuer and the Trustee of a Completion Certificate signed by an Authorized Officer of the Company which certificate shall be delivered as soon as practicable after the completion of such Project. Any such Certificate shall comply with the requirements of Section 4.5 of the Indenture. The moneys, if any, remaining in the Construction Fund after such Project has been deemed to be complete shall be paid as provided in Section 4.5 of the Indenture.

(Section 4)

Compliance with Governmental Requirements

The Company will comply with (i) all Governmental Requirements which, if not complied with, could adversely affect the Company, its operation or financial condition or title to its Properties in any material respect, and (ii) any requirement of an insurance company writing insurance thereon irrespective of the nature of the work required to be done. Anything contained in the Loan Agreement to the contrary notwithstanding, the Company will have the right to contest the validity of any Governmental Requirement or the application thereof at the Company's sole cost and expense. During such contest, compliance with any such contested Governmental Requirement may be deferred by the Company, provided that prior to commencing any action or proceeding, administrative or judicial, contesting such Governmental Requirement the Company notifies the Issuer and the Trustee of the Company's intention to contest such Governmental Requirement and, if the Issuer or the Trustee reasonably requests, furnishes to the Issuer and the Trustee a surety bond, moneys or other security, satisfactory to the Issuer and the Trustee (each in its sole discretion), securing compliance with the contested Governmental Requirement and payment of all interest, penalties, fines, fees and expenses resulting from or in connection with such contest or the failure of the Company to comply with the contested Governmental Requirement. Any such action or proceeding instituted by the Company will be commenced as soon as is reasonably possible after the assertion of the applicability to the Project or any part thereof of the contested Governmental Requirement by a Governmental Authority, and will be prosecuted to final adjudication or other final disposition with reasonable dispatch. Notwithstanding the furnishing of any bond, deposit or other security, the Company promptly will comply with any such Governmental Requirement and compliance will not be deferred if at any time the Project or any part thereof to which such contested Governmental Requirement relates would, in the reasonable judgment of the Issuer or the Trustee, be in substantial danger by reason of the Company's noncompliance with such Governmental Requirement of being sold, attached, forfeited, foreclosed, transferred, conveyed, assigned or otherwise subjected to any proceeding, equitable remedy, Lien, charge, fee or penalty that would impair (i) the interests or security of the Issuer or the Trustee under the Loan Agreement or under the Indenture or the Mortgage, (ii) the ability of the Issuer to enforce its rights thereunder, (iii) the ability of the Issuer or the Trustee to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement or under the Indenture, or (iv) the ability of the Company to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement or under the Mortgage.

(Section 6)

Financial Obligations

(a) Except to the extent that moneys are available therefor under the Indenture or under the Loan Agreement, including moneys in the funds established under the Indenture, and interest accrued but unpaid on investments held in such funds, the Company unconditionally agrees to pay or cause to be paid, so long as Bonds are Outstanding, to or upon the order of the Issuer, from its general funds or any other moneys legally available to it:

(i) On or before the date of delivery of the 2011 Bonds, the Issuer Fee agreed to by the Issuer and the Company in connection with issuance of the 2011 Bonds;

(ii) On or before the date of delivery of the 2011 Bonds, such amount, if any, as is required, in addition to the proceeds of such Bonds available therefor, to pay the costs of issuance of the 2011 Bonds, and other costs in connection with the issuance of the 2011 Bonds;

(iii) On the tenth day preceding a Bond Payment Date an amount sufficient to provide funds to pay the principal of, and interest on, the 2011 Bonds on such Bond Payment Date;

(iv) At least ten (10) days prior to any date on which the Redemption Price of Bonds previously called for redemption, is to be paid, the amount required to pay the Redemption Price of such Bonds;

(v) Promptly after notice from the Issuer, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Issuer (A) for the Issuer Fee then unpaid, (B) to reimburse the Issuer for any expenses or liabilities incurred by the Issuer pursuant to Section 24, 26 or 29 of the Loan Agreement, (C) to reimburse the Issuer for any external costs or expenses incurred by it attributable to the issuance of the 2011 Bonds or the financing or construction of the Project, and (D) for the costs and expenses

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incurred by the Issuer to compel full and punctual performance by the Company of all the provisions of the Loan Agreement or of the Mortgage or of the Indenture in accordance with the terms thereof;

(vi) Promptly upon notice from the Trustee or any Paying Agent, to pay or reimburse for the fees and expenses of the Trustee and any Paying Agent for fees, charges and expenses thereof pursuant to the Indenture;

(vii) Promptly upon demand by the Issuer (a copy of which will be furnished to the Trustee), all amounts required to be paid by the Company as a result of an acceleration pursuant to Section 30 of the Loan Agreement;

(viii) Promptly upon demand by the Issuer, the difference between the amount on deposit in the Rebate Fund available to be rebated in connection with the 2011A Bonds or otherwise available therefore under the Indenture and the amount required to be rebated to the Department of the Treasury of the United States of America in accordance with the Code in connection with the 2011A Bonds; and

(ix) To the extent not otherwise set forth in Section 7(a) of the Loan Agreement, including, without limitation, in the event of any insufficiency, any amounts necessary to pay the principal or Redemption Price, if any, of, and interest on, the 2011 Bonds, on the dates, in the amounts, at the times and in the manner provided in or pursuant to the Indenture, whether at maturity, upon acceleration, redemption, purchase or otherwise.

The Issuer directs the Company, and the Company agrees, to make the payments required by Section 7(a) of the Loan Agreement as follows: (i) the payments required by paragraphs (a)(iii), (a)(iv), (a)(vii) and (a)(ix) of Section 7(a) of the Loan Agreement directly to the Trustee for deposit in the Pledged Revenue Fund and application in accordance with Section 4.5 of the Indenture and by paragraph (a)(viii) of Section 7(a) of the Loan Agreement directly to the Trustee for deposit and application in accordance with Section 4.12 of the Indenture; (ii) the payments required by paragraph (a)(ii) of Section 7(a) of the Loan Agreement directly to the Trustee for deposit in the Costs of Issuance Fund established under the Indenture, as directed by the Issuer; (iii) the payments required by paragraph (a)(vi) directly to the Trustee or Paying Agent, as the case may be; and (iv) the payments required by paragraphs (a)(i) and (a)(v) of Section 7(a) of the Loan Agreement directly to the Issuer.

(b) All moneys paid by the Company to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee will be deposited and applied in accordance with the Sections 4.3 and 4.5 of the Indenture, *provided that* if an Event of Default has occurred and is continuing, all such moneys will be applied in accordance with Section 8.5 of the Indenture. Except as otherwise provided in the Indenture, the Trustee will hold such moneys in trust in accordance with the applicable provisions of the Indenture for the sole and exclusive benefit of the Holders of Bonds, regardless of the actual due date or applicable payment date of any payment to the Holders of Bonds.

(c) The Company will comply with the requirements of the Indenture regarding funding the Costs of Issuance Fund, the Repair and Replacement Fund and the Insurance and Condemnation Fund.

(d) The obligations of the Company to make payments or cause the same to be made under the Loan Agreement are absolute and unconditional and the amount, manner and time of making such payments will not be decreased, abated, postponed or delayed for any cause or by reason of the happening or non-happening of any event, irrespective of any defense or any right of set-off, recoupment or counterclaim which the Company may otherwise have against the Issuer, the Trustee, the Trustee or any Holder of Bonds for any cause whatsoever including, without limiting the generality of the foregoing, failure of the Company to complete the Project or the completion thereof with defects, failure of the Company to occupy or use the Project, any declaration or finding that the 2011 Bonds are or the Indenture is invalid or unenforceable or any other failure or default by the Issuer or the Trustee; *provided, however,* that nothing in the Loan Agreement will be construed to release the Issuer from the performance of any agreements on its part in the Loan Agreement contained or any of its other duties or obligations, and in the event the Issuer will fail to perform any such agreement, duty or obligation, the Company may institute, subject to Section 9 of the Loan Agreement, such action as it may deem necessary to compel performance or recover damages for non-performance.

The Loan Agreement and the obligations of the Company to make payments thereunder are general obligations of the Company.

(e) The Company, if it is not then in default under the Loan Agreement and if no Event of Default would be caused thereby, will have the right to make voluntary prepayments of all or a portion of Loan Payments in any amount to the Trustee, to be applied to the Redemption Price. In the event of a voluntary payment, the amount so paid will be deposited in the Pledged Revenue Fund and applied in accordance with the Indenture. Upon any voluntary payment by the Company, the Issuer agrees to direct the Trustee to redeem Bonds in accordance with the Indenture; *provided, however*, that in the event such voluntary payment is in the sole judgment of the Issuer sufficient to pay all amounts then due under the Loan Agreement and under the Indenture, including the redemption of all Bonds Outstanding, the Issuer agrees, in accordance with the instructions of the Company, to direct the Trustee to redeem all Bonds Outstanding.

(Section 7)

Financial Covenants; No Indebtedness Secured by Project or Gross Revenues

(a) The Company will cause the Project to maintain at all times while the 2011 Bonds remain Outstanding a Debt Service Coverage Ratio of 1.10 to 1.00. At all times while the 2011 Bonds remain Outstanding, the Company will submit to the Trustee the Company's calculation of the Debt Service Coverage Ratio when it submits such calculation to SUNY in accordance with the terms of the SUNY Agreement, but in no event later than 120 days after the end of the Company's Fiscal Year.

(b) So long as any of the 2011 Bonds will remain Outstanding, the Company will not, nor will it permit any subsidiary to, directly or indirectly, (i) create, assume, incur or in any manner become or remain liable in respect to, any Indebtedness secured by the Project or the Gross Revenues; or (ii) create, assume, incur or suffer to exist or allow to be created, assumed or incurred or suffered to exist any Lien upon the Project or Gross Revenues, now owned or hereafter acquired, excepting, however, Permitted Encumbrances; provided, however, that notwithstanding the provisions of Section 8 of the Loan Agreement to the contrary, the Company may, in the ordinary course of its operations, make, modify, terminate and otherwise deal with student licenses for use of dormitory rooms included in the Project, without the consent of the Issuer or the Trustee, in a manner consistent with normal College practice, provided that no such actions on the part of the Company will waive, release, limit, modify or impair any obligations or liabilities of SUNY under the SUNY Agreement.

(Section 8)

No Liability

(a) All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Loan Agreement, the 2011 Bonds, the other Bond Documents and the other documents and instruments connected therewith will be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, agent or employee of the Issuer in his or her individual capacity, and no recourse under or upon any obligation, covenant or agreement contained in the Loan Agreement, the Bond Documents and the 2011 Bonds or otherwise based upon or in respect to the Bond Documents and the 2011 Bonds or any documents supplemental thereto, or for any of the 2011 Bonds or for any claim based thereon or otherwise in respect thereof, will be had against any past, present or future member, director, officer, agent or employee, as such, of the Issuer, or any successor local development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, or any Person executing the Loan Agreement, the other Bond Documents and the 2011 Bonds either directly or through the Issuer or any successor to the local development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, it being expressly understood that the Issuer Documents and the 2011 Bonds will not constitute or give rise to a general obligation of the Issuer, but rather will constitute special limited obligations of the Issuer, payable solely from the Loan Payments received by the Issuer (except with respect to the Unassigned Rights) and other revenues or Property pledged under the Indenture, and that no such personal liability whatsoever will attach to, or is or will be incurred by, the Issuer or any such member, director, officer, agent or employee of the Issuer or of any such successor local development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, or any Person executing the 2011 Bonds because of the creation of the

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indebtedness authorized thereby, or under or by reason of the obligations, covenants or agreements contained in the Bond Documents or in any of the 2011 Bonds or implied therefrom, and that any and all such personal liability of, and any and all such rights and claims against, the Issuer and every such member, director, officer, agent or employee because of the indebtedness authorized by the Loan Agreement, or under or by reason of the obligations, covenants or agreements contained in the Bond Documents or in any of the 2011 Bonds or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of and as a consideration for the execution of the Bond Documents and the issuance of the 2011 Bonds. The limitations on the obligations of the Issuer contained in Section 9 of the Loan Agreement by virtue of any lack of assurance required by Section 9(b) will not be deemed to prevent the occurrence and full force and effect of any Event of Default pursuant to Section 30 of the Loan Agreement.

(b) No order or decree of specific performance with respect to any of the obligations of the Issuer under the Loan Agreement will be sought or enforced against the Issuer unless (i) the party seeking such order or decree has first requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days will have elapsed from the date of receipt of such request, and the Issuer has refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, has failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, and (ii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree will have placed in an account with the Issuer an amount or undertaking which, in the sole discretion of the Issuer, is sufficient to cover such reasonable fees and expenses, and (iii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, directors, officers, agents or employees will be subject to potential liability, the party seeking such order or decree will (A) agree to indemnify and hold harmless the Issuer and its members, officers, directors, agents and employees against any liability incurred as a result of its compliance with such demand, and (B) if requested by the Issuer, furnish to the Issuer security which, in the sole discretion of the Issuer, is sufficient to protect the Issuer and its members, directors, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request.

(c) The obligations and agreements of the Issuer contained in the Loan Agreement will not constitute or give rise to an obligation of the State or any municipality or subdivision thereof (including Erie County, New York) and neither the State nor any municipality or political subdivision thereof (including Erie County, New York) will be liable thereon.

(Section 9)

Pledge of Gross Revenues; Application of Gross Revenues; Operating Account

(a) As security for the payment of all liabilities and the performance of all obligations of the Company pursuant to the Loan Agreement, the Company continuously pledges, grants a security interest in and assigns to the Issuer the Gross Revenues, together with the Company's right to receive and collect the Gross Revenues and the proceeds of the Gross Revenues.

The Company represents and warrants that no part of the Gross Revenues or any right to receive or collect the same or the proceeds thereof is subject to any Lien or assignment and that the Gross Revenues assigned pursuant to the Loan Agreement are legally available to provide security for the Company's performance under the Loan Agreement. The Company covenants that, except in connection with the issuance of Additional Bonds pursuant to the Indenture, it will not create or permit the creation of any Lien on or other commitment of or with respect to the Gross Revenues or the Project.

(b) The Company agrees to collect and transfer the Gross Revenues, as the same are due, to the Trustee for deposit to the Pledged Revenue Fund and to no other account. The Company shall provide a Certificate of an Authorized Representative of the company and the Budget to the Trustee in accordance with Section 4.5 of the Indenture with respect to each transfer of Gross Revenues. The Company agrees that the Gross Revenues shall be used only for the purpose and in the manner provided in the Loan Agreement, or as provided in the Indenture.

(c) The Company will establish the Operating Account to be held separate and apart from all other accounts of the Company. The Company will pay Operating Expenses from the Operating Account. The Company will cause the depository of the Operating Account to enter into a written deposit account control agreement, which will be satisfactory in form and substance to the Trustee, and pursuant to which the depository will agree (i) that amounts on deposit therein constitute Pledged Revenues that the depository holds on deposit in the Operating Account for the Trustee for the benefit of the Owners of the 2011 Bonds, and (ii) to transfer the Pledged Revenues on deposit therein to the Trustee upon receipt from the Trustee of notice stating that delivery of such Pledged Revenues is required. Except for the Operating Account, the Company will not create any other accounts or deposit any moneys with a financial institution. If invested, moneys in the Operating Account will be invested in Permitted Investments.

(Section 10)

Collection of Gross Revenues

In the event that, pursuant to Section 30(b)(v) of the Loan Agreement, the Issuer notifies the Company that account debtors are to make payments directly to the Issuer or to the Trustee, such payments will be made directly to the Issuer or the Trustee notwithstanding anything contained in Section 11 of the Loan Agreement, but the Company will continue to deliver to the Trustee for deposit in accordance with Section 4.3 of the Indenture any payments received by the Company with respect to the Gross Revenues.

(Section 11)

Covenants With Respect to SUNY Agreement and Facility Management Agreement

The Company agrees and covenants with respect to the SUNY Agreement to (i) perform all of the obligations of the Owner (as defined in the SUNY Agreement) under the SUNY Agreement and enforce the timely payment, performance and observance of the covenants, conditions and terms thereof by SUNY; (ii) not later than August 15 of each Fiscal Year, commencing August 15, 2011, the Company will determine in good faith, based upon licenses actually entered into by the Company as of such date, whether or not the projected Project occupancy for such Fiscal Year will be sufficient to achieve the level of the Project Revenues required under the terms of the Facility Management Agreement, and will give written notice of such determination (including supporting computations in reasonable detail) to the Trustee, the Issuer and the Underwriter; if such determination is that the projected Project occupancy for such Fiscal Year will not be sufficient to achieve the level of Project Revenues required under the terms of the Facility Management Agreement, the Company will immediately give written notice thereof to SUNY and shall secure licenses from SUNY in accordance with the terms and conditions of the SUNY Agreement; (iii) obtain payment from SUNY of the then established license rates for the Project with respect to the units licensed by SUNY as will be necessary to achieve the level of Project Revenues required under Section 4.1 of the SUNY Agreement; (iv) take any and all action required to implement and enforce the SUNY Agreement; and (v) not consent to any amendment thereto or termination thereof without first obtaining the prior written consent of the Trustee.

The Company agrees and covenants with respect to the Facility Management Agreement to (i) perform all of the obligations of Owner under the Facility Management Agreement and enforce the timely payment, performance and observance of the covenants, conditions and terms thereof by SUNY as manager and the College; (ii) cause SUNY to transfer all Project Revenues to the Trustee in accordance with the Facility Management Agreement; (iii) take any and all action required to implement the Facility Management Agreement; and (iv) not consent to any amendment thereto or termination thereof without first obtaining the prior written consent of the Trustee.

(Section 12)

Mortgage; Warranty of Title; Utilities and Access

At or before the delivery by the Issuer of the 2011 Bonds, the Company will execute and deliver to the Issuer the Mortgage, in recordable form, mortgaging the Mortgaged Property acceptable to the Issuer.

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The Company warrants and represents to the Issuer that (i) it has good and marketable leasehold title to the Land and Improvements and good and marketable title to the Equipment, free and clear of Liens and encumbrances, except Permitted Encumbrances, so as to permit it to have quiet enjoyment and use thereof for purposes hereof and the Company's programs, and (ii) the Company has such rights of way, easements or other rights in land as may be reasonably necessary for ingress and egress to and from the Project and the Mortgaged Property for proper operation and utilization of the Project and the Mortgaged Property and for utilities required to serve the Project and such Mortgaged Property, together with such rights of way, easements or other rights in, to and over land as may be necessary for construction, use and operation by the Company of the Project and the Mortgaged Property.

As a condition precedent to the Issuer's obligation to deliver such Bonds, the Company agrees to provide the Title Policy and a current survey or surveys, including a metes and bounds description, of such Mortgaged Property; certified to, among others, the Issuer, the Trustee and the issuer of the Title Policy and showing any easements to which the Mortgaged Property is subject.

The Company warrants, represents and covenants that (i) title to the Project and the Mortgaged Property will be kept free from any encumbrances, Liens or commitments of any kind, other than Permitted Encumbrances, (ii) the Project and the Mortgaged Property is and will be serviced by all necessary utilities (including, to the extent applicable, without limitation, electricity, gas, water, sewer, steam, heating, air-conditioning and ventilation), and (iii) to the extent applicable, has and will have its own separate and independent means of access, apart from any other Property owned by the Company or others; *provided, however*, that such access may be through common roads or walks owned by the Company used also for other parcels owned by the Company.

(Section 13)

Consent to Pledge and Assignment

The Company consents to and authorizes the assignment, transfer or pledge by the Issuer to the Trustee of the Issuer's rights to receive any or all of the payments required to be made pursuant to Section 7(a) of the Loan Agreement, any or all security interests granted by the Company under the Loan Agreement, including, without limitation, the security interest in the Gross Revenues given by the Company pursuant to Section 10 of the Loan Agreement, the Mortgage, any security interest in the fixtures, furnishings and equipment located on the Mortgaged Property and all funds and accounts established by the Indenture (other than the Rebate Fund) and pledged under the Indenture, in each case to secure any payment or the performance of any obligation of the Company under the Loan Agreement or arising out of the transactions contemplated by the Loan Agreement whether or not the right to enforce such payment or performance is specifically assigned by the Issuer to the Trustee. The Company further agrees that the Issuer may pledge and assign to the Trustee any and all of the Issuer's rights and remedies under the Loan Agreement. Upon any pledge and assignment by the Issuer to the Trustee authorized by Section 14 of the Loan Agreement, the Trustee will be fully vested with all of the rights of the Issuer so assigned and pledged and may thereafter exercise or enforce, by any remedy provided therefor by the Loan Agreement or by law, any of such rights directly in its own name. Any such pledge and assignment is limited to securing the Company's obligation to make all payments required under the Loan Agreement and to performing all other obligations required to be performed by the Company under the Loan Agreement. Any realization upon any Lien granted by the Loan Agreement not, by operation of law or otherwise, result in cancellation or termination hereof or the obligations of the Company under the Loan Agreement.

(Section 14)

Additional Representations and Warranties

The Company warrants and represents that (i) it has the requisite power and authority (A) to authorize, execute and deliver, and to perform its obligations under the Loan Agreement, the Mortgage, the SUNY Agreement, the Sublease, the Facility Management Agreement and the other Company Documents, (B) to incur the Indebtedness contemplated thereby and (C) to make the Lien on the Gross Revenues given by Section 10 of the Loan Agreement and to mortgage the Mortgaged Property; (ii) each of the Loan Agreement, the Mortgage, the SUNY Agreement, the Sublease, the Facility Management Agreement and the other Company Documents constitutes the valid and binding obligation of the Company enforceable in accordance with its terms, subject to bankruptcy, insolvency,

reorganization, moratorium or similar laws affecting or relating to the rights of creditors generally and general principles of equity; (iii) the execution and delivery of, consummation of the transaction contemplated by and performance of the Company's obligations under the Loan Agreement, the Mortgage, the SUNY Agreement, the Sublease, the Facility Management Agreement and the other Company Documents, including, but not limited to, the pledge of and security interest in the Gross Revenues made or granted pursuant to Section 10 of the Loan Agreement and the mortgaging of the Mortgaged Property, do not or did not violate, conflict with or constitute a default under the certificate of incorporation or by-laws of the Company or any indenture, mortgage, trust, or other commitment or agreement to which the Company is a party or by which it or any of its Properties are bound, or any existing law, rule, regulation, judgment, order, writ, injunction or decree of any Governmental Authority, agency or other instrumentality or court having jurisdiction over the Company or any of its Properties; (iv) the SUNY Agreement, the Sublease and the Facility Management Agreement are in full force and effect and have not been modified or rescinded; (v) the Company is not in default under the SUNY Agreement, the Sublease or the Facility Management Agreement; and (vi) to the knowledge of the Company, no "event of default" or event which with notice of the passage of time would constitute an "event of default" under the Outstanding Prior Bonds, the Ground Lease, the SUNY Agreement, the Sublease or the Facility Management Agreement has occurred.

The Company warrants, represents and covenants (i) that the Gross Revenues are and will be free and clear of any Lien or charge thereon or with respect thereto, prior to, or of equal rank with, the pledge thereof made pursuant to the Loan Agreement, and (ii) that all corporate action on the part of the Company to authorize the pledge thereof and the granting of a security interest therein has been duly and validly taken. The Company further covenants that it will at all times, to the extent permitted by law, defend, preserve and protect such Lien and all of the rights of the Issuer and the Holders of Bonds thereunder against all claims and demands of all persons whomsoever.

(Section 15)

Tax-Exempt Status of Company

The Company represents that: (i) it is an organization described in Section 501(c)(3) of the Code, or corresponding provisions of prior law, and is not a "private foundation," as such term is defined under Section 509(a) of the Code; (ii) it has received a letter or other notification from the Internal Revenue Service to that effect; (iii) such letter or other notification has not been modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification; (v) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist; and (vi) it is exempt from federal income taxes under Section 501 (a) of the Code, except for payment of unrelated business income tax. The Company agrees that: (a) it will not perform any act or enter into any agreement which will adversely affect such federal income tax status and will conduct its operations in the manner which will conform to the standards necessary to qualify the Company as an exempt organization within the meaning of Section 501(c)(3) of the Code or any successor provision of federal income tax law; and (b) it will not perform any act, enter into any agreement or use or permit the Project to be used in a manner, or for any trade or business unrelated to the exempt purposes of the Company, which could adversely affect the exclusion of interest on the 2011A Bonds from federal gross income pursuant to Section 103 of the Code.

(Section 16)

Maintenance of Corporate Existence

The Company covenants that it will (i) maintain its corporate existence, (ii) continue to operate as a not-for-profit corporation, (iii) obtain, maintain and keep in full force and effect such governmental approvals, consents, licenses, permits and accreditation as may be necessary for it to continue to so operate, and (iv) except as expressly permitted by the Loan Agreement, not dissolve or otherwise dispose of all or substantially all of its assets or consolidate with or merge into another person or permit one or more persons to consolidate with or merge into it. The Company, with the prior written consent of the Issuer (which consent will not be unreasonably withheld) and the Trustee (in its sole discretion), may (A) sell or otherwise transfer all or substantially all of its assets to, or consolidate with or merge into, another organization or corporation which qualifies as an organization described in Section 501(c)(3) of the Code, or any successor provision of federal income tax law, (B) permit one or more corporations or any other organization to consolidate with or merge into it, or (C) acquire all or substantially all of the assets of one or more

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corporations or other organizations. Notwithstanding the foregoing provisions of Section 18 of the Loan Agreement, no disposition, transfer, consolidation or merger otherwise permitted by the Loan Agreement will be permitted unless (1) the same would not in the opinion of Bond Counsel adversely affect the exclusion of interest on any 2011A Bond from gross income for purposes of federal income taxation; (2) the Company will not as a result thereof be in default under the Loan Agreement or under the SUNY Agreement, the Sublease or the Facility Management Agreement; (3) the surviving, resulting or transferee corporation, as the case may be, is incorporated under the laws of the State and is qualified as an organization described in Section 501(c)(3) of the Code or any successor provision of federal income tax law; (4) the surviving, resulting or transferee corporation of the Company assumes in writing all of the obligations of the Company under the Loan Agreement, under the Mortgage, the SUNY Agreement, the Sublease, the Facility Management Agreement and the other Bond Documents; and (5) the Company furnishes to the Issuer and the Trustee a certificate to the effect that upon such sale, transfer, consolidation, merger or acquisition such corporation will be in compliance with each of the provisions of the Loan Agreement, and will meet the requirements of the Act and such other certificates, opinions and documents as the Issuer and the Trustee may reasonably require to establish compliance with Section 18 of the Loan Agreement.

(Section 18)

Use and Possession of the Project; Ground Lease and Sublease

(a) Subject to the rights, duties and remedies of the Issuer under the Loan Agreement, the Company will have sole and exclusive control and possession of and responsibility for (i) the Project and the Mortgaged Property, (ii) the operation of the Project and the Mortgaged Property and supervision of the activities conducted therein or in connection with any part thereof, and (iii) the maintenance, repair and replacement of the Project and the Mortgaged Property; *provided, however*, that, except as otherwise limited by the Loan Agreement, the foregoing will not prohibit use of the Project or the Mortgaged Property by persons other than the Company or its staff or employees or SUNY, the College, the College's students, staff or faculty in furtherance of the Company's corporate purposes, if such use will not adversely affect the exclusion of interest on any 2011A Bonds from gross income for federal income tax purposes.

(b) The Company will observe and perform all terms, covenants and conditions on its part to be observed or performed under the Ground Lease and the Sublease Agreement and will not consent to any amendment or modification thereof without the prior written consent of the Trustee. The Company will promptly forward to the Trustee copies of any notice of default or of an occurrence which with notice or the passage of time will constitute a default given or received by the Company under the Ground Lease and the Sublease Agreement.

(Section 20)

Sale of the Project or Mortgaged Property

The Company covenants that it will not transfer, sell or convey the Project or the Mortgaged Property or any part thereof or interest therein, including development rights, without the prior approval of the Trustee (in its sole discretion) and the Issuer, *provided that* the Issuer will not approve such transfer, sale or conveyance unless (a) in the opinion of Bond Counsel, the same will not adversely affect the exclusion of interest on any 2011A Bond from gross income for federal income tax purposes, and (b) the Company pays to the Trustee either for deposit into the Bond Fund, or to purchase defeasance securities in accordance with Section 10.1 of the Indenture, an amount equal to the greater of:

(i) the amount, if any, which is sufficient to redeem or provide for payment in accordance with Section 10.1 of the Indenture of any Outstanding 2011A Bonds required to be redeemed or deemed paid in order to preserve the exclusion of interest on 2011A Bonds from gross income for federal income tax purposes; and

(ii) the lesser of (A) the net proceeds of such transfer, sale or conveyance or (B) a percentage of the Outstanding 2011A Bonds determined by dividing (1) the principal amount of 2011A Bonds issued to finance the portion of the Project being transferred, sold or conveyed (which principal amount will be reasonably determined by the Issuer) by (2) the aggregate principal amount of 2011A Bonds issued.

Notwithstanding the foregoing, the Company may remove equipment, furniture or fixtures that is part of the Project or the Mortgaged Property and was financed with the proceeds of the Outstanding Prior Bonds in accordance with Section 23 of the Loan Agreement.

(Section 22)

Maintenance, Repair and Replacement

The Company agrees that, throughout the term of the Loan Agreement, it will, at its own expense, hold, operate and maintain the Project and the Mortgaged Property or cause the Project and Mortgaged Property to be operated and maintained in a careful, prudent and economical manner, and keep the same, with the appurtenances and every part and parcel thereof, in good repair, working order and safe condition and will from time to time make all necessary and proper repairs, replacements and renewals so that at all times the operation thereof may be properly and advantageously conducted. The Company will give the Issuer and the Trustee not less than fifteen (15) days' prior written notice of its intention to make a change or alteration that materially alters the scope or nature of the Project or the Mortgaged Property or a portion thereof. The Company will have the right to remove or replace any type of fixtures, furnishings and equipment in the Project or the Mortgaged Property which may have been financed by the proceeds of the sale of Bonds, *provided* the Company substitutes for any such removed or replaced fixtures, furnishings and equipment, additional fixtures, furnishings and equipment having equal or greater value and utility than the fixtures, furnishings and equipment so removed or replaced and such substituted items remain subject to the first priority perfected Lien of the Mortgage and the Loan Agreement.

The Company further agrees that it will pay at its own expense all extraordinary costs of maintaining, repairing and replacing the Project and the Mortgaged Property except insofar as funds are made available therefor from proceeds of insurance, condemnation or eminent domain awards or from moneys in the Repair and Replacement Fund.

(Section 23)

Covenant as to Insurance

(a) At all times throughout the term of the Loan Agreement, including, without limitation, during any period of construction of the Project, the Company will maintain insurance, with insurance companies licensed to do business in the State, against such risks, loss, damage and liability (including liability to third parties) and, except as otherwise specified in the Loan Agreement, for such amounts as are customarily insured against by other enterprises of like size and type as that of the Company, including, without limitation:

(i) (A) during any period of construction, reconstruction, renovation or improvement of the Project, Builders' All Risk Insurance written on "100% builders' risk completed value, non-reporting form," including coverage therein for "completion and/or premises occupancy," and coverage for property damage insurance, and (B) All Risk Hazard Insurance with respect to the Project, all of which insurance will include coverage for removal of debris, insuring the buildings, structures, facilities, fixtures and other Property constituting a part of the Project against loss or damage to the Project by fire, lightning, vandalism, malicious mischief and other casualties, with standard extended coverage endorsement covering perils of windstorm, hail, explosion, aircraft, vehicles and smoke (except as limited in the standard form of extended coverage endorsement at the time in use in the State) with policy limits equal at least to the lesser of (x) the value of the Project and all improvements thereon or thereto (exclusive of the fair market value of the land), or (y) the aggregate Outstanding principal amount of the 2011 Bonds, and at all times in an amount such that the proceeds of such insurance will be sufficient to prevent the Company or the Issuer from becoming a co-insurer of any loss under the insurance policies;

(ii) public liability insurance in accordance with customary insurance practices for similar operations with respect to the Project and the business thereby conducted in a minimum amount of \$5,000,000 per occurrence during the first five (5) years in which the Initial Bonds are Outstanding and thereafter in a minimum amount calculated by adding three percent (3%) of the prior year's amount of insurance, which insurance (A) will also provide coverage of the Company's obligations of indemnity under Section 29 of the Loan Agreement; (B) may be effected under overall blanket or excess coverage policies of the Company or any affiliate thereof, *provided, however,* that at least \$1,000,000 is effected by a comprehensive liability insurance policy during the first five (5)

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years in which the Initial Bonds are Outstanding and thereafter in a minimum amount calculated by adding three percent (3%) of the prior year's amount of insurance; and (C) shall not contain any provisions for a deductible amount in excess of \$1,000 or for risk retention in any amount in excess of \$1,000 by the Company;

(iii) workers' compensation insurance, disability benefits insurance and such other forms of insurance which the Company or the Issuer is required by law to provide covering loss resulting from injury, sickness, disability or death of the employees of the Company or any affiliate thereof, or any contractor or subcontractor performing work with respect to the Project; the Company will require that all said contractors and subcontractors maintain all forms or types of insurance with respect to their employees required by laws; and

(iv) boiler and machine property damage insurance with respect to any steam and pressure boilers and similar apparatus located at the Project from risks normally insured against under boiler and machinery policies and in amounts and with deductions customarily obtained for similar business enterprises and in each case approved by the Issuer.

(b) All insurance required by Section 24 of the Loan Agreement will be procured and maintained in financially sound and generally-recognized, responsible insurance companies authorized to write such insurance in the State.

(c) Each of the policies or binders evidencing the insurance required above to be obtained will:

(i) designate (except in the case of workers' compensation insurance) the Company, the Trustee, and the Issuer as additional insureds as their respective interests may appear, *provided, however*, that the insurance policies set forth in paragraph (a)(i) of Section 24 of the Loan Agreement will name only the Issuer and the Trustee in the mortgagee loss payable clause;

(ii) provide that there will be no recourse against the Issuer or the Trustee for the payment of premiums or commissions or (if such policies or binders provide for the payment thereof) additional premiums or assessments;

(iii) provide that in respect of the respective interests of the Issuer and the Trustee in such policies, the insurance will not be invalidated by any action or inaction of the Company or any other Person and will insure the Issuer and the Trustee regardless of, and any losses will be payable notwithstanding, any such action or inaction;

(iv) provide that such insurance will be primary insurance without any right of contribution from any other insurance carried by the Issuer or the Trustee to the extent that such other insurance provides the Issuer or the Trustee, as the case may be, with contingent and/or excess liability insurance with respect to its respective interest as such in the Project;

(v) provide that if the insurers cancel such insurance for any reason whatsoever, including the insured's failure to pay any accrued premium, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change will not be effective as to the Issuer or the Trustee until at least thirty (30) days after receipt by the Issuer and the Trustee, respectively, of written notice by such insurers of such cancellation, lapse, expiration, reduction or change;

(vi) waive any right of subrogation of the insurers thereunder against any Person insured under such policy, and waive any right of the insurers to any setoff or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any Person insured under such policy; and

(vii) contain such other terms and provisions as any owner or operator of facilities similar to the Project would, in the prudent management of its Properties, require to be contained in policies, binders or interim insurance contracts with respect to facilities similar to the Project owned or operated by it.

(d) Concurrently with the original issuance of the 2011 Bonds, the Company will deliver or cause to be delivered to the Issuer and the Trustee certificates of insurance, and upon the written request of the Issuer or the Trustee, duplicate copies of insurance policies and/or binders evidencing compliance with the insurance requirements of Section 24 of the Loan Agreement. At least thirty (30) days prior to the expiration of any such

policy, the Company will furnish the Issuer and the Trustee with evidence that such policy has been renewed or replaced or is no longer required by the Loan Agreement.

(e) The Company will, at its own cost and expense, make all proofs of loss and take all other steps necessary or reasonably requested by the Issuer or the Trustee to collect from insurers for any loss covered by any insurance required to be obtained by Section 24 of the Loan Agreement. The Company will not do any act, or suffer or permit any act to be done, whereby any insurance required by Section 24 of the Loan Agreement would or might be suspended or impaired.

(f) The insurance required to be maintained pursuant to Section 24 of the Loan Agreement will be subject to the review of the Insurance Consultant every two (2) years commencing June 30, 2013, and the Company agrees that it will follow any recommendations of the Insurance Consultant. In order to establish compliance with Section 24 of the Loan Agreement, the Company agrees that it will deliver to the Trustee bi-annually within three months after the end of the applicable Fiscal Year and upon any modification, renewal or replacement of any insurance required under Section 24 of the Loan Agreement, (i) a report of the Insurance Consultant setting forth a description of the insurance maintained, or caused to be maintained pursuant to Section 24 of the Loan Agreement (with copies of the policies or other evidence of such issuance attached to the report) and then in effect and stating whether, in the opinion of the Insurance Consultant, such insurance, the manner of providing such insurance and any reductions or eliminations of the amount of any insurance coverage during the Fiscal Years covered by such report comply with the requirements of Section 24 of the Loan Agreement and adequately protect the Project and the Company's operations, and (ii) a letter from the Insurance Consultant evidencing compliance with its recommendations. The Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed on the report and letter furnished by the Insurance Consultant and conforming to Section 24(f) of the Loan Agreement. The Trustee shall not have a duty to review the policies or other evidence of insurance and may conclusively rely on any report of the Insurance Consultant that complies with clause (i) of Section 24(f) of the Loan Agreement. The Trustee will notify the Company, the Issuer and the Bondholders of any failure by the Company to deliver a report of the Insurance Consultant to the Trustee. For purposes of Section 24(f) of the Loan Agreement, the term, "Insurance Consultant" means a Person which is appointed by the Company for the purpose of passing on questions related to insurance of the Company and for the Project, having the skill and experience necessary to render the particular report and recommendations required and having a favorable and professionally recognized reputation for such skill and experience, which Person does not control the Company or any affiliate thereof and is not controlled by or under common control with the Company or an affiliate.

(g) **THE ISSUER DOES NOT IN ANY WAY REPRESENT THAT THE INSURANCE SPECIFIED IN THE LOAN AGREEMENT, WHETHER IN SCOPE OR COVERAGE OR LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT TO PROTECT THE BUSINESS OR INTEREST OF THE COMPANY.**

(Section 24)

Damage or Condemnation

In the event of a taking of the Project or the Mortgaged Property or any portion thereof by eminent domain or condemnation, or of damage or destruction affecting all or part thereof, all property casualty insurance, condemnation or eminent domain proceeds will, if not applied to reimburse the Company for costs incurred to repair or restore the same, be paid to the Trustee for deposit in the Insurance and Condemnation Fund. All proceeds derived from an award for such taking or from property casualty insurance will be applied as provided below.

(i) If within one hundred eighty (180) days (or such longer period as the Issuer and the Company may agree) after the Issuer receives actual notice or knowledge of the taking or damage, the Company, the Trustee and the Issuer agree in writing that the Property or the affected portion thereof will be repaired, replaced or restored, the Company will proceed to repair, replace or restore the same, or the affected portion thereof, including all fixtures, furniture, equipment and effects, to its original condition insofar as possible with such changes and additions as will be appropriate to the needs of the Company and approved in writing by the Trustee and the Issuer. The funds required for such repair, replacement or restoration will be paid, subject to such conditions and limitations as the Trustee and the Issuer may impose, from the proceeds of insurance, condemnation or eminent domain awards

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received by reason of such occurrence and to the extent such proceeds are not sufficient, from funds to be provided by the Company.

(ii) If no agreement for the repair, restoration or replacement of the Property or affected portion will have been reached by the Trustee, the Issuer and the Company within such period, the proceeds then held by the Company will be paid the Trustee for deposit in the Bond Fund and the proceeds then held in the Insurance and Condemnation Fund will be transferred to the Bond Fund, whereupon such proceeds will be applied to the purchase or redemption of Outstanding Bonds in accordance with the Indenture.

(Section 25)

Taxes and Assessments

The Company will pay or cause to be paid, when due at its own expense, and hold the Issuer harmless from, all taxes, assessments, water and sewer charges and other impositions, if any, which may be levied or assessed upon the Project or any part thereof, and upon all ordinary costs of operating, maintaining, repairing and replacing the Project and its equipment. The Company will file exemption certificates as required by law. The Company agrees to exhibit to the Trustee and an Authorized Officer of the Issuer within ten (10) days after written demand by the Issuer or the Trustee, certificates or receipts issued by the appropriate authority showing full payment of all taxes, assessments, water and sewer charges and other impositions; *provided, however*, that the good faith contest of such impositions will be deemed to be complete compliance with the requirements of the Loan Agreement if the Company sets aside such reserves as may be required by good accounting practice. Notwithstanding the foregoing, the Trustee or the Issuer, in each case in its sole discretion, after notice in writing to the Company, may pay any such charges, taxes and assessments if, in the reasonable judgment of the Issuer or the Trustee, the Project or any part thereof would be in substantial danger by reason of the Company's failure to pay such charges, taxes and assessments of being sold, attached, forfeited, foreclosed, transferred, conveyed, assigned or otherwise subjected to any proceeding, equitable remedy, Lien, charge, fee or penalty that would impair (i) the interests or security of the Issuer under the Loan Agreement or under the Indenture; (ii) the ability of the Issuer to enforce its rights thereunder; (iii) the ability of the Issuer to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement or under the Indenture; or (iv) the ability of the Company to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement. The Company agrees to reimburse the Trustee, or the Issuer for any such payment, with interest thereon from the date payment was made by the Trustee or the Issuer at a rate equal to the highest rate of interest payable on any investment held for the Bond Fund on the date such payment was made by the Trustee or the Issuer.

(Section 26)

Annual Budget; Reporting Requirements; Access to Records

(a) *Annual Budget.* On or before the date of issuance of the 2011 Bonds for the academic year commencing September 2011, and on or before the date that is ninety (90) days prior to the commencement of each academic year thereafter, the Company will prepare or cause to be prepared an Annual Budget for such academic year and will file a copy of such budget with the Trustee and the Underwriter. The Annual Budget of the Company will set forth revenues and expenses and capital expenditures by category in reasonable detail and demonstrate compliance with the Debt Service Coverage Ratio covenant for the applicable Fiscal Years. As and when determined necessary or appropriate by the Company, the Annual Budget will be amended and a copy of each revision will be promptly filed with the Trustee and the Underwriter.

(b) *Reporting Requirements.* The Company will furnish or cause to be furnished to the Issuer, the Underwriter, the Trustee and such other persons as the Issuer or the Trustee may request and to the Owners of the 2011 Bonds upon any Owner's written request to the Company:

(i) annually, within one hundred twenty (120) days after the end of the Company's Fiscal Year, (A) a copy of the annual audited financial statements of the Company for such Fiscal Year, including therein without limitation, a balance sheet as of the end of such Fiscal Year, a statement of changes in net assets and a statement of activities for such Fiscal Year or such other financial statements then required in accordance with generally accepted

accounting principles applicable to the Company, audited by a firm of independent public accountants of recognized standing, (B) a certificate or other instrument signed by the Company's auditors setting forth the Debt Service Coverage Ratio and detailing the calculation thereof and stating whether an Event of Default, or, to the best of the auditors' knowledge, an event that, with the giving of notice or the passage of time, or both, would constitute such an Event of Default, has occurred and is continuing, and, if such an Event of Default or such an event has occurred and is continuing, a statement as to the nature thereof, and (C) if such an Event of Default or such an event has occurred and is continuing, a certificate of an Authorized Officer of the Company setting forth the action that the Company proposes to take with respect thereto;

(ii) quarterly statements will be provided within forty-five (45) days of the end of the quarter or, if required by the Trustee, monthly statements upon the occurrence of a default by the Company under Section 8 or any other Section of the Loan Agreement (within thirty (30) days of the end of the month), together with a certificate of an Authorized Representative stating that the Company is not in default of any of its obligations or covenants under the Bond Documents;

(iii) promptly following approval by the Management Committee (as defined in the Facility Management Agreement), but at least ninety (90) days prior to the commencement of the academic year to which it applies, an Annual Budget for each academic year covering the operation of the Project;

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

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

(vi) such reports with respect to the condition of, and repairs, replacements, renovations, and maintenance, to the Project or the Mortgaged Property as the Issuer, the Underwriter or the Trustee may from time to time reasonably request;

(vii) copies of any detailed audit reports, management letters or recommendations submitted to the Company by independent accountants;

(viii) immediate notice of any failure by SUNY to license or make any payment required by the SUNY Agreement or Facility Management Agreement or notice of default thereunder; and

(ix) such other information respecting the business, Property or the condition or operations, financial or otherwise, of the Company as the Issuer or the Trustee may from time to time reasonably request (other than information the Company or College is required by law to keep confidential).

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

(Section 27)

Indemnity by Company

(a) The Company releases the Issuer and the Trustee, and their respective members, officers, directors, agents, officials, employees and any person who controls the Issuer or the Trustee within the meaning of the Securities Act of 1933, as amended, from, and covenants and agrees to indemnify, hold harmless and defend the Issuer and the Trustee and their respective members, officers, directors, employees, agents, officials, grantors, beneficiaries and any person who controls such party within the meaning of the Securities Act of 1933, as amended, and employees

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and each of them (each an “*Indemnified Party*”) from and against, any and all losses, claims, damages, demands, liabilities and expenses (including attorneys’ fees and expenses, whether incurred in a third party action or an action to enforce the Loan Agreement), taxes, causes of action, suits, claims, demands and judgments of any nature, joint or several, by or on behalf of any person arising out of:

- (i) the transactions provided for in the Bond Documents;
- (ii) the execution and delivery or amendment of any document entered into in connection with the transactions provided for in the Bond Documents, including any certifications or representations made by any person other than the party seeking indemnification;
- (iii) the approval of the financing for the Project;
- (iv) any and all claims arising in connection with the interpretation, performance, enforcement, breach, default or amendment of the Bond Documents or any other documents relating to the Project or the 2011 Bonds or in connection with any other matters relating to the 2011 Bonds or the Project, including, but not limited to, any federal or state tax audit, or any questions or other matters arising under such documents;
- (v) the Trustee’s acceptance or administration of the trusts created by the Indenture or the exercise of its powers or duties under the Indenture, the Loan Agreement, the Tax Compliance Agreement or any other agreements to which it is a party or otherwise in connection with the transactions provided for in the Bond Documents;
- (vi) any and all claims arising in connection with (A) the issuance or sale of any Bonds or any certifications or representations made by any person other than the party seeking indemnification, including, but not limited to, any (1) statement or information made by the Company with respect to the Company or the Project in any offering document or materials regarding the 2011 Bonds, the Project or the Company or in the Tax Compliance Agreement or in any other certificate executed by the Company which, at the time made, is misleading, untrue or incorrect in any material respect; (2) untrue statement or alleged untrue statement of a material fact relating to the Company or the Project contained in any offering material relating to the sale of the 2011 Bonds, as from time to time amended or supplemented, or arising out of or based upon the omission or alleged omission to state in such offering material a material fact relating to the Company or the Project required to be stated in such offering material or necessary in order to make the statements in such offering material not misleading; and (3) failure to properly register or otherwise qualify the sale of the 2011 Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the 2011 Bonds could be sold; and (B) the carrying out by the Company of any of the transactions provided for in the Bond Documents;
- (vii) the Company’s failure to comply with any requirement of any Bond Document applicable to the Company;
- (viii) any act or omission of the Company or any of its agents, servants, employees or licensees in connection with the Loan Agreement or the Project, including violation of any law, ordinance, court order or regulation affecting the Project or any part of it or the ownership, occupancy or use of it;
- (ix) any damage or injury, actual or claimed, of whatsoever kind, cause or character, to Property (including loss of use of Property) or persons, occurring or allegedly occurring in, on or about the Project or arising out of any action or inaction of the Company, whether or not related to the Project, or resulting from or in any way connected with the acquisition, construction, reconstruction, renovation, equipping or management of the Project, the issuance of the 2011 Bonds or otherwise in connection with transactions provided for in the Bond Documents or otherwise in connection with the Project, the 2011 Bonds or the execution or amendment of any document relating to the Project or the 2011 Bonds;
- (x) any failure to comply with the Environmental Compliance and Indemnification Agreement applicable to, or the release of any toxic substance from, the Project; and

(xi) any and all claims arising in connection with the operation of the Project, or the conditions, environmental or otherwise, occupancy, use, possession, conduct or supervision of work done in or about, or from the planning, design, acquisition, construction, repair or equipping of, the Project or any part of it.

(b) This indemnification will extend to and include, without limitation, all reasonable costs, attorneys' fees (whether incurred in a third party action or an action to enforce the Loan Agreement), expenses or liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim, except (a) in the case of the foregoing indemnification of the Trustee or any of its Indemnified Parties, to the extent such damages are caused solely by the gross negligence or willful misconduct of such Person, and (b) in the case of the foregoing indemnification of the Issuer or any of its Indemnified Parties, to the extent such damages are caused by the gross negligence or willful misconduct of such Person. To effectuate the purposes of Section 29 of the Loan Agreement, the Company will provide for and insure, in the liability policies required under Section 24 of the Loan Agreement, not only its own liability in respect of the matters therein mentioned but also liability pursuant to Section 29 of the Loan Agreement.

(c) An Indemnified Party will promptly notify the Company in writing of any claim or action brought against such Indemnified Party in which indemnity may be sought against the Company pursuant to Section 29 of the Loan Agreement. Such notice will be given in sufficient time to allow the Company to defend or participate in such claims or action, but the failure to give such notice in sufficient time will not constitute a defense under the Loan Agreement nor in any way impair the obligations of the Company under Section 29 of the Loan Agreement.

(d) The provisions of Section 29 of the Loan Agreement and the indemnification provided in the Loan Agreement will survive repayment of the 2011 Bonds. Notwithstanding anything to the contrary in the Loan Agreement, the covenants of the Company contained in Section 29 of the Loan Agreement will continue in full force and effect after the expiration or earlier termination of the Loan Agreement until the later of (i) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought, and (ii) payment in full or the satisfaction of such claim or cause of action and all expenses and charges incurred by the Indemnified Party relating to the enforcement of Section 29 of the Loan Agreement and the provisions in the Loan Agreement specified.

(e) In the event of any claim against the Issuer or its members, directors, officers, agents or employees by any employee or contractor of the Company or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the Company under the Loan Agreement will not be limited in any way by any limitation on the amount or type of damages, compensation, disability benefits or other employee benefit acts.

(f) The Company and every assignee of the Company's interest in the Loan Agreement waives any and all of its rights against the Issuer (whether such rights currently exist or arise in the future by statute, common law or otherwise) as a mortgagee of the Project with respect to any and all environmental liabilities, however or whenever accruing.

(g) Should an insurance carrier provide for the defense of the Issuer in connection with any claim subject to indemnity under Section 29 of the Loan Agreement, the Company will cause such insurance carrier (and the attorneys retained by such insurance carrier) to promptly provide the Issuer with such information regarding the status of such claims as the Issuer may from time to time reasonably request, to immediately advise the Issuer of any monetary verdict against it, and in no event will the Company permit a judgment to be entered against the Issuer arising out of such claim without thirty (30) days' prior written notice to the Issuer. Should the Company provide the defense of any such claim directly, the attorneys selected by the Company will be subject to the prior approval of the Issuer, and the Company will cause such attorneys to promptly provide the Issuer with such information regarding the status of such claims as the Issuer may from time to time reasonably request, to immediately advise the Issuer of any monetary verdict against it, and in no event will the Company permit a judgment to be entered against the Issuer arising out of such claim without thirty (30) days' prior written notice to the Issuer.

(h) Should any lawsuit be commenced against the Issuer which is subject to indemnity pursuant to Section 29 of the Loan Agreement, and should such lawsuit result in a judgment being entered against the Issuer, the Company will not permit any Lien resulting from such judgment to encumber any asset of the Issuer. Should such judgment

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result in a Lien encumbering any asset of the Issuer, the Company will immediately, upon demand by the Issuer, cause such judgment to be released from all assets of the Issuer, pursuant to documentation in form and content acceptable to the Issuer. The Company will be responsible for all damages suffered by the Issuer (including incidental and consequential damages) resulting from any such judgment Lien that may encumber any asset of the Issuer, including, but not limited to, all out-of-pocket expenses (including reasonable attorneys' fees) incurred by the Issuer to obtain releases of any such judgment Lien.

(Section 29)

Defaults and Remedies

(a) As used in the Loan Agreement the term "*Event of Default*" means:

(i) the Company defaults in the timely payment of any amount payable pursuant to Section 7 of the Loan Agreement or the payment of any other amounts required to be delivered or paid by or on behalf of the Company in accordance herewith, and such default continues for a period in excess of ten (10) days; or

(ii) the Company fails to satisfy the Debt Service Coverage Ratio covenant under Section 8 of the Loan Agreement; or

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

(iv) the occurrence of an Event of Default under the 2011 Bonds, the Indenture, the Mortgage or any other Bond Document; or

(v) an Event of Bankruptcy with respect to the Company; or

(vi) a final judgment for the payment of money which (A) in itself, exceeds \$500,000 or if combined with the aggregate amount of all outstanding final judgments for money exceeds \$500,000, and (B) is not covered by insurance or reserves set aside by the Company, which in the judgment of the Issuer will adversely affect the rights of the Holders of the 2011 Bonds will be rendered against the Company and at any time after forty-five (45) days from the entry thereof, (C) such judgment will not have been discharged or paid, or (D) the Company will not have taken and be diligently prosecuting an appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment will have been granted or entered, and will not have caused, within forty-five (45) days, the execution of or levy under such judgment, order, decree or process or the enforcement thereof to have been stayed pending determination of such appeal; or

(vii) the termination of (i) the Ground Lease, (ii) the Sublease Agreement, (iii) the SUNY Agreement, or (iv) the Facility Management Agreement; or

(viii) the occurrence of a default under any Indebtedness of the Company.

(b) Upon the occurrence of an Event of Default, the Issuer may take any one or more of the following actions:

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

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

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

(iv) realize upon any pledge of or security interest in the Gross Revenues and the rights to receive the same, all to the extent provided in Sections 10 and 11 of the Loan Agreement, by any one or more of the following actions: (A) enter the Company and examine and make copies of the financial books and records of the Company relating to the Gross Revenues and, to the extent of the assigned Gross Revenues, take possession of all checks or other orders for payment of money and moneys in the possession of the Company representing Gross Revenues or proceeds thereof; (B) notify any account debtors obligated on any Gross Revenues to make payment directly to the Issuer or to the Trustee, as the Issuer may direct, and of the amount to be so paid; *provided, however*, that (1) the Issuer may, in its discretion, immediately collect the entire amount of interest or principal coming due on Outstanding Bonds on the next interest payment date therefor, and may continue to do so commencing on each such interest payment date to the extent of amounts due on Outstanding Bonds on the next interest payment date therefor, with respect to the Gross Revenues, until such amounts are fully collected, (2) written notice of such notification will be mailed to the Company five (5) days prior to mailing or otherwise making such notification to account debtors, and (3) until the Company will receive such notice it will have full authority and responsibility to enforce and collect Gross Revenues owing from its account debtors; (C) following the above mentioned notification to account debtors, collect, compromise, settle, compound or extend amounts payable as Gross Revenues which are in the form of accounts receivable or contract rights from the Company's account debtors by suit or other means and give a full acquittance therefor and receipt therefor in the name of the Company whether or not the full amount of any such account receivable or contract right owing will be paid to the Issuer; (D) forbid the Company to extend, compromise, compound or settle any accounts receivable or contract rights which represent any unpaid assigned Gross Revenues, or release, wholly or partly, any person liable for the payment thereof (except upon receipt of the full amount due) or allow any credit or discount thereon; or (E) endorse in the name of the Company any checks or other orders for the payment of money representing any unpaid assigned Gross Revenues or the proceeds thereof;

(v) take any action necessary to enable the Issuer to realize on its Liens under the Loan Agreement or under the Mortgage or the other Security Documents or by law, and any other action or proceeding permitted by the terms of the Loan Agreement or by law.

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

At any time before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of any Event of Default or before the completion of the enforcement of any other remedies under the Loan Agreement, the Issuer may annul any declaration made pursuant to paragraph (b) of Section 30 of the Loan Agreement and its consequences if such Event of Default will be cured. No such annulment will extend to or affect any subsequent default or impair any right consequent thereto.

(Section 30)

Compliance with Indenture

The Company approves of and agrees to the provisions of the Indenture. The Company agrees to do all things within its power in order to enable the Issuer to comply with all requirements and to fulfill all covenants of the Indenture which require the Company to comply with requests or obligations so that the Issuer will not be in default in the performance of any covenant, condition, agreement or provision of the Indenture.

(Section 31)

Investment of Moneys

The Company may in its sole discretion direct the investment of certain moneys held under the Indenture as provided therein. Neither the Issuer nor the Trustee will have any liability arising out of or in connection with the making of any investment authorized by the provisions of Article IV of the Indenture in the manner provided therein, or for any loss, direct or indirect, resulting from any such investment.

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(Section 32)

Arbitrage; Tax Exemption

Each of the Company and the Issuer covenants that it will take no action, nor will it approve the Trustee's taking any action or making any investment or use of the proceeds of the 2011A Bonds, which would cause the 2011A Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code, and any proposed or final regulations thereunder as are applicable to the 2011 Bonds at the time of such action, investment or use. The Company (or any related person, as defined in Section 147(a)(2) of the Code) will not, pursuant to an arrangement, formal or informal, purchase 2011A Bonds in an amount related to the amount of any obligation to be acquired from the Company by the Issuer.

The Company covenants that it will not take any action or fail to take any action which would cause any representation or warranty of the Company contained in the Tax Compliance Agreement then to be untrue and will comply with all covenants and agreements of the Company contained in the Tax Compliance Agreement, in each case to the extent required by and otherwise in compliance with such Tax Compliance Agreement.

(Section 34)

Amendments to Loan Agreement

The Loan Agreement may be amended only in accordance with Article XI of the Indenture and each amendment will be made by an instrument in writing signed by the Company, the Trustee and the Issuer.

(Section 40)

Termination

The Loan Agreement will remain in full force and effect until no Bonds are Outstanding and until all other payments, expenses and fees payable under the Loan Agreement by the Company have been made or provision made for the payment thereof; *provided, however*, that the liabilities and the obligations of the Company under Section 7(a) of the Loan Agreement and to provide reimbursement for or indemnification against reasonable expenses, costs or liabilities made or incurred pursuant to Sections 24, 26 and 29 of the Loan Agreement will nevertheless survive any such termination. Upon such termination, the Issuer will promptly deliver such documents as may be reasonably requested by the Company to evidence such termination and the discharge of the Company's duties under the Loan Agreement and the release or surrender of any security interests granted by the Company to the Issuer.

(Section 41)

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

The following is a brief summary of certain provisions of the Indenture. This summary does not purport to be complete and reference is made to the Indenture for the full and complete description thereof. Certain provisions of the Indenture are also described in the Official Statement.

Trust Estate

The Issuer, in consideration of the covenants contained in the Indenture and as security for the Bonds and for the payment of all other sums required to be paid under the Indenture, assigns and grants to the Trustee, and its successors and assigns forever, for the benefit of the Owners and future Owners of the Bonds, the following described property:

- (a) All right, title and interest of the Issuer in and to the Loan Agreement (except for the Unassigned Rights expressly retained by the Issuer), the present and continuing right to make claim for, collect, receive and receipt for any of the Pledged Revenues and other sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable thereunder or hereunder (except for amounts payable to the Issuer with respect to Unassigned Rights), the exclusive right to bring actions and proceedings thereunder or for the enforcement thereof (except as otherwise specifically provided with respect to Unassigned Rights), the right to grant consents and waivers, and to enter into amendments and to do any and all things which the Issuer is or may become entitled to do thereunder;
- (b) All right, title and interest of the Issuer in and to all money and securities from time to time held by the Trustee under the terms of the Indenture or credited to any fund or account established hereunder (other than any moneys or securities in the Rebate Fund);
- (c) Any and all other Property of every name and nature from time to time hereafter by delivery or by writing of any kind given, granted, sold, conveyed, mortgaged, pledged, assigned or transferred, or as to which a Lien is granted, as and for additional security hereunder by the Issuer or by anyone on its behalf or with its written consent or by the Company, subject to the Unassigned Rights, in favor of the Trustee, that is hereby authorized to receive any and all such Property at any and all times and to hold and apply the same subject to the terms of the Indenture; and
- (d) Any and all proceeds (including real property) acquired by the Issuer or the Trustee as a result of its exercise of any remedies under the Security Documents or Loan Agreement.

(Granting Clauses)

Purpose for Which Bonds May Be Issued

The 2011 Bonds may be issued only for the purpose of providing funds to defease the Outstanding Prior Bonds and pay certain Costs of Issuance of the 2011 Bonds. Additional Bonds may be issued for the purposes specified in Section 2.12 of the Indenture.

(Section 2.2)

No Recourse, Special Obligations

- (a) All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Indenture, in the 2011 Bonds, in the other Issuer Documents and in the other documents and instruments connected therewith will be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, agent or employee of the Issuer in his or her individual capacity, and no recourse under or upon any obligation, covenant or agreement contained in the Bond Documents and the 2011 Bonds or otherwise based upon or in respect to the Bond Documents and the 2011 Bonds or any documents supplemental thereto, or for any of the 2011 Bonds or for any claim based thereon or otherwise in respect thereof, will be had against any past, present or future member, director, officer, agent or employee, as such, of the Issuer, or any successor local

development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, or any person executing the Bond Documents and the 2011 Bonds either directly or through the Issuer or any successor local development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, it being expressly understood that the Bond Documents and the 2011 Bonds will not constitute or give rise to a general obligation of the Issuer, but rather will constitute special limited obligations of the Issuer, payable solely from the Loan Payments received by the Issuer (except for Loan Payments derived by the Issuer with respect to the Unassigned Rights) and other revenues pledged under the Indenture, and that no such personal liability whatsoever will attach to, or is or will be incurred by, any such member, director, officer, agent or employee of the Issuer or of any such successor local development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, or any person executing the 2011 Bonds because of the creation of the Indebtedness authorized by the Indenture, or under or by reason of the obligations, covenants or agreements contained in the Bond Documents or in any of the 2011 Bonds or implied therefrom, and that any and all such personal liability of, and any and all such rights and claims against, every such member, director, officer, agent or employee because of the indebtedness authorized thereby, or under or by reason of the obligations, covenants or agreements contained in the Bond Documents or in any of the 2011 Bonds or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of and as a consideration for the execution of the Bond Documents and the issuance of the 2011 Bonds. The limitations on the obligations of the Issuer contained in Section 2.4 of the Indenture by virtue of any lack of assurance required by Section 2.4(b) will not be deemed to prevent the occurrence and full force and effect of any Event of Default pursuant to Section 8.1 of the Indenture.

(b) No order or decree of specific performance with respect to any of the obligations of the Issuer under the Indenture or under the 2011 Bonds or Bond Documents will be sought or enforced against the Issuer unless (i) the party seeking such order or decree will first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days will have elapsed from the date of receipt of such request, and the Issuer has refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, has failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, and (ii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree has placed in an account with the Issuer an amount or undertaking which in the sole discretion of the Issuer is sufficient to cover such reasonable fees and expenses, and (iii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, directors, officers, agents or employees will be subject to potential liability, the party seeking such order or decree will (A) agree to indemnify and hold harmless the Issuer and its members, directors, officers, agents and employees against any liability incurred as a result of its compliance with such demand, and (B) if requested by the Issuer, furnish to the Issuer security which in the sole discretion of the Issuer is sufficient to protect the Issuer and its members, directors, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request.

(c) The obligations and agreements of the Issuer contained in the Indenture do not constitute or give rise to an obligation of the State or any municipality or subdivision thereof (including Erie County, New York) and neither the State nor any municipality or political subdivision thereof (including Erie County, New York) will be liable thereon, and further such obligations and agreements will not constitute or give rise to a general obligation of the Issuer, but rather will constitute special limited obligations of the Issuer payable solely from the Loan Payments received by the Issuer (except for Unassigned Rights) and other revenues and Property pledged under the Indenture.

(Section 2.4)

Persons Deemed Owners

The Issuer, the Trustee and any Paying Agent may deem and treat the Person in whose name any Bond will be registered upon the books of the Issuer as the absolute owner thereof, whether such Bond will be overdue or not for the purpose of receiving payment of the principal or Redemption Price of and interest on such Bond and for all other purposes. All such payments so made to any such Owner or upon his order will be valid and effectual to

satisfy and discharge the liability of the Issuer upon such Bond to the extent of the sum or sums so paid. Neither the Issuer, the Trustee nor any Paying Agent will be affected by any notice to the contrary.

(Section 2.10(b))

Authority for Issuance of Additional Bonds

The Issuer may, upon the request of the Company, issue from time to time, and the Trustee will authenticate, (a) Additional Bonds for the purpose of providing all or a part of the funds necessary to refund all or any portion of the Outstanding Bonds of any one or more series (“*Refunding Bonds*”), including the costs of issuance of such Refunding Bonds and of financing, (b) Additional Bonds to finance improvements or repairs to the Project or the acquisition of furniture, fixtures, machinery or other tangible personal property for installation in the Project or use at the Project (“*Project Bonds*”) and the costs of issuance of such Project Bonds. Each series of Additional Bonds must be issued in compliance with the provisions of Section 2.13 of the Indenture and will mature no later than the latest date permitted by applicable law (if any).

(Section 2.12)

Conditions Precedent to Issuance of Additional Bonds

(a) Additional Bonds issued hereunder will be on a parity with the Parity Bonds unless the Supplemental Indenture with respect to such Additional Bonds provides otherwise. No Series of Additional Bonds will have a Lien on Pledged Revenues or the Trust Estate senior to the Lien of the Initial Bonds. Any Additional Bonds will be authorized and described in a Supplemental Indenture executed by the Issuer and the Trustee and which, when so issued, authorized and described, will be equally and ratably secured by the Indenture and the Trust Estate on parity with the 2011 Bonds then Outstanding under the Indenture, without distinction, preference or priority unless otherwise provided in the applicable Supplemental Indenture.

(b) **Refunding Bonds.** Prior to the issuance of Refunding Bonds, the Company will deliver or cause to be delivered to the Trustee:

(i) A Supplemental Indenture executed by the Issuer and approved by the Company providing for the issuance of the Refunding Bonds, containing such terms and provisions as may be necessary or proper to secure the Refunding Bonds and as will not, unless all Outstanding Bonds are to be paid or redeemed, be inconsistent with the Indenture;

(ii) An executed counterpart of an amendment to the Loan Agreement evidencing and securing the Company’s obligation to pay to the Issuer Loan Payments sufficient to pay Debt Service Payments on the Refunding Bonds to be issued, together with an assignment to the Trustee of said amendment to the Loan Agreement and of the amounts payable thereunder;

(iii) Certified copies of the resolution of the Issuer authorizing the execution of the Supplemental Indenture, the issuance of the Refunding Bonds and the payment or redemption of the 2011 Bonds to be refunded;

(iv) Evidence satisfactory to the Trustee that notice of redemption of any Bonds to be redeemed has been properly given or the Trustee has received irrevocable instructions to give such notice at the appropriate time;

(v) An Opinion or Opinions of Counsel in form and substance satisfactory to the Trustee and Bond Counsel to the effect that (A) the Additional Bonds have been duly issued for a permitted purpose under the Act and Article II of the Indenture, (B) all consents or approvals required to be obtained from any Governmental Authority for the issuance of the Additional Bonds have been obtained, (C) the issuance of the Additional Bonds and execution and delivery of related documents will not constitute a breach or default on the part of the Company under its certificate of incorporation, or on the part of the Issuer or the Company under any applicable laws or regulations, court orders or rulings of Governmental Authorities to which the Issuer or the Company is subject or any agreements to which the Issuer or the Company is a party or to which its Properties are subject, (D) all documents delivered by the Issuer and the Company in connection with the issuance of the Additional Bonds have been duly

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and validly authorized, executed and delivered and such execution and delivery and all other actions taken by the Issuer and the Company in connection with the issuance of the Additional Bonds have been duly authorized by all necessary corporate actions, (E) all conditions precedent to the issuance of the Additional Bonds pursuant to the Indenture and the applicable Supplemental Indenture have been satisfied, and (F) no litigation is pending or threatened to restrain or enjoin the issuance or delivery of the Additional Bonds;

(vi) Executed counterparts of such documents as are necessary or appropriate for the purposes of the refunding, including, if appropriate, an escrow agreement providing for the deposit and application of funds for the refunding and irrevocable instructions with respect to any required redemption of refunded Bonds;

(vii) A resolution of the Company finding that such refunding is in the best interests of the Company and stating the reasons for such refunding;

(viii) An Opinion of Bond Counsel to the effect that the issuance of Additional Bonds will not adversely affect the exclusion (if any) from gross income of the Owners of any Outstanding Bonds of the interest on such Outstanding Bonds for federal tax purposes;

(ix) In connection with a partial refunding, written evidence from a Rating Agency, if any, by which the Outstanding Bonds are then rated, to the effect that the Refunding Bonds are rated at least as high as the rating(s) assigned to the Outstanding Bonds immediately prior to the issuance of the Refunding Bonds;

(x) Unless the 2011 Bonds being refunded are Subordinate Bonds, the consent of SUNY to the issuance of such Refunding Bonds and the acknowledgment of SUNY that the SUNY Agreement is in full force and effect and the Project Bonds are subject thereto;

(xi) A Company Certificate that the Loan Agreement and the Bond Documents are in effect and no “*event of default*,” as such term is defined in the Loan Agreement and the Bond Documents, exists thereunder;

(xii) A Company Certificate that the Debt Service Coverage Ratio of the Company for the Fiscal Year prior to the Fiscal Year in which such Refunding Bonds are to be issued is equal to or greater than 1.10:1.00 and a Company Certificate accompanied by a Certificate of a firm of independent accountants of recognized standing that the Debt Service Coverage Ratio of the Company for the Fiscal Year during which such Refunding Bonds are being issued (taking into account Debt Service Payments on such Refunding Bonds) will be equal to or greater than 1.10:1.00;

(xiii) Such other certificates, affidavits, documents or opinions as the Trustee or Bond Counsel may reasonably request; and

(xiv) Evidence that the Company has paid or caused to be paid all costs and expenses of the Issuer, the Holders of the 2011 Bonds and the Trustee with respect to the issuance of Refunding Bonds.

(c) **Project Bonds.** Prior to the issuance of Project Bonds, the Company will deliver, or cause to be delivered, to the Trustee:

(i) A Supplemental Indenture executed by the Issuer and approved by the Company providing for the issuance of the Project Bonds, containing such terms and provisions as may be necessary or proper to secure the Project Bonds and as will not, unless all Outstanding Bonds are to be paid or redeemed, be inconsistent with the Indenture;

(ii) An executed counterpart of an amendment to the Loan Agreement evidencing and securing the Company’s obligation to pay to the Issuer Loan Payments sufficient to pay Debt Service Payments on the Project Bonds to be issued and to undertake and complete the improvements, repairs, acquisition and installation to be financed by the Project Bonds, together with an assignment to the Trustee of said amendment to the Loan Agreement and of the amounts payable thereunder;

(iii) Certified copies of the resolution of the Issuer authorizing the execution of the Supplemental Indenture, amendments or supplements to the Loan Agreement, the Mortgage and other Bond Documents, the issuance of the Project Bonds and the undertaking of the project to be financed thereby;

(iv) An Opinion or Opinions of Counsel in form and substance satisfactory to the Trustee and Bond Counsel to the effect that (A) the Additional Bonds have been duly issued for a permitted purpose under the Act and Article II of the Indenture, (B) all consents or approvals required to be obtained from any Governmental Authority for the issuance of the Additional Bonds have been obtained, (C) the issuance of the Additional Bonds and execution and delivery of related documents will not constitute a breach or default on the part of the Company under its certificate of incorporation, or on the part of the Issuer or the Company under any applicable laws or regulations, court orders or rulings of Governmental Authorities to which the Issuer or the Company is subject or any agreements to which the Issuer or the Company is a party or to which its Properties are subject, (D) all documents delivered by the Issuer and the Company in connection with the issuance of the Additional Bonds have been duly and validly authorized, executed and delivered and such execution and delivery and all other actions taken by the Issuer and the Company in connection with the issuance of the Additional Bonds have been duly authorized by all necessary corporate actions, (E) all conditions precedent to the issuance of the Additional Bonds pursuant to the Indenture and the applicable Supplemental Indenture have been satisfied, and (F) no litigation is pending or threatened to restrain or enjoin the issuance or delivery of the Additional Bonds;

(v) Executed counterparts of amendments or supplements to the Mortgage and other Bond Documents as are necessary or appropriate in the opinion of Bond Counsel for the purposes of evidencing the issuance of the Project Bonds and the pledge of the Trust Estate as security therefor;

(vi) An Opinion of Bond Counsel to the effect that the issuance of Additional Bonds will not adversely affect the exclusion (if any) from gross income of the Owners of any Outstanding Bonds of the interest on such Outstanding Bonds for federal tax purposes;

(vii) Written evidence from a Rating Agency, if any, by which the Outstanding Bonds are then rated, to the effect that the Project Bonds are rated at least as high as the rating(s) assigned to the Outstanding Bonds immediately prior to the issuance of the Project Bonds;

(viii) The consent of SUNY to the issuance of such Project Bonds and the acknowledgment of SUNY that the SUNY Agreement is in full force and effect and the Project Bonds are subject thereto;

(ix) A Company Certificate that the Loan Agreement and the Bond Documents are in effect, no “*event of default*,” as such term is defined in the Loan Agreement and the Bond Documents, exists thereunder and the proceeds of the Project Bonds, together with any additional funds supplied or to be supplied from any source, will be sufficient to complete the project for which such Project Bonds are issued and pay the cost thereof; and

(x) A Company Certificate that the Debt Service Coverage Ratio of the Company for the Fiscal Year prior to the Fiscal Year in which such Project Bonds are to be issued is equal to or greater than 1.10:1.00 and a Company Certificate accompanied by a Certificate of a firm of independent accountants of recognized standing that the Debt Service Coverage Ratio of the Company for the Fiscal Year during which such Project Bonds are being issued (taking into account Debt Service Payments on such Project Bonds) will be equal to or greater than 1.10:1.00;

(xi) Such other certificates, affidavits, documents or opinions as the Trustee or Bond Counsel may reasonably request; and

(xii) Evidence that the Company has paid or caused to be paid all costs and expenses of the Issuer, the Holders of the 2011 Bonds and the Trustee with respect to the issuance of Project Bonds.

(d) The consent of the Holders of Bonds will not be required prior to the issuance of Additional Bonds, or to the execution and delivery of any amendments to the Bond Documents required in connection therewith. The Trustee will, however, mail notice in writing (in the form provided to the Trustee by the Issuer) to the Holders of Bonds and each Rating Agency, if any, by which the 2011 Bonds are then rated of the proposed issuance of the

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Additional Bonds, detailing, at least, the aggregate principal amount of such Additional Bonds, and summarizing the nature of the amendments to the Bond Documents proposed to be executed in connection therewith.

(e) Upon compliance with the requirements of Section 2.13(a) or (b) of the Indenture, the Trustee will thereupon be authorized to execute the Supplemental Indenture, to authenticate the Additional Bonds and to deliver the same to or upon the order of the Issuer.

(Section 2.13)

Establishment of Funds

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

(a) Buffalo and Erie County Industrial Land Development Corporation – Costs of Issuance Fund – Buffalo State College Foundation Housing Corporation Project (the “*Costs of Issuance Fund*”);

(b) Buffalo and Erie County Industrial Land Development Corporation – Construction Fund – Buffalo State College Foundation Housing Corporation Project (the “*Construction Fund*”);

(c) Buffalo and Erie County Industrial Land Development Corporation – Bond Fund – Buffalo State College Foundation Housing Corporation Project (the “*Bond Fund*”) and within the Bond Fund, an Interest Account, a Principal Account and a Redemption Account;

(d) Buffalo and Erie County Industrial Land Development Corporation – Insurance and Condemnation Fund – Buffalo State College Foundation Housing Corporation Project (the “*Insurance and Condemnation Fund*”);

(e) Buffalo and Erie County Industrial Land Development Corporation – Repair and Replacement Fund – Buffalo State College Foundation Housing Corporation Project (the “*Repair and Replacement Fund*”);

(f) Buffalo and Erie County Industrial Land Development Corporation – Operation and Maintenance Fund – Buffalo State College Foundation Housing Corporation Project (the “*Operation and Maintenance Fund*”); and

(g) Buffalo and Erie County Industrial Land Development Corporation – Surplus Fund – Buffalo State College Foundation Housing Corporation Project (the “*Surplus Fund*”); and

(h) Buffalo and Erie County Industrial Land Development Corporation – Rebate Fund – Buffalo State College Foundation Housing Corporation (the “*Rebate Fund*”).

(Section 4.1)

Moneys to Be Held in Trust

(a) All moneys deposited with, paid to or received by the Trustee for the account of the Issuer (other than amounts deposited in the Rebate Fund) will be held by the Trustee in trust, and will be subject to the Lien of the Indenture and held for the security of the Owners of the 2011 Bonds until paid in full, *provided, however*, that moneys that have been deposited with, paid to or received by the Trustee for the redemption of a portion of the 2011 Bonds, notice of the redemption of which has been given, or (ii) for the payment of Bonds or interest thereon due and payable otherwise than upon acceleration by declaration, will be held in trust for and subject to a Lien in favor of only the Owners of such Bonds so called for redemption or so due and payable; and *provided further* that all moneys transferred to the Prior Trustee will be held by the Prior Trustee for the security of the owners of the Outstanding Prior Bonds.

(b) The Trustee will deposit moneys into the funds and accounts as follows:

- (i) *Pledged Revenue Fund.* The Trustee will deposit into the Pledged Revenue Fund:
 - A. the Gross Revenues (other than Net Proceeds of any insurance settlement or Condemnation award) immediately upon receipt;
 - B. investment earnings on the Pledged Revenue Fund; and
 - C. all amounts which are required by other provisions of the Indenture to be transferred to the Pledged Revenue Fund.

- (ii) *Rebate Fund.* The Trustee will deposit into the Rebate Fund amounts required to be paid to the United States under the provisions of Section 148 of the Code as certified to the Trustee in writing by an Authorized Representative of the Company.

- (iii) *Bond Fund.*
 - A. *Interest Account.* The Trustee will deposit into the Interest Account all moneys received by the Trustee under and pursuant to any of the provisions of the Indenture or of the Loan Agreement which are required to be or which are certified to the Trustee in writing by an Authorized Representative of the Company accompanied by directions that such moneys are to be paid into the Interest Account of the Bond Fund;
 - B. *Principal Account.* The Trustee will deposit into the Principal Account all moneys received by the Trustee under and pursuant to any of the provisions of the Indenture or of the Loan Agreement which are required to be or which are certified to the Trustee in writing by an Authorized Representative of the Company accompanied by directions that such moneys are to be paid into the Principal Account of the Bond Fund; and
 - C. *Redemption Account.* In the event of (i) receipt by the Trustee of Net Proceeds for purposes of redeeming Bonds; or (ii) deposit with the Trustee by the Issuer or the Company of moneys from any other source for redeeming Bonds (other than mandatory sinking fund redemptions), such moneys will be deposited in the Redemption Account.

- (iv) *Operation and Maintenance Fund.* In accordance with the priority of payments set forth in Section 4.6 of the Indenture, the Trustee will transfer from the Pledged Revenue Fund into the Operation and Maintenance Fund an amount equal to the budgeted Operating Expenses for the next succeeding two (2) months as certified to the Trustee in writing by an Authorized Representative of the Company. Amounts equal to actual Operating Expenses in excess of the budgeted Operating Expenses for the next succeeding two (2) months may be transferred from the Surplus Fund into the Operation and Maintenance Fund on any date as certified to the Trustee in writing by an Authorized Representative of the Company. All amounts in the Operation and Maintenance Fund at the end of each Fiscal Year will be transferred to the Surplus Fund promptly following receipt by the Trustee of a Certificate from an Authorized Officer of the Company that all Operating Expenses have been paid for such Fiscal Year.

- (v) *Repair and Replacement Fund.* In accordance with the priority of payments set forth in Section 4.6 of the Indenture, the Trustee will transfer an amount equal to one-half of the Repair and Replacement Fund Requirement from the Pledged Revenue Fund into the Repair and Replacement Fund for the current Fiscal Year (together with any amount withdrawn from the Repair and Replacement Fund and not previously replenished. All amounts in the Repair and Replacement Fund in excess of the cumulative Repair and Replacement Fund Requirement in effect for a Fiscal Year ended June 30, 2012 through 2017 and thereafter in excess of the Repair and Replacement Fund Requirement shall be transferred to the Surplus Fund on the last day of such Fiscal Year.

- (vi) *Surplus Fund.* In accordance with the priority of payments set forth in Section 4.6 of the Indenture, the Trustee will transfer all remaining amounts from the Pledged Revenue Fund into the Surplus Fund.

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(vii) *Insurance and Condemnation Funds.* The Net Proceeds of any insurance settlement or Condemnation award received by the Trustee will, upon receipt thereof, be deposited in the Insurance and Condemnation Fund.

(Section 4.3)

Cost of Issuance Fund

Moneys in the Costs of Issuance Fund will be applied and expended by the Trustee to pay costs of issuance of the 2011 Bonds in accordance with the requisition in the form of Exhibit C attached to the Indenture. Upon receipt by the Trustee of a certificate signed by an Authorized Representative of the Company stating that all expenses incurred in connection with the issuance of the 2011 Bonds have been paid, any moneys remaining in the Costs of Issuance Fund will be transferred to the Bond Fund.

(Section 4.4)

Deposits to Construction Fund; Payments from Construction Fund; Procedure Upon Completion; Excess Proceeds in the Construction Fund

(a) The Construction Fund will consist of the amounts deposited therein pursuant to the Indenture. The amounts in the Construction Fund will be held for the security of the Series 2011A Bonds Outstanding.

(b) The Trustee will pay the Costs of the Project as authorized by a requisition in the form of Exhibit D to the Indenture, numbered consecutively upwards from 1, signed by an Authorized Representative of the Company. Any requisition may authorize the making of payments to or on behalf of the Company for advances made in respect of Costs of the Project or work done in respect of the Project, but only to the extent that such amounts are properly chargeable against the Construction Fund in accordance with the Indenture and the Tax Compliance Agreement. In any such case, the requisition will relate (i) in the case of payments for work done, to the work so performed, and (ii) in the case of reimbursements for advances made, to the underlying obligation for which the Company is being reimbursed. Upon written request to the Trustee, the Trustee will provide to the Issuer a record of the requisitions and disbursements from the Construction Fund.

(c) Upon completion of the construction and equipping of the Project, pursuant to the Loan Agreement and receipt of the certificate of occupancy related thereto, the Company will furnish the Trustee with a Completion Certificate executed by an Authorized Officer of the Company and the Architect which may be given in reliance upon appropriate certifications of the Architect, certifying (i) that all required insurance has been obtained; (ii) that all construction and equipping of the Project has been substantially completed in accordance with the approved Plans and Specifications and approved changes, if any; (iii) that all Costs of the Project relating to the Project have been paid (other than the retainage) or stating the amounts to be reserved for the payment of any unpaid Costs of the Project relating to the Project and certifying that such amounts reserved are more than sufficient; (iv) that at least ninety-five percent (95%) of the net proceeds of the Series 2011A Bonds applied to payment of Costs of the Project have been applied to pay Qualified Costs of the Project as provided in the Tax Compliance Agreement; (v) the construction of the Project and the installation of the Equipment therein have been completed in a good and workmanlike manner in accordance with the Plans and Specifications and the Loan Agreement and in such manner as to conform with all applicable zoning, planning and building regulations of the Governmental Authorities, as of the date of such Completion Certificate and that no claim has been made calling into question such compliance; and (vi) that all work requiring inspection by Governmental Authorities has been duly inspected and approved by such Governmental Authorities and the certificate of occupancy and all other applicable certificates, licenses and approvals necessary for the use and operation of the Project have been issued and are in force and effect and copies are attached thereto, and there is no violation of any of the provisions thereof or of any Governmental Requirements of which such party has notice or knowledge as of the date thereof. The Architect will not approve the Completion Certificate and the retainage requisition until the Architect has completed a site inspection of the Project which supports a conclusion that the Project has been completed in accordance with the Plans and Specifications.

(d) To the extent that any Series 2011A Bond proceeds remain unexpended in the Construction Fund after receipt of Completion Certificate required in Section 6.3 of the Indenture, the Trustee will (i) retain in the Construction Fund such amount as the Company will specify in the Completion Certificate to be necessary to pay additional Costs of the Project not otherwise provided for; and (ii) transfer such excess funds in the Construction Fund to the Bond Fund for application to the payment of the principal of and interest on the Series 2011A Bonds as the same will become due.

(Section 4.5)

Pledged Revenue Fund

Except as otherwise provided in the Indenture, moneys in the Pledged Revenue Fund will be used as provided in Section 4.6 of the Indenture (or for payment of Debt Service Payments, when the other moneys in the Bond Fund are insufficient therefor). The Issuer authorizes and directs the Trustee on each Transfer Date during the Fiscal Year to withdraw funds from the Pledged Revenue Fund to effectuate all the transfers of funds contemplated by Section 4.6 of the Indenture in the following order of priority:

FIRST, amounts on deposit in the Pledged Revenue Fund will be transferred to the Rebate Fund to pay any Rebate Amount then owing;

SECOND, commencing with the Transfer Date on March 25, 2012 (there being no transfer to the Bond Fund on the first Transfer Date), amounts on deposit in the Pledged Revenue Fund will next be transferred (A) to the Interest Account of the Bond Fund, until there will be on deposit therein amounts sufficient to fund the next succeeding Debt Service Payment attributable to interest in accordance with Section 4.7 of the Indenture; and (B) to the Principal Account of the Bond Fund, until there will be on deposit therein amounts sufficient to fund one-half of the next succeeding Debt Service Payment attributable to principal in accordance with Section 4.7 of the Indenture;

THIRD, amounts on deposit in the Pledged Revenue Fund equal to one-half of the amount of the Repair and Replacement Fund Requirement set forth in Schedule B attached to the Indenture allocable to such Fiscal Year (together with an amount equal to any amount withdrawn from the Repair and Replacement Fund and not previously replenished) shall next be transferred to the Repair and Replacement Fund in accordance with Section 4.3(b)(v) of the Indenture. Once an amount equal to the full Repair and Replacement Fund Requirement has been deposited into the Repair and Replacement Fund, no further funds will be transferred into the Repair and Replacement Fund pursuant to the THIRD clause of Section 4.6 of the Indenture;

FOURTH, amounts on deposit in the Pledged Revenue Fund shall next be applied to the Operation and Maintenance Fund until there shall be on deposit therein an amount equal to one-half of the budgeted Operating Expenses for the current Fiscal Year; and

FIFTH, after the Fiscal Year ended June 30, 2017, if the Repair and Replacement Fund is less than fully funded at the Repair and Replacement Fund Requirement, amounts on deposit in the Pledged Revenue Fund will next be applied to the Repair and Replacement Fund in an amount necessary to fully fund the Repair and Replacement Fund at the Repair and Replacement Fund Requirement.

The Trustee shall on April 15 of each Fiscal Year transfer all remaining amounts on deposit in the Pledged Revenue Fund to the Surplus Fund to be used in accordance with Section 4.11 of the Indenture.

On the second Business Day preceding a Transfer Date, the Company shall deliver to the Trustee, pursuant to Section 4.3(b)(iv) of the Indenture, a Certificate of an Authorized Representative of the Company setting forth the amount to be transferred to the Operation and Maintenance Account on such Transfer Date, including the proper account information and wiring instructions as necessary for the Trustee to make payment of amounts required under Section 4.6 of the Indenture to the Operating Account.

(Section 4.6)

Bond Fund

Moneys in the various accounts of the Bond Fund will be used solely for the payment of the Debt Service Payments on the 2011 Bonds and for the redemption of the 2011 Bonds prior to maturity.

(i) *Interest Account.* Moneys in the Interest Account from moneys transferred by the Trustee for such purpose will be used to pay Debt Service Payments attributable to interest on the 2011 Bonds, on each Interest Payment Date.

(ii) *Principal Account.* Moneys in the Principal Account from moneys transferred by the Trustee for such purpose will be used to pay Debt Service Payments attributable to principal, when due.

(iii) *Redemption Account.* Moneys on deposit in the Redemption Account will be used redemption (other than mandatory sinking fund redemptions) of Bonds in accordance with the provisions of Article III of the Indenture.

If on any Bond Payment Date or Redemption Date, there is not enough money in the Bond Fund to make all the required payments, the Trustee will transfer sufficient money for such purpose first from the available amounts in the Surplus Fund, second from the Pledged Revenue Fund, third from the Repair and Replacement Fund, fourth from the Operation and Maintenance Fund and fifth from the Insurance and Condemnation Fund.

(Section 4.7)

Insurance and Condemnation Fund

(a) The net proceeds of any insurance settlement or Condemnation award received by the Trustee pursuant to the Loan Agreement in connection with damage to or destruction of or the taking of part or all of the Project will be deposited into the Insurance and Condemnation Fund.

(b) If, pursuant and subject to the Loan Agreement, following damage to or condemnation of all or a portion of the Project Facility, (1) the Company exercised its option not to repair, rebuild or restore the Project and to require the redemption of the 2011 Bonds, or (2) if a taking in condemnation as described in the Loan Agreement occurs, the Trustee will, after any transfer to the Rebate Fund required by the Tax Compliance Agreement and the Indenture is made, transfer all moneys held in the Insurance and Condemnation Fund to the Bond Fund to be applied to the redemption of the 2011 Bonds then Outstanding pursuant to the Indenture.

(c) If, following damage to or condemnation of all or a portion of the Project, the Company elects to repair, rebuild or restore the Project, and provided no Event of Default under any Bond Document, the Sublease, the SUNY Agreement or the Facility Management Agreement has occurred and is continuing, moneys held in the Insurance and Condemnation Fund and attributable to the damage to or the destruction of or the taking of the Project Facility will, after any transfer to the Rebate Fund required by the Tax Compliance Agreement and the Indenture is made, be applied to pay the costs of such repairs, rebuilding or restoration in accordance with the terms and conditions set forth in the Indenture (or for the payment of Debt Service Payments when the moneys in the Bond Fund, the Surplus Fund, the Pledged Revenue Fund, the Repair and Replacement Fund and the Operation and Maintenance Fund in that order of priority are insufficient therefor).

(d) The Trustee is hereby authorized to and will make such disbursements, at the Company's request, either upon the completion of such repairs, rebuilding or restoration or periodically as such repairs, rebuilding or restoration programs, upon receipt by the Trustee of a Certificate of an Authorized Representative of the Company stating, with respect to each payment to be made: (1) the amount or amounts to be paid, the Person or Persons (which may include the Company for reimbursement of such costs) to whom an amount is to be paid and the total sum of all such amounts; (2) that the Company has expended, or is expending, concurrently with the delivery of such Certificate, such amount or amounts on account of costs incurred in connection with the repair, rebuilding or restoration of the Project; (3) that all contractors, workmen and suppliers have been or will be paid through the date of such certificate from the funds to be disbursed; (4) that there exists no Event of Default under the Indenture or under any other Bond Document and no condition, event or act which, with notice or the lapse of time or both,

would constitute an Event of Default under the Indenture or under any other Bond Document; (5) that such Authorized Representative of the Company has no knowledge, after diligent inquiry and after searching the records of the appropriate State and local filing offices, of any vendor's lien or mechanic's lien which should be satisfied, discharged or bonded before the payment as requisitioned is made or which will not be discharged by such payment; (6) that no Certificate with respect to such expenditure has previously been delivered to the Trustee; and (7) that there remains sufficient moneys in the Insurance and Condemnation Fund attributable to the damage to, destruction of, or taking of the Project to complete the repair, rebuilding or restoration of the Project. Each such requisition will be accompanied by bills, invoices or other evidences reasonably satisfactory to the Trustee. The Trustee will be entitled to rely on such requisition.

(e) Upon completion of the repair, rebuilding or restoration of the Project, an Authorized Representative of the Company will deliver to the Issuer and the Trustee a Certificate stating (1) the date of such completion; (2) that all labor, services, materials and supplies used therefor and all costs and expenses in connection therewith have been paid; (3) that the Project has been restored to substantially its condition immediately prior to the damage or Condemnation thereof, or to a condition of at least equivalent value, operating efficiency and function; (4) that the Issuer or the Company has good and valid leasehold title to all Property constituting part of the restored Project, and that the Project is subject to the Loan Agreement and the Liens of the Indenture and the Mortgage; (5) the applicable Rebate Amount with respect to the Net Proceeds of the insurance settlement or Condemnation awards and the earnings thereon (with a statement as to the determination of the Rebate Amount and a direction to the Trustee of any required transfer to the Rebate Fund); and (6) that the restored Project is ready for occupancy, use and operation for its intended purposes. Notwithstanding the forgoing, such certificate may state (a) that it is given without prejudice to any rights of the Company against third parties which exist at the date of such certificate or which may subsequently come into being, (b) that it is given only for the purposes of Section 4.7 of the Indenture, and (c) that no Person other than the Issuer or the Trustee may benefit therefrom. Such certificate will be accompanied by a certificate of occupancy, if required, and any and all permissions, licenses or consents required of Governmental Authorities for the occupancy, operation and use of the Project for its intended purposes.

(f) All earnings on amounts held in the Insurance and Condemnation Fund will be retained by the Trustee in the Insurance and Condemnation Fund and applied to repair, rebuilding or restoration of the Project, redemption of the 2011 Bonds or Debt Service Payments.

(g) If the cost of the repairs, rebuilding or restoration of the Project effected by the Company will be less than the amount in the Insurance and Condemnation Fund, then on the completion of such repairs, rebuilding or restoration, the Trustee will transfer such difference to the Bond Fund to be used to redeem the 2011 Bonds in accordance with the Indenture *provided that* such amounts may be transferred to the Company for its purposes if (1) the Company so requests, and (2) the Company furnishes to the Trustee and the Issuer an Opinion of Bond Counsel to the effect that payment of such moneys to the Company will not, in and of itself, adversely affect the exclusion (if any) of the interest paid or payable on the 2011 Bonds from gross income for federal income tax purposes.

(h) If the cost of the repair, rebuilding or restoration of the Project will be in excess of the moneys held in the Insurance and Condemnation Fund, the Company will deposit such additional moneys in the Insurance and Condemnation Fund as are necessary to pay the cost of completing such repair, rebuilding or restoration.

(Section 4.8)

Repair and Replacement Fund

Moneys in the Repair and Replacement Fund may be used (i) for the purpose of constructing or acquiring replacements of real or personal property that have become worn out, unusable or otherwise obsolete; (ii) for the purpose of making capital improvements to the Project; (iii) for the purpose of making renewals, betterments or other expenditures required to maintain the Project; (iv) for the purpose of reimbursing the Company for amounts theretofore expended by the Company for the foregoing purposes, in each case under the foregoing clauses (i) through (iv) upon presentation to the Trustee of a requisition, certified by an Authorized Representative of the Company accompanied by a Certificate of an Authorized Representative of the Company and a resolution of the

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Company authorizing such expenditure; or (v) for the payment of Debt Service Payments when the moneys in the Bond Fund, the Surplus Fund and the Pledged Revenue Fund are insufficient therefor.

(Section 4.9)

Operation and Maintenance Fund

Moneys in the Operation and Maintenance Fund may be used to pay Operating Expenses (or for the payment of Debt Service Payments when the moneys in the Bond Fund, the Surplus Fund, the Pledged Revenue Fund and the Repair and Replacement Fund in that order of priority are insufficient therefor). Immediately after the Trustee makes transfers set forth in the Indenture, the Trustee will transfer an amount equal to the lesser of the next succeeding six (6) months' Operating Expenses as set forth in the Annual Budget for the Fiscal Year or the amount on deposit in the Operation and Maintenance Fund to the Operating Account. Moneys in the Operating Account will be used as provided in Section 10(c) of the Loan Agreement.

(Section 4.10)

Surplus Fund

Moneys in the Surplus Fund will be used in amounts as set forth in a Certificate of an Authorized Representative of the Company, in the following order of priority:

FIRST, amounts on deposit in the Surplus Fund will be used to make a deposit into the Rebate Fund;

SECOND, amounts on deposit in the Surplus Fund will be used to make up any deficiency in the Bond Fund;

THIRD, amounts on deposit in the Surplus Fund will be used to make a deposit into the Operation and Maintenance Fund or the Operating Account to pay Operating Expenses;

FOURTH, amounts on deposit in the Surplus Fund will be transferred to the Repair and Replacement Fund to replenish any withdrawal from the Repair and Replacement Fund or make up any deficiency therein and used for the purposes set forth in Section 4.9 of the Indenture;

FIFTH, amounts on deposit in the Surplus Fund will be transferred to the Redemption Account of the Bond Fund and used for the redemption of Bonds in accordance with the Indenture; and

SIXTH, amounts on deposit in the Surplus Fund in excess of \$10,000 may be withdrawn and used by the Company for any lawful purpose annually upon receipt by the Trustee of the annual audited financial statements of the Company and a Certificate of the Company required by Section 27(b)(i)(B) of the Loan Agreement provided that (i) no Event of Default has occurred and is continuing, (ii) the Company and its auditors have certified that the Debt Service Coverage Ratio has been met and will be maintained after such release, and (iii) the rating assigned to long term obligations issued or guaranteed by the State of New York is not lower than the third highest category by Moody's or Standard & Poor's or their successors.

(Section 4.11)

Rebate Fund; Determination, Notices and Records of Rebate Amount

(a) The Rebate Fund will be used for the deposit of the Rebate Amount and will not be subject to the Lien of the Indenture.

(b) The Loan Agreement and the Tax Compliance Agreement provide that the Company will make a periodic determination as to whether any Rebate Amount may be due, or cause the same to be determined, in the manner provided in Section 148(f) of the Code. The Company will provide the Trustee and the Issuer with a written copy of

each such determination as provided in the Tax Compliance Agreement. This covenant will survive the defeasance of any Bonds pursuant to the Indenture.

(c) The Trustee will retain records of each of the determinations required to be made until a date six (6) years after the retirement of the 2011 Bonds. The Trustee will make such records available for review by the Issuer and the Company upon reasonable notice.

(d) The Trustee will perform such other duties as are specified to be performed by the Trustee in the Tax Compliance Agreement; provided, however, that notwithstanding any other provision in the Indenture or any of the other Bond Documents, general or specific, to the contrary, the Trustee will have no obligations under the Indenture or thereunder relating to rebate requirements except to comply with specific written instructions received by the Trustee from an Authorized Representative of the Company with respect to deposits into the Rebate Fund and release of the moneys therefrom. The Trustee will not have any responsibility under the Indenture or under any of the Bond Documents to make any calculations relating to arbitrage restrictions or rebate requirements, or the excludability of the interest on the 2011 Bonds from gross income for Federal income tax purposes or to verify, confirm or review (and the Trustee will not verify, confirm or review) any such calculations or requirements, or the excludability, if any, of the interest on the 2011 Bonds from gross income for Federal income tax purposes or to take any other action with respect thereto under the Indenture or thereunder.

(Section 4.12)

Procedure When Funds Sufficient To Pay All Bonds

If, at any time, the moneys held by the Trustee in the funds established under the Indenture, other than the Rebate Fund, are sufficient to pay the principal or Redemption Price of and interest on all Bonds then Outstanding, together with any amounts due the Trustee and any amounts due to the Owners of the 2011 Bonds, the Issuer and the Trustee, the Company may elect to defease the 2011 Bonds pursuant to the Indenture and if the Company so elects and notifies the Trustee in writing of such election, the Trustee will apply the amounts in such funds to the payment of such principal (or Redemption Price) and interest and to the payment of any other amounts due to the Owners of the 2011 Bonds, and to the payment of any amounts due to the Issuer and the Trustee, all as is provided in the Indenture.

(Section 4.18)

Investments

(a) The Trustee will, at the request and written direction of an Authorized Representative of the Company (*provided that* upon the occurrence of any Event of Default, the Company may not make such investment directions), invest and reinvest moneys held in any fund or account established under the Indenture in Permitted Investments, except that moneys held in the Rebate Fund and moneys held for the defeasance of the 2011 Bonds pursuant to the Indenture will be invested only in Government Obligations and moneys held for payment of matured installments of principal or interest on Bonds will remain uninvested, *provided, however*, in the absence of such written direction of an Authorized Representative of the Company, or after the occurrence of an Event of Default, the Trustee will invest and reinvest moneys held in any such funds or accounts only in investments of the type described in clause (iv) under the definition of Permitted Investment below.

(b) All Permitted Investments will mature or be subject to redemption by the Trustee prior to the date or dates that moneys therefrom will be required.

(c) Unless otherwise provided in the Indenture, all interest, income and profits received with respect to Permitted Investments, or upon the sale or disposition thereof will be transferred to the Pledged Revenue Fund for application in accordance with Section 4.5 of the Indenture except that interest, income and profits received with respect to Permitted Investments in the Rebate Fund, or upon the sale or disposition thereof, will be retained in the Rebate Fund.

(d) The term “*Permitted Investments*” means:

(i) Government Obligations or Agency Obligations or the right to receive the principal of or interest on Government Obligations through the purchase of certificates or other instruments evidencing an undivided ownership interest in payments of the principal of or interest on Government Obligations; the Trustee, in purchasing Government Obligations or Agency Obligations, (a) may make any such purchase subject to agreement with the seller for repurchase by the seller at a later date, and in such connection may accept the seller's agreement for the payment of interest in lieu of the right to receive the interest payable by the issuer of the securities purchased, *provided that* title to the Government Obligations or Agency Obligations so purchased by the Trustee will vest in the Trustee, that the Trustee will have actual or constructive possession of such Government Obligations or Agency Obligations, and that the current market value of such Government Obligations or Agency Obligations (or of cash or additional Government Obligations or Agency Obligations pledged with the Trustee as collateral for the purpose) is at all times at least equal to the principal and accrued interest payable by the seller under said agreement, or (b) may make any such purchase pursuant to an investment agreement or other agreement providing for the sale of such Government Obligations or Agency Obligations to the Trustee, or (c) may purchase shares of a fund, including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent and/or custodian or subcustodian, notwithstanding that (1) the Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, (2) the Trustee charges and collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (3) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates, whose sole assets are of a type described in this clause (i) and such repurchase agreements thereof;

(ii) obligations issued or guaranteed by any state or political subdivision thereof and rated at the time of purchase in the highest category, if rated as short-term obligations, or not lower than the third highest category, if rated as long term obligations, by Moody's or Standard & Poor's or their successors; the Trustee, in purchasing obligations of the type described in this clause (ii), may purchase shares of a fund whose sole assets are such obligations or obligations of the type described in clause (i) above, including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (1) the Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, (2) the Trustee charges and collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (3) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates;

(iii) commercial or finance company paper which is rated at the time of purchase at least "P-1" by Moody's or "A-1" by Standard & Poor's;

(iv) deposit and trust accounts, money market accounts, time deposits, trust funds, interest bearing deposits, overnight bank deposits, investment agreements, bankers' acceptances, certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Company, or bearer deposit notes in any bank, trust company or savings and loan association (including, without limitation, the Trustee or any bank affiliated with the Trustee) organized under the laws of the United States of America or any state thereof having a rating of its unsecured senior long-term debt obligations within one of the three highest rating categories by either Moody's or Standard & Poor's;

(v) obligations evidencing indebtedness described in Section 103(a) of the Code, which obligations are not investment property as defined in Sections 148(b)(2) and (3) of the Code and are rated at the time of purchase within one of the three highest rating categories by Moody's or Standard & Poor's; the Trustee, in purchasing securities of the type described in this clause (v), may purchase shares of a fund, including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (1) the Trustee or an

affiliate of the Trustee receives fees from such funds for services rendered, (2) the Trustee charges and collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (3) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates, at least ninety-eight percent (98%) of the weighted average value of the assets of which are of the type described in this clause (v) or which derives at least ninety-eight percent (98%) of its gross income from such assets; and

(vi) investment agreements with, or which are guaranteed by, a financial institution which has an unsecured, uninsured and unguaranteed obligation rated, at the time such agreement is entered into, in one of the three highest rating categories by Moody's or Standard & Poor's, or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting such rating requirements, including any affiliate of the Trustee, *provided* (1) interest is paid at least semi-annually at a fixed rate during the entire term of the agreement, consistent with the Interest Payment Dates, (2) moneys invested thereunder may be withdrawn for any purpose required under the Indenture without any penalty, premium or charge upon not more than seven days' notice (*provided* such notice may be amended or cancelled at any time prior to the withdrawal date), (iii) the agreement is not subordinated to any other obligations of such financial institution or bank and provides that if the rating of such financial institution will be downgraded below the lowest rating of the lowest of the three highest rating categories of Moody's or Standard & Poor's, that the financial institution will either terminate such investment agreement with no penalty or collateralize such investment agreement with Governmental Obligations equal to 100% of the then outstanding amount of investments contained in the investment agreement until the rating of such financial institution is restored to one of the three highest rating categories by Moody's or Standard & Poor's, (iv) the same guaranteed interest rate will be paid on any future deposits permitted to be made under such investment agreement, and (v) the Trustee receives an Opinion of Counsel that such agreement is an enforceable obligation of such financial institution.

(Section 4.19)

Valuation of Funds

As of each Interest Payment Date for the 2011 Bonds, the Trustee will compute the value of the assets of each fund or account established under the Indenture. In computing the assets of any fund or account, investments and the accrued interest paid on the purchase thereof will be deemed a part of such fund or account. Investments of money in each such fund pursuant to the Indenture will be valued at the purchase price or the current market value thereof, whichever is lower, *provided that* any investment agreement will be valued at the maximum amount that can be withdrawn under the terms of such investment agreement.

(Section 4.20)

Performance of Covenants

The Issuer will covenant that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, in any and every Bond executed, authenticated and delivered under the Indenture and in all proceedings pertaining thereto.

(Section 5.2)

Discharge of Indenture

Any Outstanding Bond or installments of interest with respect thereto will, 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 has been deposited with the Trustee sufficient Government Obligations, that will, without further investment, be sufficient, together with the other amounts held for such payment, to pay the principal of the 2011 Bonds when due

or to redeem the 2011 Bonds on the earliest possible redemption date thereof at the Redemption Price specified in the Indenture, (ii) in the event such Bond is to be redeemed prior to maturity in accordance with the Indenture, all action required by the provisions of the Indenture to redeem the 2011 Bonds will have been taken or provided for to the satisfaction of the Trustee and notice thereof in accordance with the Indenture have been duly given or provision satisfactory to the Trustee will have been made for the giving of such notice, (iii) provision will have been made for the payment of all amounts due to the Trustee under the terms of the Bond Documents and all fees and expenses of any additional Paying Agent, (iv) the Issuer has been reimbursed for all of its expenses under the Loan Agreement and (v) all other payments required to be made under the Loan Agreement and the Indenture with respect to the 2011 Bonds have been made or provided for.

Upon the defeasance of all Outstanding Bonds in accordance with the Indenture, the Trustee will hold in trust, for the benefit of the Owners of such Bonds, all such Government Obligations, will make no other or different investment of such Government Obligations and will apply the proceeds thereof and the income therefrom only to the payment of such Bonds.

(Section 7.2)

Events of Default

The following will be “Events of Default” under the Indenture, and the term “*Event of Default*” means, when it is used in the Indenture, any one or more of the following events:

(a) A default in the due and punctual payment of any interest on or any principal of, Sinking Fund Installments on, or the Redemption Price of any Bond, whether at the Stated Maturity thereof, upon proceedings for redemption thereof or upon the maturity thereof by declaration; or

(b) A default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer in the Indenture or in the 2011 Bonds contained and the continuance thereof for a period of fifteen (15) days after written notice given to the Issuer and the Company by the Trustee, *provided, however,* that if such performance requires work to be done, actions to be taken or conditions to be remedied which by their nature cannot be reasonably done, taken or remedied, as the case may be, within such fifteen (15) day period, no Event of Default will be deemed to have occurred or exist if, and so long as, the Company will commence such performance within such fifteen (15) day period, and will diligently and continuously prosecute the same to completion within ninety (90) days after the initial notice and the Company will deliver a report to the Trustee and the Issuer at least once every thirty (30) days setting forth the status of its attempt to cure such default; or

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

(d) If the Issuer will have applied for or consented to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets; admitted in writing the inability to pay its debts as they mature; made a general assignment for the benefit of creditors; been the subject of an order for relief under the Bankruptcy Code, or been adjudicated a bankrupt, or filed a petition or an answer seeking reorganization, liquidation or any arrangement with creditors or taken advantage of any insolvency law, or submitted an answer admitting the material allegations of a petition in bankruptcy, reorganization, liquidation or insolvency proceedings; or an order, judgment or decree will have been entered, without the application, approval or consent of the Issuer by any court of competent jurisdiction approving a petition seeking reorganization of the Issuer or appointing a receiver, trustee or liquidator of a substantial part of its assets and such order, judgment or decree will continue unstayed and in effect for any period of sixty (60) consecutive days; or filed a voluntary petition in bankruptcy or failed to remove an involuntary petition in bankruptcy filed against it within sixty (60) days of the filing thereof.

At any time before an acceleration pursuant to the Indenture, the Trustee may, with the express written consent of a Majority of Owners, waive a default under Sections (b) or (c) above and the respective consequences thereof. No waiver under Section 8.1 of the Indenture will affect the rights of the Trustee or the Issuer under the Indenture. Except as otherwise provided in the Indenture, the Trustee will not waive any Event of Default under Section (a) above.

(Section 8.1)

Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default under Section 8.1(a) or Section 8.1(c) (but only to the extent that the Event of Default under the Loan Agreement is one described in Section 30(a)(i) of such Loan Agreement), all Bonds Outstanding will become immediately due and payable without action or notice of any kind on the part of the Trustee or the Issuer. Upon the occurrence and continuance of any other Event of Default, the Trustee, upon the written request of a Majority of Owners, will, by notice in writing delivered to the Issuer and the Company, declare all Bonds immediately due and payable, and such Bonds will become and be immediately due and payable, anything in the 2011 Bonds or in the Indenture to the contrary notwithstanding. In either such event, there will be due and payable on the 2011 Bonds an amount equal to the total principal amount of all such Bonds, plus all interest accrued thereon and that will accrue thereon to the date of acceleration. If all of the 2011 Bonds Outstanding will become so immediately due and payable, the Issuer and the Trustee will as soon as possible declare by written notice to the Company all unpaid Loan Payments payable by the Company under the Loan Agreement to be immediately due and payable.

(b) At any time after the principal of the 2011 Bonds will have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture, the Trustee may annul such declaration and its consequences with respect to any Bonds not then due by their terms by a notice in writing delivered to the Issuer and the Bondholders if (i) moneys will have been deposited in the Bond Fund sufficient to pay all matured installments of interest and principal or Redemption Price (other than principal then due only because of such declaration) of all Outstanding Bonds; (ii) moneys will be available sufficient to pay the amounts described in the Indenture; (iii) all other amounts then payable by the Issuer under the Indenture will have been paid or a sum sufficient to pay the same will have been deposited with the Trustee; and (iv) every other Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) will have been remedied to the satisfaction of the Trustee. No such annulment will extend to or affect any subsequent Event of Default or impair any right consequent thereon.

(Section 8.2)

Application of Moneys

(a) The Net Proceeds received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture will be deposited in the Bond Fund.

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

(i) Unless the principal of all the 2011 Bonds will have become due or will 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 will 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 2011 Bonds that will have become due (other than Bonds called for redemption for the payment of which moneys were 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 will not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the Persons entitled thereto without any discrimination or preference; and

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THIRD – To the payment of the principal or Redemption Price of and interest on the 2011 Bonds as the same become due and payable.

(ii) If the principal of all the 2011 Bonds will have become due or will have been declared due and payable, to the payment of the principal and interest (at the rate or rates expressed thereon) then due and unpaid upon all of the 2011 Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably according to the amounts due respectively for principal and interest to the Persons entitled thereto without any discrimination or preference.

(iii) If the principal of all the 2011 Bonds will have been declared due and payable and if such declaration will thereafter have been annulled pursuant to provisions of Section 8.2(b) of the Indenture, the moneys will be applied in accordance with the provisions of paragraph (i) of Section 8.5(b) of the Indenture.

(c) Whenever moneys are to be applied by the Trustee pursuant to the provisions of Section 8.5 of the Indenture, such moneys will be applied at such time or times as the Trustee in its sole discretion will determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Interest on the amounts of principal to be paid on such date will cease to accrue on the date of declaration of acceleration in accordance with Section 8.2(a) of the Indenture. The Trustee will give such notice as it may deem appropriate of the application of any such moneys and of the fixing of any such date.

(Section 8.5)

Remedies Vested in Trustee

All rights of action (including the right to file proof of claim) under the Indenture or under any of the 2011 Bonds may be enforced by the Trustee without possession of any of the 2011 Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee will be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the 2011 Bonds. Subject to the provisions of the Indenture, any recovery of judgment will be for the equal benefit of the Owners of the Outstanding Bonds.

(Section 8.6)

Majority Bondholders Control Proceedings

Subject to the Indenture and the rights of the Bank, if an Event of Default will have occurred and be continuing notwithstanding anything in the Indenture to the contrary, the Majority of Owners will have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the Indenture or for the appointment of a receiver or any other proceedings under the Indenture, provided that such direction is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee (which in exercising such judgment the Trustee may rely upon an Opinion of Counsel), is not unduly prejudicial to the interests of Owners not joining in such direction, and provided further, that nothing will impair the right of the Trustee in its discretion to take any other action under the Indenture that it may deem proper and that is not inconsistent with such direction by Owners and, except as provided as otherwise provided in the Indenture with respect to certain Events of Default, upon receipt of adequate indemnification reasonably satisfactory to the Trustee.

(Section 8.8)

Supplemental Indentures Not Requiring Consent of Owners

(a) Without the consent of or notice to any of the Owners, but with the consent of the Issuer and the Company, 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:

- (i) To cure any ambiguity or formal defect or omission in the Indenture;
 - (ii) To cure, correct or supplement any defective provision of the Indenture in such manner as will not be inconsistent with the Indenture and will not impair the security hereof nor adversely affect the Owners;
 - (iii) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or the Trustee;
 - (iv) To add to the covenants and agreements of the Issuer in the Indenture, other covenants and agreements to be observed by the Issuer;
 - (v) To more precisely identify the Trust Estate;
 - (vi) To subject to the Lien of the Indenture additional revenues, receipts, Property or collateral;
 - (vii) To make any other changes in the Indenture that do not prejudice the interests of the Trustee or the Owners;
 - (viii) To make any change which in the Opinion of Bond Counsel is reasonably necessary to protect the exclusion (if any) of interest on the 2011 Bonds from gross income for federal income tax purposes; or
 - (ix) To issue Additional Bonds as provided in the Indenture.
- (b) The Trustee may rely upon an opinion of Independent Counsel as conclusive evidence that any such Supplemental Indenture complies with the foregoing conditions and provisions.

(Section 10.1)

Supplemental Indentures Requiring Consent of Owners

(a) Except as provided in the Indenture, the Majority of Owners will 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 will 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 2011 Bonds, *provided, however*, that nothing contained in Section 10.2 of the Indenture will permit:

- (i) A change in the terms of redemption or maturity of the principal of or the time of payment of interest on any Outstanding Bond or a reduction in the principal amount or Redemption Price of any Outstanding Bond or the rate of interest thereon, without the consent of the Owner of such Bond, or
- (ii) the creation of a Lien upon the Trust Estate ranking prior to the Lien created by the Indenture, without the consent of the Owners of all Outstanding Bonds, or
- (iii) a preference or priority of any Parity Bond or Parity Bonds over any other Parity Bond or Parity Bonds without the consent of the Owners of all Outstanding Parity Bonds, or
- (iv) a reduction in the aggregate principal amount of the 2011 Bonds required for consent to such Supplemental Indenture, without the consent of the Owners of all Outstanding Bonds.

(b) If at any time the Issuer will request the Trustee to enter into a Supplemental Indenture for any of the purposes of Section 10.1(a) of the Indenture, the Trustee, upon being satisfactorily indemnified with respect to expenses, will cause notice of the proposed execution of such Supplemental Indenture to be given, by first class mail, to each Owner of Bonds then Outstanding at their addresses as they appear on the registration books kept by the Trustee. Such notice will briefly summarize the contents of the proposed Supplemental Indenture and will state that copies thereof are on file at the Office of the Trustee for inspection by all Owners.

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(c) The Trustee will not, however, be subject to any liability to any Owner by reason of the Trustee's failure to mail the notice required by Section 10.2(b) of the Indenture.

(d) If within such period after the mailing of the notice required by Section 10.2(b) of the Indenture, as the Issuer will prescribe with the approval of the Trustee, the Issuer will deliver to the Trustee an instrument or instruments executed by the Majority of Owners, referring to the proposed Supplemental Indenture as described in such notice and consenting to and approving the execution thereof, the Trustee will execute such Indenture.

(e) If the Majority of Owners at the time of the execution of any such Supplemental Indenture will have consented to and approved the execution thereof as provided in the Indenture, no Owner of any Bond will 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.

(f) The Trustee may rely upon an opinion of Independent Counsel as conclusive evidence that (i) any Supplemental Indenture entered into by the Issuer and the Trustee, and (ii) the evidence of the requisite Owner consents thereto comply with the provisions of Section 10.2 of the Indenture.

(Section 10.2)

Amendments to Loan Agreement Not Requiring Consent of Owners

Without the consent of or notice to any of the Owners, the Issuer 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) in connection with the description of the Project and the substitution, addition or removal of a portion of the Project as provided in the Loan Agreement and the Indenture, (iv) in connection with additional real estate that is to become part of the Project, (v) in connection with any other change therein that, in the sole judgment of the Trustee, does not adversely affect the interests of the Trustee or the Owners of the 2011 Bonds, and (vi) to make any change which in the opinion of Bond Counsel is reasonably necessary to protect the exclusion (if any) of interest on the 2011 Bonds from gross income for federal income tax purposes. The Trustee may rely upon an opinion of Independent Counsel as conclusive evidence that any such amendment, change or modification complies with the provisions of Section 11.1 of the Indenture.

(Section 11.1)

Amendments to Loan Agreement Requiring Consent

Except for amendments, changes or modifications as provided in Section 11.1 of the Indenture, neither the Issuer nor the Trustee will consent to any amendment, change or modification of the Loan Agreement without mailing of notice and the written approval or consent of the Majority of Owners procured and given in the manner set forth in Section 11.2 of the Indenture, *provided, however*, that no such amendment will be permitted that changes the terms of payment thereunder without the consent of the Owners of all the 2011 Bonds then Outstanding. The Trustee may rely on an opinion of Independent Counsel as conclusive evidence that any such amendment, change or modification and the evidence of the requisite Owner consents comply with the requirements of Section 11.2 of the Indenture.

(Section 11.2)

Consent of Owners

(a) Any consent, request, direction, approval, objection or other instrument required or permitted by the Indenture to be signed and executed by the Owners may be in any number of writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and

of the ownership of Bonds, if made in the following manner, will be sufficient for any of the purposes of the Indenture and may be conclusively relied on by the Trustee with regard to any action taken thereunder:

(i) The fact and date of the execution by any Owner or his attorney of such instrument may be proved by (A) the Certificate (which need not be acknowledged or verified) of an officer of a bank or trust company satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such instrument acknowledged to him the execution thereof on such date, or (B) by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Owner may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation.

(ii) The ownership of the 2011 Bonds and the amount, numbers and other identification, and the date of holding the same will be proved by the registration books kept by the Trustee as Bond Registrar.

(b) Any request, consent or vote of the Owner of any Bond will bind all future Owners of such Bond with respect to anything done or suffered to be done or omitted to be done by the Issuer or the Trustee in accordance therewith, unless and until such request, consent or vote is revoked by the filing with the Trustee of a writing, signed and executed by the Owner of the Bond, in form and substance and within such time as will be satisfactory to the Trustee.

(Section 12.1)

SUMMARY OF CERTAIN PROVISIONS OF THE LEASEHOLD MORTGAGE AND SECURITY AGREEMENT

The following is a brief summary of certain provisions of the Leasehold Mortgage and Security Agreement (the "*Mortgage*"). This summary does not purport to be complete and reference is made to the Mortgage for the full and complete description of the terms thereof.

Granting Clauses

The Company, in consideration of the issuance of 2011 Bonds, the execution and delivery by the Issuer of the Loan Agreement and for other good and valuable consideration, receipt of which is hereby acknowledged, and in order to secure (1) the payment of \$ _____, being the aggregate principal amount of the 2011 Bonds, together with interest thereon, according to their tenor and effect, (2) the payment of all other sums required to be paid under the Mortgage and under the Loan Agreement and the other Bond Documents, and (3) the performance and observance by the Company of all of the covenants, agreements, representations and warranties herein and in the Loan Agreement and the other Bond Documents, (all of the above in (1) through (3) being collectively referred to in the Mortgage as the "*Mortgage Indebtedness*"), and in order to secure the Mortgage Indebtedness, hereby warrant, assign, mortgage, hypothecate, pledge, grant a Lien on and security interest in, set over and confirm unto the Issuer, and its respective successors and assigns forever, all of the estate, right, title and interest of the Company in, to and under any and all of the following described property (the "*Mortgaged Property*"), whether now owned or held or hereafter acquired:

(a) (i) the entire right title, interest and estate of the Company in and to the Land including the interest of the Company arising under the Ground Lease and the Sublease, respectively, each of which encumbers the Land (as more fully described on Exhibit A attached to the Mortgage), and (ii) all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed, reconstructed or placed, upon the Land or any part thereof, including all right, title and interest of the Company in and to all building materials and fixtures of every kind and nature whatsoever on the Land or in any building now or hereafter standing on the Land or any part thereof, including, without limitation, the Improvements;

(b) the Equipment (as more particularly described in Exhibit B attached to the Mortgage), together with all repairs, replacements, improvements, substitutions and renewals thereof and therefor, and all parts, accessories and additions incorporated therein or affixed thereon;

(c) all leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the use, operation or occupancy of all or any portion of the Improvements or the Land now or hereafter entered into, and the right to receive and apply the rents, issues and profits of the Mortgaged Property or the other real property described above to the payment of the Mortgage Indebtedness, *provided, however*, that so long as there exists no Event of Default or event which with the passage of time or giving of notice would constitute an Event of Default, the Company will have a revocable license to collect and receive rents, issues and profits and to retain, use and enjoy such rents, issues and profits;

(d) all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property or the other real property described above, including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Company's right to use such insurance proceeds or condemnation award for restoration of the Mortgaged Property as provided in the Loan Agreement;

(e) all right, title and interest of the Company in and to the Facility Management Agreement, the SUNY Agreement and all other contracts from time to time executed by the Company or any manager or agent on its behalf relating to the ownership, management, construction, equipping, reconstruction, maintenance, repair, operation, occupancy, sale or financing of the Mortgaged Property, or any part thereof, and all agreements relating to the purchase or lease of any portion of the Mortgaged Property, together with the right to exercise such options and all leases of Equipment, all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, reconstruction, equipping, completion, occupancy, use or operation of the

Mortgaged Property or any part thereof, and all drawings, plans, specifications and similar or related items relating to the Mortgaged Property (all, collectively, the “*Contract Rights*”);

(f) all Gross Revenues;

(g) the respective leasehold estate as defined and more fully described in the Ground Lease and/or the Sublease, together with all credits, deposits, option(s) to extend or renew the initial term and/or any renewal term of the Ground Lease and/or the Sublease (and any extensions of the term resulting from the exercise of option(s)), privileges, rights (including rights of possession and occupancy and loss proceeds), benefits, estate, title, and interest of the Company as subtenant under the Sublease, claims of the Company against the Association under the Sublease, rights to give the landlord under the Ground Lease any notices under the Ground Lease, rights of the Company to give the Association any notices under the Sublease, and all rights, recognitions and benefits granted to or for the benefit of the Company under the Ground Lease, including, without limitation, any and all Company’s rights and remedies under any nondisturbance, attornment, or recognition agreements or provisions thereunder (all, collectively, the “*Leasehold Rights*”);

(h) to the exclusion of the Company, all of the Company’s rights and remedies arising at any time under, or pursuant to, Bankruptcy Code § 365(h), including the Company’s right to elect to treat the Sublease as terminated, and the Company’s right to remain in possession under the Sublease if the County rejects or disaffirms it under Bankruptcy Code § 365(h) or any other bankruptcy law, or any comparable right under any other bankruptcy law, together with all claims, suits, actions, proceedings, rights, remedies, and privileges related thereto or arising therefrom, including the Company’s right to claim any offsets against rent under the Sublease together with the right to file and prosecute, to the exclusion of the Company, any proofs of claim, complaints, motions, applications, notices, and other documents in any case relating to the Company under the Bankruptcy Code (collectively the “*Lease 365(h) Rights*”);

(i) all of the Company’s claims and rights to the payment of damages that may arise from the Association’s failure to perform under the Sublease, rejection or disaffirmance of the Sublease under any bankruptcy law, or violation or breach by the Association under the Sublease, and all damages and other sums payable pursuant thereto (collectively, the “*Lease Damage Claims*”);

(j) all extensions, additions, substitutions and accessions with respect to any of the foregoing; and

(k) all other proceeds of the conversion, whether voluntary or involuntary, of the Mortgaged Property or any other Property or rights encumbered or conveyed under the Mortgage into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, Condemnation and other awards.

The Company’s assignment of the Lease Damage Claims and of the Lease 365(h) Rights: (i) is a present, irrevocable, and unconditional assignment (not an assignment as security or in future); and (ii) will continue in effect until all the Mortgage Indebtedness has been satisfied and discharged in full.

The Unassigned Rights are excepted from the Mortgaged Property.

(Section 2.01)

Security Agreement

The Mortgaged Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of the Company in the Mortgaged Property, including personal property used by the Company in connection with the Mortgaged Property. The Mortgage will also constitute a security agreement under the UCC so that the Issuer will have and may enforce a security interest in any or all of the Mortgaged Property, in addition to (but not in limitation of) the Lien upon that portion of the Mortgaged Property constituting part of the realty imposed by the foregoing provisions hereof, such security interest to attach at the earliest moment permitted by law and also to include and attach to all additions and accessions thereto, all substitutions and replacements therefor, all proceeds thereof, including insurance and Condemnation proceeds, and all contract rights, rental or lease payments and general intangibles of the Company obtained in connection with or relating to the Mortgaged

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Property (except for the Unassigned Rights and moneys received pursuant thereto) as well as any and all items of property in the foregoing classifications which are acquired after the date of the Mortgage.

(Section 2.02)

Performance of Covenants

The Company covenants that it will faithfully observe and perform, or cause to be observed and performed, at all times, any and all covenants, undertakings, stipulations and provisions on its part to be observed or performed contained in the Mortgage, the Loan Agreement and the other Bond Documents executed by it.

(Section 2.04)

Priority of Lien of Mortgage; Discharge of Liens and Encumbrances

(a) The Company represents and warrants that, except for Permitted Encumbrances, the Company is lawfully seized of the subleasehold estate conveyed by the Mortgage, and the Company has the right to grant and convey the Mortgaged Property, and it will warrant and defend title to the Mortgaged Property against all claims and demands, excepting the Permitted Encumbrances.

(b) The Company will not create nor permit or suffer to be permitted or created any Lien, except for Permitted Encumbrances, upon the Mortgaged Property or any part thereof, without the prior written consent of the Issuer, which consent will not be unreasonably withheld, and the Trustee.

(c) Notwithstanding the provisions of Section 2.05(b) of the Mortgage, the Company may in good faith contest any such Lien, *provided that* the Company (1) first notifies the Issuer of such contest, (2) there is no default under any of the Bond Documents, (3) has set aside adequate reserves for the discharge of any such Lien and furnished evidence thereof satisfactory to the Issuer, (4) the contest of any such Lien is not an event of default under the Sublease, and (5) demonstrates to the reasonable satisfaction of the Issuer that the failure to discharge any such Lien will not impair or adversely affect the Lien of the Mortgage or the Mortgaged Property.

(Section 2.05)

Payment of Principal and Interest on the 2011 Bonds and Payment of Amounts Due under the Loan Agreement and other Bond Documents

The Company covenants that it will promptly pay, or cause to be paid, payments pursuant to the Loan Agreement in an amount sufficient to pay the principal of, and premium, if any, and interest on, the 2011 Bonds at the place, on the dates and in the manner provided therein, and will promptly pay all other amounts due under the Loan Agreement and other Bond Documents.

(Section 2.06)

Delegation to Issuer

The Company irrevocably delegates to the Issuer the nonexclusive authority from and after an Event of Default under the Mortgage to exercise any or all Leasehold Rights and Contract Rights, whether or not the Company has failed to exercise them. The Company irrevocably designates the Issuer as the Company's agent and attorney-in-fact, in accordance with the Mortgage, and irrevocably authorizes the Issuer to perform or observe on the Company's behalf from and after an Event of Default under the Mortgage any obligation that the Company fails to perform under the Sublease, the SUNY Agreement or the Facility Management Agreement and exercise any Leasehold Rights and Contract Rights. Such appointment of the Issuer as the Company's attorney-in-fact is coupled with an interest and hence irrevocable. The Company will reimburse the Issuer for any advances or expenditures that the Issuer makes or incurs in performing any such obligation or exercising any such right of the Company, with interest at the per annum rate of interest equal to the highest rate earned on any investment in the Bond Fund, plus four percent (4%), and such advances or expenditures and interest thereon be secured under the Mortgage. In

performing any such obligation or right, the Issuer may enter the Mortgaged Property. If the Issuer receives notice or obtains knowledge of any default under the Ground Lease, the Sublease, the SUNY Agreement or the Facility Management Agreement, the Issuer may rely on the same and take any action that the Mortgage (or the Ground Lease, the Sublease, the SUNY Agreement or the Facility Management Agreement or applicable law) allows to remedy such default even if the Company disputes its existence or nature. Nothing in Section 2.07 of the Mortgage imposes any obligation or duty on the Issuer.

(Section 2.07)

Representations, Warranties and Covenants of the Company

The Company represents, warrants and covenants to the Issuer as follows:

- (a) The Sublease is a valid and subsisting sublease of the Land demised for the term set forth therein, is in full force and effect in accordance with its terms, and has not been modified. There are no existing or anticipated defaults by the Association under the Sublease and the Company has not received notice of any default or any event which with the passage of time will constitute an event of default under the Sublease. The Company is the subtenant under the Sublease and of the leasehold estate created thereby, all sub-sublease(s) in effect affecting the Land, if any, are subordinate to the Mortgage. The Company owns or will own all fixtures and articles of personal property now or hereafter constituting the Equipment, including any substitutions or replacements thereof, free and clear of all Liens and claims, and the Mortgage is and will remain a valid and enforceable Lien on the Mortgaged Property.
- (b) The Company is a not-for-profit corporation organized and existing under the laws of the State and has the power to enter into and perform the Mortgage and the other Bond Documents executed by the Company and to mortgage and pledge the Mortgaged Property in the manner and to the extent set forth in the Mortgage.
- (c) The Mortgage and the other Bond Documents executed by the Company constitute valid and enforceable obligations according to their respective terms.
- (d) Neither the execution and delivery of the Mortgage or the other Bond Documents executed by the Company, the consummation of the transactions contemplated by the Mortgage or thereby, nor the fulfillment of or compliance with the provisions of the Mortgage or thereof will violate any provision of the Company's Certificate of Incorporation, or conflict with or result in a breach of or default under any of the terms, conditions or provisions of any order, judgment, Governmental Requirement, restriction, agreement or instrument to which the Company is a party to or by which the Company or any of its Property is or may be bound, or result in the creation or imposition of any Lien of any nature upon any of the Property of the Company under the terms of any such instrument or agreement.
- (e) The execution and delivery of the Mortgage by the Company does not constitute a "fraudulent conveyance" within the meaning of Title 11 of the United States Code as now constituted or under any other applicable statute, and no bankruptcy or insolvency proceedings are pending or contemplated by or against the Company.
- (f) The Mortgaged Property and the operation thereof currently complies and will continue to comply in all material respects with all Governmental Requirements.
- (g) The Land is not located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards pursuant to the terms of the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as same may have been amended to date.
- (h) The Company has all necessary certificates, licenses, authorizations, registrations, permits and approvals necessary for the commencement of any construction on and the operation of the Mortgaged Property, including, but not limited to, all required environmental permits, all of which are (or prior to commencement of construction or operation thereof will be) in full force and effect and are not (and will not be), to the knowledge of the Company, subject to any revocation, amendment, release, suspension, forfeiture or the like; and the present and contemplated use and occupancy of the Land does not conflict with or violate any such certificate, license, authorization, registration, permit or approval.

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(i) The representations and warranties of the Company set forth in the Loan Agreement are true and correct, and such representations and warranties are incorporated in the Mortgage by reference and made a part thereof.

(Section 3.01)

Maintenance of and Modifications to the Mortgaged Property by the Company

The Company will, at all times during the term of the Mortgage, (A) keep the Mortgaged Property or cause the Mortgaged Property to be kept in good condition and repair and preserve the same against waste, loss, damage, ordinary wear and tear excepted; (B) make or caused to be made all necessary repairs and replacements to the Mortgaged Property or any part thereof (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); (C) not remove or demolish any portion of the Mortgaged Property or alter in any material respect the character of any improvement without the prior written consent of the Issuer, except as permitted in the Loan Agreement; (D) not permit the Mortgaged Property to become deserted or abandoned; and (E) operate the Mortgaged Property or cause the Mortgaged Property to be operated in a sound and economic manner.

(Section 4.01)

Events of Default Defined

The following will each be an “*Event of Default*” under the Mortgage and the terms “Event of Default” or “default” mean, whenever they are used in or with respect to the Mortgage, any one or more of the following events:

- (a) a default in the due and punctual payment of principal of and premium, if any, and interest on, the 2011 Bonds;
- (b) a default in any amount required to be paid by Company under the Loan Agreement, and the continuation of such default for a period in excess of ten (10) days;
- (c) the Company defaults in the due and punctual performance of any other covenant of the Company in the Mortgage and such default continues for thirty (30) days after written notice requiring the same to be remedied will have been given to the Company by the Issuer or the Trustee or, if such default is not capable of being cured within thirty (30) days, the Company fails to commence within said thirty (30) days to cure the same and to diligently prosecute the cure thereof;
- (d) the occurrence of an Event of Default under any of the 2011 Bonds, the Loan Agreement or any other Bond Document;
- (e) if any warranty, representation, certification, financial statement or other information made or furnished to induce the Issuer to issue the 2011 Bonds, or made or furnished, at any time, in or pursuant to the terms of the Mortgage or otherwise by the Company, proves to have been false or misleading in any material respect when made;
- (f) an Event of Bankruptcy with respect to the Company;
- (g) the Company conceals, removes or permits to be concealed or removed any part of its Property with intent to hinder, delay or defraud its creditors, or any one of them, or will make or suffer a transfer of any of its Property which is fraudulent under any bankruptcy, fraudulent conveyance or similar law, or make any transfer of its Property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid, or will suffer or permit, while insolvent, any creditor to obtain a Lien upon any of its Property through legal proceedings or distraint which is not vacated within thirty (30) days from the date thereof;
- (h) except as permitted by the Mortgage or the Loan Agreement, the Mortgaged Property, or any part thereof, is in any manner, whether voluntarily or involuntarily, encumbered, assigned, leased, subleased, sold, transferred or conveyed, or the Company threatens to encumber, assign, lease, sublease, sell, transfer or convey, the Mortgaged Property, or any part thereof, to any person;

(i) the imposition of a Lien on the Mortgaged Property other than a Lien being contested as provided in the Mortgage or a Permitted Encumbrance; of

(j) the termination of the Ground Lease, the Sublease, the SUNY Agreement or the Facility Management Agreement.

(Section 6.01)

Acceleration; Annulment of Acceleration

(a) Upon the occurrence of an Event of Default under the Mortgage, the Issuer may, by notice in writing delivered to the Company, declare the whole of the Mortgage Indebtedness immediately due and payable, whereupon the same will become and be immediately due and payable, anything in the Mortgage or any other Bond Document to the contrary notwithstanding. In such event, there will be due and payable the total amount of the Mortgage Indebtedness plus all accrued but unpaid interest thereon and all interest which will accrue thereon to the date of payment, together with any premium payable thereon.

(b) At any time after the principal of the 2011 Bonds will have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Mortgage, the Issuer may annul such declaration and its consequences. No such annulment will extend to or affect any subsequent default or impair any right consequent thereon.

(Section 6.02)

Enforcement of Remedies

(a) Upon the occurrence of any Event of Default, the Issuer may proceed forthwith to protect and enforce its rights under the Mortgage and the other Bond Documents by such suits, actions or proceedings as the Issuer will deem appropriate, including, without limitation, an action to foreclose the Lien of the Mortgage, in which case the Mortgaged Property or any interest therein may be sold for cash or credit in one or more interests and in any order or manner, including sale under Article 14 of the New York State Real Property Actions and Proceeding Law (or any successor statute).

(b) The Issuer may sue for, enforce payment of and receive any amounts due or becoming due from the Company for principal, premium, interest or otherwise under any of the provisions of the Mortgage, or the other Bond Documents, without prejudice to any other right or remedy of the Issuer. The Issuer may also declare the entire indebtedness secured by the Mortgage immediately due and payable without presentment, demand protect or notice of any kind and the Issuer may take any action permitted at law or in equity, without notice or demand, as it deems advisable to protect and enforce its rights against the Company and the Mortgaged Property.

(c) Regardless of the happening of an Event of Default, the Issuer may institute and maintain such suits and proceedings as the Issuer may be advised will be necessary or expedient to prevent any impairment of the security under the Mortgage by any acts which may be unlawful or in violation of the Mortgage, or to preserve or protect the interests of the Issuer.

(d) The Issuer has the right to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to bring any action or proceeding, in the name and on behalf of the Company, which the Issuer, in its discretion, feels should be brought to protect its interests in the Mortgaged Property.

(e) Upon the occurrence of any Event of Default under the Mortgage, the Company, upon demand of the Issuer, will forthwith surrender the possession of, and it will be lawful for the Issuer, by such officer or agent as it may appoint, to take possession of, all or any part of the Mortgaged Property, together with the books, papers and accounts of the Company pertaining thereto, and to hold, operate and manage the same, and from time to time to make all needed repairs and improvements as the Issuer will deem wise, the Issuer may sell the Company's interest

in the Mortgaged Property or any part thereof, or lease the Mortgaged Property or any part thereof in the name and for the account of the Company, collect, receive and sequester the rents, revenues, earnings, income, products and profits therefrom, and pay out of the same all proper costs and expenses of taking, holding, leasing, selling and managing the Mortgaged Property, including reasonable compensation to the Issuer and its agents and counsel, and any charges of the Issuer under the Mortgage, and any taxes and other charges prior to the Lien of the Mortgage which the Issuer may deem it wise to pay, and all expenses of such repairs and improvements, and apply the remainder of the moneys so received in accordance with the provisions of the Loan Agreement and Section 8.5 of the Indenture.

Upon the occurrence of an Event of Default, the Issuer may exercise any or all of the rights and remedies of a leasehold mortgagee under the Ground Lease and any or all of the rights and remedies of a secured party under the UCC. Nothing in Section 6.03 of the Mortgage will be construed to grant the Issuer any rights or remedies with respect to the Leased Premises (as defined in the Ground Lease) that are inconsistent with the rights and remedies of a leasehold mortgagee under the Ground Lease.

Whenever all that is due under the 2011 Bonds and the other Bond Documents, including any amounts which may have been accelerated pursuant to Section 6.02 of the Mortgage, will have been paid and all defaults made good, the Issuer will surrender possession to the Company, the same right of entry, however, to exist upon any subsequent Event of Default.

(f) Notwithstanding anything in the Mortgage contained to the contrary, to the extent permitted by law, the Company and anyone claiming through or under the Company (1) will not (i) at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of the Mortgage, (ii) claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision of the Mortgage, or pursuant to the decree, judgment or order of any court of competent jurisdiction, or (iii) after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the Property so sold or any part thereof; (2) expressly waives all benefit or advantage of any such law or laws; and (3) covenants not to hinder, delay or impede the execution of any power in the Mortgage granted or delegated to the Issuer, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. The Company, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property marshaled upon any foreclosure of the Mortgage.

(Section 6.03)

Waiver and Non-Waiver of Event of Default

(a) The Issuer may, in its discretion, agree to waive any Event of Default under the Mortgage and its consequences and annul any acceleration in accordance with Section 6.02 of the Mortgage. No such waiver will extend to or affect any other existing or any subsequent Event of Default.

(b) The failure of the Issuer to insist upon strict performance of any term of the Mortgage will not be deemed to be a waiver of any term of the Mortgage. The Company will not be relieved of its obligations under the Mortgage by reason of (1) failure of the Issuer to comply with any request of the Company to take any action to foreclose the Mortgage or otherwise enforce any of the provisions of the Mortgage; (2) the release, regardless of consideration, of the whole or any part of the Mortgaged Property; or (3) any agreement or stipulation by the Issuer extending the time of payment or otherwise modifying or supplementing the terms of the Mortgage or any of the other Bond Documents. The Issuer may resort for the payment of the Mortgage Indebtedness to any other security held by the Issuer pursuant the Security Documents in such order and manner as the Issuer, in its discretion, may elect. The Issuer may take action to recover the Mortgage Indebtedness, or any portion thereof, or to enforce any covenant of the Mortgage without prejudice to the right of the Issuer thereafter to foreclose the Mortgage. The rights of the Issuer under the Mortgage will be separate, distinct and cumulative and none will be given effect to the exclusion of the others. No act of the Issuer will be construed as an election to proceed under any one provision in the Mortgage

to the exclusion of any other provision. No waiver of any right of the Issuer will be effective unless it is in a writing signed by an Authorized Officer of the Issuer.

(Section 6.08)

Covenants Run with the Land

All of the grants, covenants, terms, provisions and conditions in the Mortgage will run with the Land and will apply to, bind and inure to the benefit of the parties to the Mortgage, the Trustee, the Owners of the 2011 Bonds and their successors and assigns.

(Section 7.07)

Tax Laws

If any law or ordinance is enacted or adopted which imposes a tax, either directly or indirectly, on the Mortgage, the Company will pay, or cause to be paid, such tax, with interest and penalties thereon, if any.

(Section 7.11)

SUMMARY OF CERTAIN PROVISIONS OF THE ASSIGNMENT OF RENTS

The Company grants, transfers, assigns, and sets over to the Trustee and grants a security interest in all of its right, title and interest (1) in and to all the rents, issues, fees, sums, amount, profits and, to the extent permitted by applicable law, security deposits (collectively the “Rents”) of and from the premises described in Exhibit “A” attached to the Assignment of Rents (the “Improvements”), and (2) in and to all residency agreements, leases, subleases, licenses, or occupancy agreements (collectively the “Leases”), now or hereafter existing, of all or any part of the Improvements.

Without limiting the generality of the foregoing, the Company agrees as follows:

(1) The Company grants, transfers and assigns to the Trustee all of its right, title and interest in and to the said Leases and in and to the right to use and possess the Improvements, including any and all of the Rents now due or which may hereafter become due under and by virtue of any Lease, whether written or oral, or any letting or any agreement for the use or occupancy of any part of the Improvements which may heretofore have been or which may hereafter be made or agreed to between the Company or any other present, prior or subsequent owner of the Improvements, or any interest therein, or which may be made or agreed to by the Trustee, its successors or assigns, under the powers herein granted and any tenant or occupant of all or any part of the Improvements for the purposes of securing the payment of the principal of, redemption premium, if any, and interest on the Indebtedness and the performance by the Company of each and all of the Company’s payments, obligations, covenants and agreements as set forth in the Loan Agreement and other Bond Documents

Upon or at any time after default in the payment of any Indebtedness or in the performance of any term, provision, condition, obligation, covenant or agreement contained in the Assignment of Rents or in the Mortgage, the Loan Agreement or any Bond Document and after the expiration of any period of grace, if any, with respect to any such default provided for in the Assignment of Rents or in the Mortgage, the Loan Agreement or any Bond Document, respectively, the Trustee may declare all sums secured hereby immediately due and payable and may, at the declaring party’s option, without notice, either in person or by agent and with or without bringing any action or proceeding, or by any receiver to be appointed by a court, enter upon, take possession of, and manage and operate the Improvements and each and every part thereof, and in connection therewith, the Trustee may make, cancel, enforce and modify Leases; fix or modify Rents; repair, maintain and improve the Improvements; employ contractors, subcontractors and workmen in and about the Improvements; obtain and evict tenants; in its own name, sue for or otherwise collect or reserve any and all Rents, including those past due and unpaid; employ leasing agents, managing agents, attorneys and accountants in connection with the enforcement of the rights of the Trustee under the terms of the Assignment of Rents and pay the reasonable fees and expenses thereof; and otherwise do and perform any and all acts which the Trustee may deem necessary and appropriate in and about the Improvements for the protection thereof and of the rights of the Trustee under the Assignment of Rents or under the Mortgage, the Loan Agreement or any other Bond Document, and any and all amounts reasonably expended by the Trustee in connection with the foregoing shall constitute so much additional Indebtedness secured by the Assignment of Rents. The Trustee shall apply any moneys collected, less costs and expenses incurred, upon any Indebtedness secured by the Assignment of Rents in such order and manner as the Trustee may determine. The entering upon and taking possession of the Improvements; the collection of Rents; the exercise of any rights in the Assignment of Rents; and the application of collections, shall not cure, waive, modify or otherwise affect any default under the Assignment of Rents or under the Mortgage, the Loan Agreement or any other Bond Document.

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APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

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APPENDIX C

[PROPOSED FORM OF OPINION OF BOND COUNSEL]

Upon delivery of the 2011 Bonds, Hiscock & Barclay, LLP, Bond Counsel to the Issuer, proposes to issue its legal opinion in substantially the following form:

June __, 2011

Buffalo and Erie County Industrial Land Development Corporation
143 Genesee Street
Buffalo, New York 14203

Re: Buffalo and Erie County Industrial Land Development Corporation
\$ _____ Revenue Bonds
(Buffalo State College Foundation Housing Corporation Project), Series 2011A

\$ _____ Taxable Revenue Bonds
(Buffalo State College Foundation Housing Corporation Project), Series 2011B

Ladies and Gentlemen:

We have acted as Bond Counsel to Buffalo and Erie County Industrial Land Development Corporation (the "*Issuer*") in connection with the issuance on the date hereof of the Issuer's Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$ _____ (the "*Series 2011A Bonds*") and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$ _____ (the "*Series 2011B Bonds*") and with the Series 2011A Bonds, the "*Bonds*").

The Bonds are authorized to be issued pursuant to (i) Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the "*State*"), as amended, and Resolution Nos. 218 and 295 of 2009 and 5-3(2010) of the Erie County Legislature, each as amended to date (collectively, the "*Act*"); (ii) a resolution adopted by the Issuer on March 14, 2011 (the "*Resolution*"); and (iii) a certain trust indenture dated as of June 1, 2011 (the "*Indenture*"), by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "*Trustee*"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

The Bonds are being issued in connection with a loan made by the Issuer to Buffalo State College Foundation Housing Corporation (the "*Company*"), a not-for-profit corporation

organized under the laws of the State, for the purpose of, among other purposes, refunding of the Outstanding Prior Bonds, payment or reimbursement of certain costs of the Project (as defined herein below) and the payment of the costs of issuance of the Bonds. The Outstanding Prior Bonds were issued to finance the costs of a project consisting of: (i) the acquisition by the Company of leasehold title to certain parcels of land containing in the aggregate approximately 3.6 acres and located at the corner of Letchworth Street and Grant Street on the campus of Buffalo State College located at Rockwell and Grant Streets in the City of Buffalo, Erie County, New York (the "*Land*"); (ii) the acquisition, installation and construction on the Land by the Company of an approximately 225,000 square foot student housing complex consisting of approximately 507 beds, to serve students of Buffalo State College, together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements (collectively, the "*Improvements*"); and (iii) the acquisition and installation in and around the Improvements of certain items of furniture, furnishings, equipment, machinery and other tangible personal property (collectively, the "*Equipment*" and, collectively with the Land and the Improvements, the "*Project*").

The Bonds are dated the date hereof, are issued as fully registered bonds without coupons and mature and bear interest as set forth therein. The Bonds are subject to redemption prior to maturity in the manner and upon the terms and conditions set forth therein and in the Indenture. The principal and Redemption Price of and interest on the Bonds are payable from loan payments to be made by the Company under the Loan Agreement dated as of June 1, 2011 (the "*Loan Agreement*"), by and between the Issuer and the Company.

The Issuer has assigned its interest in the Loan Agreement (other than its Unassigned Rights) to the Trustee as provided in the Indenture pursuant to the Pledge and Assignment dated as of June 1, 2011 (the "*Pledge and Assignment*"), by the Issuer to the Trustee and acknowledged by the Company.

As security for the obligations of the Company under the Loan Agreement and for the Bonds, the Company has entered and delivered to the Issuer a Leasehold Mortgage and Security Agreement dated as of June 1, 2011 (the "*Mortgage*"), granting a first lien on, and security interest in (subject to certain Permitted Encumbrances), the interest of the Company in and to the Project and the other Mortgaged Property therein and thereon to secure the Loan Agreement and the Bonds. Pursuant to the Assignment of Mortgage dated the date of the delivery of the Bonds (the "*Assignment of Mortgage*"), the Issuer assigned the Mortgage to the Trustee for the benefit of the Owners of the Bonds.

We have examined a specimen of each of the Bonds and executed counterparts of the Indenture, the Loan Agreement, the Assignment of Mortgage, the Pledge and Assignment and a certain tax compliance agreement dated the date hereof (the "*Tax Compliance Agreement*") executed by the Company and the Issuer relating to the Bonds.

We have reviewed an opinion of even date herewith of Hodgson Russ LLP, counsel to the Company, upon which we are relying as to the status of the Company as a 501(c)(3) Organization (as defined in the Tax Compliance Agreement), the validity and enforceability with respect to the Company of the Loan Agreement, the Mortgage, the acknowledgement to the Pledge and Assignment, the Tax Compliance Agreement and the other Company Documents. No opinion as to such matters is expressed herein.

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

The Internal Revenue Code of 1986, as amended (the “Code”), imposes various requirements which must be met upon and subsequent to the issuance and delivery of the Series 2011A Bonds in order that interest on the Series 2011A Bonds will be and remain excludable from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Series 2011A Bonds and the rebate of certain earnings in respect of such investments to the United States. Failure to comply with the requirements of the Code may cause interest on the 2011A Bonds to be includable in gross income for purposes of federal income tax, possibly from the date of issuance of the 2011A Bonds. The Issuer and the Company have covenanted in the Tax Compliance Agreement to comply with certain procedures, and they have made certain representations and certifications designed to assure satisfaction of the requirements of the Code. Our opinion in paragraph (vii) hereinbelow assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certifications. We express no opinion with respect to the exclusion from gross income for federal income tax purposes of interest on the 2011A Bonds in the event that any such representations and certifications are materially inaccurate or that there occurs a failure to comply with such covenants.

Based upon the foregoing, it is our opinion that:

- (i) The Issuer is a duly created and validly existing not-for-profit corporation constituting a local development corporation under the laws of the State.
- (ii) The Issuer has the right and power under the Act (a) to issue, execute, sell and deliver the Bonds; (b) to enter into and perform its obligations under the Loan Agreement, the Indenture, the Pledge and Assignment, the Assignment of Mortgage and the Tax Compliance Agreement; (c) to assign its interest in the Loan Agreement to the Trustee as provided in the Indenture and the Pledge and Assignment; and (d) to assign its interest in the Mortgage to the Trustee for the benefit of the Owners of the Bonds as provided in the Assignment of Mortgage.
- (iii) The Resolution has been duly and lawfully adopted by the Issuer and is in full force and effect.
- (iv) The Loan Agreement, the Indenture, the Pledge and Assignment, the Assignment of Mortgage and the Tax Compliance Agreement have been duly authorized and lawfully executed and delivered by the Issuer and (assuming the authorization, execution and delivery by the other respective parties thereto) are valid and

legally binding obligations of the Issuer enforceable against it in accordance with their respective terms.

- (v) The Bonds have been duly authorized, executed, delivered and issued for value by the Issuer in conformity with all applicable laws and the provisions of the Indenture and the Resolution and constitute valid and legally binding special obligations of the Issuer enforceable against it in accordance with their terms. The Bonds are payable solely from the amounts payable by the Company pursuant to the Loan Agreement and the Security Documents. The Indenture creates a valid pledge of and a valid Lien upon the Pledged Revenues (as defined in the Indenture), except as set forth therein, and subject only to the provisions of the Indenture permitting the use and payment thereof for or to the purposes and on the terms and conditions set forth in the Indenture.
- (vi) The Bonds do not constitute a debt of the State of New York, the County of Erie, or any political subdivision thereof, and neither the State of New York, the County of Erie, nor any political subdivision thereof shall be liable thereon.
- (vii) Under existing law, interest on the 2011A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and is not treated as an item of tax preference for purposes of the alternative minimum tax imposed upon individuals and corporations pursuant to the provisions of the Code, provided, however, that such interest is taken into account in determining adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the alternative minimum tax imposed on such corporations. With respect to the 2011A Bonds maturing _____ (the “Discount Bonds”) having original issue discount (“OID”), OID that has accrued and is properly allocable to the owners of Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the 2011A Bonds.
- (viii) The interest on the 2011A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including the City of New York and the City of Yonkers). The interest on the 2011B Bonds is not exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including the City of New York and the City of Yonkers).

In rendering our opinion, we wish to advise you that:

- (a) The enforceability against the Issuer of the Bonds, the Indenture, the Loan Agreement, the Pledge and Assignment, the Assignment of Mortgage and the Tax Compliance Agreement may be limited by any applicable bankruptcy, insolvency or other similar law or enactment now existing or hereafter enacted by the State or the Federal government affecting the enforcement of creditors’ rights generally.

(b) Equitable remedies with respect to any of the documents described in paragraph (a) above (and with respect to any other documents) lie in the discretion of a court and may not be available.

(c) We express no opinion as to the title to the Project, or the sufficiency (insofar as it relates to the title to the Project) of the description of the Project in the Loan Agreement or the Mortgage or the existence of any liens, security interest or encumbrances on or affecting the Project. We also express no opinion as to perfection of any interests in the Project.

(d) Certain requirements and procedures contained or referred to in the Indenture and certain other documents delivered in connection with the issuance of the Bonds may be changed, and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice, or with the approving opinion of Bond Counsel. We express no opinion as to any Bond or the interest thereon if any such change occurs or action is taken upon the advice or approval of bond counsel other than Hiscock & Barclay, LLP.

(e) 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 documents identified in the Closing Memorandum 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 initial purchaser of the Bonds or any other person.

(f) This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

(g) This opinion is rendered to the addressee named above, and may not be relied upon by any other person without our prior, express written consent.

We call attention to the fact that we have not been requested to examine, and have not examined, any documents or information relating to the Company, other than documents contained in the record of proceedings hereinabove referred to, and no opinion is expressed as to any financial or other information, or the adequacy thereof, which has been, or may be, supplied by the Company to any purchaser of the Bonds.

We have examined the executed Bonds numbered RA-1 and RB-1, in fully registered form and, in our opinion, the respective form of Bond and the execution thereof are regular and proper.

Very truly yours,

HISCOCK & BARCLAY, LLP

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APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this “Agreement”), dated as of June 1, 2011, by and between **BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION**, a New York not-for-profit corporation (the “Company”), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a banking corporation duly organized and existing under the laws of the State of New York, as trustee (in such capacity, the “Trustee”) under the Trust Indenture, dated as of June 1, 2011 (the “Indenture”), between the Buffalo and Erie County Industrial Land Development Corporation, a not-for-profit local development corporation organized under the laws of the State of New York (the “Issuer”), and the Trustee, is executed and delivered in connection with the issuance by the Issuer of \$_____ aggregate principal amount of its Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A (the “Series A Bonds”), and \$_____ aggregate principal amount of its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B (together with the Series A Bonds, the “Bonds”). The proceeds of the Bonds are being loaned by the Issuer to the Company pursuant to the Loan Agreement, dated as of June 1, 2011 (the “Loan Agreement”), between the Issuer and the Company. Capitalized terms used in this Agreement which are not otherwise defined herein shall have the respective meanings given to those terms in Article IV hereof.

ARTICLE I **The Undertaking**

Section 1.1. Purpose; No Issuer Responsibility or Liability. This Agreement shall constitute a written undertaking for the benefit of the holders of the Bonds and is being executed and delivered solely to assist the Participating Underwriter in complying with subsection (b)(5) of the Rule. The Company and the Trustee acknowledge that the Issuer has undertaken no responsibility, and shall not be required to undertake any responsibility, and shall have no liability to any person, including any holder of the Bonds, with respect to any reports, notices or disclosures that are part of such undertaking.

Section 1.2. Annual Financial Information. (a) The Company shall provide to the Trustee Annual Financial Information with respect to each fiscal year of the Company, commencing with its fiscal year ending June 30, 2011, by no later than the 150th day after the end of each such fiscal year. The Trustee shall provide notice in writing to the Company that such Annual Financial Information is required to be provided by such 150th day, at least 30 days but not more than 60 days in advance of such 150th day. The Trustee shall provide such Annual Financial Information to the MSRB through the EMMA System within five business days after receipt by the Trustee.

(b) The Trustee shall provide, in a timely manner, notice of any failure of the Company or the Trustee to provide the Annual Financial Information by the date specified in subsection (a) above, in each case to the MSRB through the EMMA System and, if such failure is of the Company, to the Company.

Section 1.3. Quarterly Financial Information. (a) The Company shall provide to the Trustee Quarterly Financial Information with respect to each fiscal quarter of the Company, commencing with its fiscal quarter ending September 30, 2011, by no later than the 45th day after the end of each such fiscal quarter. The Trustee shall provide such Quarterly Financial Information to the MSRB through the EMMA System within five business days after receipt by the Trustee.

(b) The Trustee shall provide, in a timely manner, notice of any failure of the Company or the Trustee to provide the Quarterly Financial Information by the date specified in subsection (a) above, in each case to the MSRB through the EMMA System and, if such failure is of the Company, to the Company.

Section 1.4. Notice Events. (a) If a Notice Event occurs, the Company shall provide, in a timely manner (but in all cases in sufficient time for the Trustee to send notice thereof to the MSRB through the EMMA System within ten business days after the occurrence of such Notice Event pursuant to the next following sentence), written notice of such Notice Event to the Trustee. The Trustee shall send notice of such Notice Event to the MSRB

through the EMMA System not later than three business days after receipt of notice of such Notice Event from the Company.

(b) The Trustee shall promptly advise the Company whenever, in the course of performing its duties as Trustee under the Indenture, the Trustee has actual knowledge of the occurrence of any event which would require the Company to provide notice of a Notice Event hereunder; *provided, however*, that the failure of the Trustee so to advise the Company shall not constitute a breach by the Trustee of any of its duties and responsibilities under this Agreement or the Indenture or relieve the Company of any of its responsibilities or obligations hereunder or under any other instrument or agreement relating to the Bonds.

Section 1.5. Additional Disclosure Obligations. The Company acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to the Company, and that under some circumstances compliance with this Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Company under such other laws.

Section 1.6. Additional Information. Nothing in this Agreement shall be deemed to prevent the Company from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any information in any Annual Financial Information, Quarterly Financial Information or notice of a Notice Event in addition to that which is required by this Agreement. If the Company chooses to include any information in any Annual Financial Information, Quarterly Financial Information or notice of a Notice Event in addition to that which is specifically required by this Agreement, the Company shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information, Quarterly Financial Information or notice of a Notice Event.

Section 1.7. No Previous Non-Compliance. The Company represents that it has not failed to comply in any material respect with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

ARTICLE II **Operating Rules**

Section 2.1. Reference to Other Agreements. It shall be sufficient for purposes of Section 1.2 hereof if the Company provides Annual Financial Information or Quarterly Financial Information by specific reference to documents (a) either (i) provided to the MSRB through the EMMA System or (ii) filed with the SEC, or (b) if such document is a “final official statement” (as defined in the Rule), available from the MSRB.

Section 2.2. Submission of Information. Annual Financial Information and Quarterly Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

Section 2.3. Event Notices. Each notice of a Notice Event given by the Company to the Trustee shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Bonds.

Section 2.4. Fiscal Year. Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than twelve calendar months. The Company’s current fiscal year consists of the period from and including July 1 of one calendar year to and including June 30 of the next following calendar year, and the Company shall promptly notify the Trustee in writing of each change in its fiscal year. The Trustee shall provide such notice to the MSRB through the EMMA System within ten business days after receipt by the Trustee.

ARTICLE III
Termination, Amendment and Enforcement

Section 3.1. Termination. (a) If the Company's obligations under the Loan Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Agreement in the same manner as if it were the Company, and thereupon the Company shall have no further responsibility hereunder.

(b) The Company's and the Trustee's obligation under this Agreement shall terminate upon a legal defeasance of all of the Bonds pursuant to Article VII of the Indenture or upon the prior redemption or payment in full of all of the Bonds.

(c) This Agreement, or any provision hereof, shall be null and void and of no further force and effect in the event that (i) the Company delivers to the Trustee an opinion of Counsel, addressed to the Company and the Trustee, to the effect that those portions of the Rule which require this Agreement, or any specific provisions hereof (as appropriate), do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, all as shall be specified in such opinion, and (ii) the Trustee delivers copies of such opinion to the MSRB through the EMMA System and to the Issuer. The Trustee shall so deliver such opinion within three business days after receipt by the Trustee.

Section 3.2. Amendment. (a) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Company or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Company shall have delivered to the Trustee an opinion of Counsel, addressed to the Company and the Trustee, to the same effect as set forth in clause (2) above, (4) either (i) the Company shall have delivered to the Trustee an opinion of Counsel or a determination by a person, in each case unaffiliated with the Issuer or the Company (such as bond counsel or the Trustee) and acceptable to the Company, addressed to the Company and the Trustee, to the effect that the amendment does not materially impair the interests of the holders of the Bonds or (ii) the holders of the Bonds consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Indenture with consent of holders of Bonds pursuant to Section 13.2 of the Indenture as in effect on the date of this Agreement, and (5) the Trustee shall have delivered copies of such opinion(s) and amendment to the MSRB through the EMMA System and to the Issuer. The Trustee shall so deliver such opinion(s) and amendment with three business days after receipt by the Trustee.

(b) In addition to subsection (a) above, this Agreement may be amended and any provision of this Agreement may be waived, by written agreement of the parties, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement which is applicable to this Agreement, (2) the Company shall have delivered to the Trustee an opinion of Counsel, addressed to the Company and the Trustee, to the effect that performance by the Company and the Trustee under this Agreement as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule and (3) the Trustee shall have delivered copies of such opinion and amendment to the MSRB through the EMMA System and to the Issuer. The Trustee shall so deliver such opinion and amendment within three business days after receipt by the Trustee.

(c) To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information or Quarterly Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

(d) If an amendment is made to the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Quarterly Financial Information for the year in which the change

is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. Notice of such amendment shall be provided by the Company to the Trustee, and the Trustee shall provide such notice to the MSRB through the EMMA System and to the Issuer, in each case within three business days after receipt by the Trustee.

Section 3.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Agreement shall inure solely to the benefit of the parties hereto, the Issuer, the Participating Underwriter and the holders from time to time of the Bonds. In addition, beneficial owners of Bonds held in a book-entry system by a securities depository shall also be third-party beneficiaries of this Agreement.

(b) Except as provided in this subsection (b), the provisions of this Agreement shall create no rights in any other person or entity. The obligations of the Company to comply with the provisions of this Agreement shall be enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any holder of Outstanding Bonds, or by the Trustee on behalf of the holders of Outstanding Bonds, or by the Participating Underwriter, or (ii) in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Trustee on behalf of the holders of Outstanding Bonds or by the Participating Underwriter; *provided, however*, that the Trustee shall not be required to take any enforcement action except at the direction of the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, who shall have provided the Trustee with adequate security and indemnity. The holders' and Trustee's rights to enforce the provisions of this Agreement shall be limited solely to a right, by action for specific performance, to compel performance of the Company's obligations under this Agreement. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Bonds for purposes of this subsection (b).

(c) Any failure by the Company or the Trustee to perform in accordance with this Agreement shall not constitute a default or an Event of Default under the Indenture or the Loan Agreement, and the rights and remedies provided by the Indenture or the Loan Agreement upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the State of New York; *provided, however*, that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

ARTICLE IV **Definitions**

Section 4.1. Definitions. The following terms used in this Agreement shall have the following respective meanings:

(1) "Annual Financial Information" means, collectively, (i) Audited Financial Statements, (ii) the computation of the Debt Service Coverage Ratio for the fiscal year of the Company covered by the relevant Audited Financial Statements as described in the section of the Official Statement captioned "SECURITY FOR THE 2011 BONDS – Financial Covenants", (iii) information detailing the occupancy of the Student Housing Facility (as defined in the Official Statement) for the fiscal year of the Company covered by the relevant Audited Financial Statements, (iv) an annual update of the information in the sections captioned "BUFFALO STATE COLLEGE – Enrollment" and -- "Demand" in APPENDIX A to the Official Statement, and (v) the information regarding amendments to this Agreement pursuant to Sections 3.2(c) and (d) of this Agreement.

(2) “Audited Financial Statements” means the annual financial statements, if any, of the Company, as audited by a firm of independent certified public accountants. Audited Financial Statements shall be prepared in accordance with GAAP; *provided, however*, that the Company may from time to time, if required by federal or state legal requirements, modify the accounting principles to be following in preparing its financial statements. The written notice of any such modification required by Section 3.2(d) hereof shall include a reference to the specific federal or state law or regulation describing such accounting principles.

(3) “Counsel” means any attorney or firm of attorneys nationally recognized as expert in federal securities laws.

(4) “EMMA System” means the Electronic Municipal Market Access online municipal securities disclosure system operated by the MSRB.

(5) “GAAP” means generally accepted accounting principles applicable to the preparation of financial statements of not-for-profit corporations similar to the Company.

(6) “MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15(B)(b)(1) of the Securities Exchange Act of 1934, as amended.

(7) “Notice Event” means any of the following events with respect to the Bonds, whether relating to the Company or otherwise:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of security holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or a similar event of the obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(8) “Official Statement” means the Official Statement, dated May __, 2011, of the Issuer and the Company with respect to the Bonds.

(9) “Participating Underwriter” means M&T Securities, Inc.

(10) “Quarterly Financial Information” means Unaudited Financial Statements.

(11) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended and in effect on and as of the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

(12) “SEC” means the United States Securities and Exchange Commission.

(13) “Unaudited Financial Statements” means the unaudited quarterly financial statements of the Company.

ARTICLE V
Miscellaneous

Section 5.1. Duties, Immunities and Liabilities of Trustee. Article IX of the Indenture is hereby made applicable to this Agreement as if this Agreement were (solely for this purpose) contained in the Indenture. The Trustee shall have only such duties under this Agreement as are specifically set forth in this Agreement.

Section 5.2. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have each caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

By: _____
Name:
Title:

**MANUFACTURERS AND TRADERS
TRUST COMPANY, AS TRUSTEE**

By: _____
Name:
Title:

Signature Page to Continuing Disclosure Agreement

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Buffalo State
State University of New York

June 16, 2011

Buffalo and Erie County Industrial Land
Development Corporation
Buffalo, New York

Manufacturers and Traders Trust Company
Buffalo, New York

Hiscock & Barclay, LLP
Buffalo, New York

M&T Securities, Inc.
Canonsburg, Pennsylvania

Buffalo State College Foundation Housing
Corporation
Buffalo, New York

RE: \$43,875,000 Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A and
\$410,000 Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B

Ladies and Gentlemen:

We have acted as counsel to the Buffalo and Erie County Industrial Land Development Corporation (the "Issuer"), a not-for-profit local development corporation organized under the laws of the State of New York, authorized and empowered by Section 1411 of the Not-for-Profit Corporation Law of the State of New York, as amended, and Resolution Nos. 218 (2009), 295 (2009), and 5-3 (2011) adopted by the Erie County Legislature, in connection with the issuance and sale by the Issuer of its (i) \$43,875,000 Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A (the "Series 2011A Bonds"), and (ii) \$410,000 Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B (the "Series 2011B Bonds"; and, together with the Series 2011A Bonds, the "Bonds").

The Bonds are being issued for the purpose of financing a certain Project, as such term is defined in that certain Trust Indenture, dated as of June 1, 2011 (the "Indenture") between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "Trustee"). The Bonds will be purchased by M&T Securities, Inc. (the "Underwriter") pursuant to that certain Bond Purchase Agreement, dated May 26, 2011 (the "Bond Purchase Agreement"), by and among the

Issuer, Buffalo State College Foundation Housing Corporation (the "College") and the Underwriter.

In connection with the issuance of the Bonds, the Issuer has executed and delivered the following documents, which are collectively referred to herein as the "Issuer Documents":

1. the Indenture; and
2. the Bond Purchase Agreement; and
3. a certain Loan Agreement, dated as of June 1, 2011, by and between the Issuer and the College; and
4. a certain Pledge and Assignment, dated as of June 1, 2011, by and between the Issuer and the Purchaser; and
5. a certain Tax Compliance Agreement, dated June 6, 2011, by and between the Issuer and the College; and
6. a certain Assignment of Mortgage, dated as of June 1, 2011, from the Issuer to the Trustee.

We have examined originals or certified copies of the proceedings of the Issuer, certificates of the Issuer's officers, and related documents. We have also examined such statutes, court decisions, proceedings and other documents as we have considered necessary or appropriate in the circumstances to render the following. As to various questions of fact material to our opinion, we have relied upon certificates of the Issuer and the College and the representations of the College made in the related documents.

The opinions set forth in this letter, whether or not qualified by the phrase "to our knowledge," are subject to the following qualifications:

1. We have assumed without any inquiry or other investigation (a) the legal capacity of each natural person other than individuals signing on behalf of the Issuer, (b) the full power and authority of each person, other than the Issuer, in connection with the Issuer Documents, to execute, deliver and perform each document heretofore executed and delivered or hereafter to be executed and delivered, (c) the due authorization, execution and delivery by each person, other than the Issuer, in connection with the Issuer Documents, of each document heretofore executed and delivered or hereafter to be executed and delivered by such person, (d) the legality, validity, binding effect and enforceability as to each person, other than the Issuer, in connection with the Issuer Documents, of each document heretofore executed and delivered or hereafter to be executed and delivered, (e) the payment of all required filing or recording fees and taxes, (f) no future modification of any provision of any document and no future waiver of any right or remedy, (g) the genuineness of each signature other than the signature of the Issuer on the Issuer

Documents, (h) the completeness of each document submitted to us, the authenticity of each document submitted to us as an original, the conformity to the original of each document submitted to us as a copy and the authenticity of the original of each document submitted to us as a copy, (i) the truthfulness of each statement as to any factual matter contained in any of the documents reviewed by us, and (j) the accuracy on the date of this letter as well as on the date stated in any governmental certificate of each statement as to any factual matter contained in such governmental certificate.

2. Any opinion concerning the validity, binding effect or enforceability of any document (a) means that (i) such document constitutes an effective contract under applicable law, (ii) such document is not invalid in its entirety under applicable law because of a specific statutory prohibition or public policy and is not subject in its entirety to a contractual defense under applicable law and (iii) subject to the following sentence, an adequate remedy or remedies are available under applicable law if the person concerning whom such opinion is given is in material default under such document but (b) does not mean that (i) any particular remedy is available under applicable law upon such material default or (ii) every provision of such document will be upheld or enforced in any or each circumstance by a court applying applicable law. Furthermore, the enforceability of any document may be limited or otherwise affected by (a) any bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar statute, rule, regulation or other law affecting the enforcement of creditors' rights and remedies generally or (b) the unavailability of, or any limitation on the availability of, any particular right or remedy (whether in a proceeding in equity or at law) because of the discretion of a court or because of any equitable principle or requirement as to commercial reasonableness, conscionability or good faith.

3. Except as set forth in paragraph 3 below, we express no opinion on the application or effect of any environmental laws (including, without limitation, the provisions of the Environmental Conservation Law of the State of New York), ordinances, rules, regulations or other requirements of any governmental authority with respect to the transactions contemplated by the Issuer Documents, or the potential liability thereunder, or the existence of any environmental hazards relating to such transactions, and specifically note that we have not conducted any independent review with respect to such matters.

4. We express no opinion on compliance with federal or state securities or "blue sky" laws, rules or regulations with regard to the transactions evidenced by the Issuer Documents.

5. We express no opinion concerning any law other than the law of the State of New York and the federal law of the United States of America.

Subject to the qualifications contained in this letter, we are of the opinion that:

1. The Issuer is a not-for-profit local development corporation organized under the laws of the State of New York, authorized and empowered by Section 1411 of the Not-for-Profit Corporation Law of the State of New York, as amended, and Resolution Nos. 218 (2009), 295 (2009), and 5-3 (2010) adopted by the Erie County Legislature.

2. The Issuer has the power and lawful authority to execute and deliver the Bonds and the Issuer Documents, and to perform and observe the provisions of the Bonds and the Issuer Documents on its part to be performed and observed.

3. The Issuer has complied with all of the requirements of New York law with respect to the authorization, execution and delivery of the Bonds and Issuer Documents. The Issuer has duly authorized the execution, delivery and performance of the Bonds and the Issuer Documents.

4. To the best of our knowledge, there is no litigation pending or threatened in any court, either state or federal, calling into question the creation, organization or existence of the Issuer or the validity of the Bonds and the Issuer Documents.

5. The Bonds and the Issuer Documents have been duly authorized, executed and delivered by the Issuer, and the Bonds and the Issuer Documents constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms.

6. To the best of such firm's knowledge, no event affecting the Issuer has occurred since the date of the Official Statement dated May 26, 2011 (the "Official Statement") distributed in connection with the issuance of the Bonds, that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to disclose therein in order to make the statements and information therein with respect to the Issuer, in light of the circumstances under which such statements and information were made or provided, not misleading.

7. The Official Statement has been duly approved, executed and delivered by the Issuer.

We have not made any investigation of, and do not express any opinions as to any matters of title to or the descriptions of any property (whether real, personal or mixed), priority or perfection of liens, or compliance with zoning, land use or other similar governmental regulations.

Insofar as the foregoing opinions express or involve conclusions as to compliance by the Issuer with the provisions of Article Eight of the Environmental Conservation Law of the State of New York, we have relied upon (A) the accuracy of the statements and assertions contained in the environmental assessment form verified by a representative of the College and submitted to the Issuer with respect to the Project, and (B) the accuracy of the conclusions contained in the resolution adopted by the members of the Issuer on March 21, 2011, to the effect that the acquisition, construction and installation of the Project, and the financing thereof by the Issuer, will not have a significant effect upon the environment; provided, however, that we are not passing upon nor do we assume any responsibility for the accuracy, completeness, or fairness of the statements, information or conclusions contained in the foregoing and we make no

representation that we have independently verified the accuracy, completeness, or fairness of any such statements, information or conclusions.

Only the parties to whom this opinion is addressed may rely on this opinion. This opinion speaks only as of the date hereof and is limited to present laws and regulations and the facts as they currently exist and have been represented to us. We assume no obligation to revise, update or supplement this opinion.

Very truly yours,

Adam Beach PLLC

In the opinion of Hiscock & Barclay, LLP, Bond Counsel, under existing statutes and court decisions, (1) interest on the 2011A Bonds is excluded from gross income for federal income tax purposes, assuming compliance with certain covenants and the accuracy of certain representations, and is not an item of tax preference for purposes of the individual and corporate alternative minimum taxes imposed by the Internal Revenue Code of 1986, as amended (the “Code”); however, for the purpose of computing the alternative minimum tax imposed on certain corporations (as determined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings; and (2) interest on the 2011A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York and the City of Yonkers). INTEREST ON THE 2011B BONDS IS NOT EXCLUDABLE FROM GROSS INCOME FOR FEDERAL INCOME TAX PURPOSES AND IS NOT EXEMPT FROM PERSONAL INCOME TAXES IMPOSED BY THE STATE OF NEW YORK OR ANY OF ITS POLITICAL SUBDIVISIONS. See “TAX MATTERS” herein.

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION**

\$43,875,000 REVENUE BONDS

**(BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION PROJECT), SERIES 2011A
and**

\$410,000 TAXABLE REVENUE BONDS

**(BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION PROJECT), SERIES 2011B**

Buffalo State
State University of New York

Dated: Date of Delivery
Interest Payable: April 1 and October 1

Due: October 1, as shown on inside front cover
First Interest Payment Date: April 1, 2012

The Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A (the “2011A Bonds”) and the Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B (the “2011B Bonds” and together with the 2011A Bonds, the “2011 Bonds”) of Buffalo and Erie County Industrial Land Development Corporation (the “Issuer”) are to be issued under the Trust Indenture, dated as of June 1, 2011 (the “Indenture”), between the Issuer and Manufacturers and Traders Trust Company, as trustee (“Trustee”), as fully registered bonds without coupons in denominations of \$5,000 and integral multiples thereof.

All payments of principal of the 2011 Bonds are payable at the trust office of the Trustee described herein, in Buffalo, New York, and interest, payable each April 1 and October 1, commencing April 1, 2012, and the redemption price of 2011 Bonds upon mandatory sinking fund redemption, shall be paid by check of the Trustee mailed to the registered owners of the 2011 Bonds at their registered addresses, or in lieu of a check and (i) if so requested before a Record Date by an Owner of at least \$1,000,000 in principal amount of 2011 Bonds as determined under the terms of the Indenture, by wire transfer of funds, or (ii) for 2011 Bonds registered in the name of Cede & Co., as described below.

The 2011 Bonds and interest thereon are special limited obligations of the Issuer, payable solely from loan payments to be made by, and certain collateral security to be furnished by,

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION

a New York not-for-profit corporation (referred to herein as the “Company”), as more fully described herein.

The 2011 Bonds are being issued to pay or reimburse certain costs of, and to refund certain indebtedness previously incurred in connection with, the development by the Company in the City of Buffalo, New York, of an approximately 225,000 square foot student housing complex consisting of three wings of varying heights with approximately 507 beds to serve students of Buffalo State College.

The 2011 Bonds will be subject to redemption prior to maturity, as described under the caption “THE 2011 BONDS – Redemption Prior to Maturity” herein.

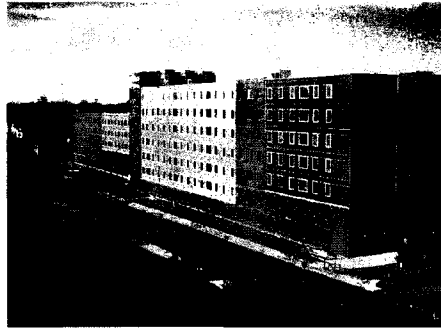
THE 2011 BONDS SHALL NEVER BE A DEBT OF THE STATE OF NEW YORK, THE COUNTY OF ERIE OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE STATE OF NEW YORK, THE COUNTY OF ERIE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON. NONE OF THE STATE OF NEW YORK, THE COUNTY OF ERIE OR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK, THE COUNTY OF ERIE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF, THE PRINCIPAL OR REDEMPTION PRICE OF, OR INTEREST ON, THE 2011 BONDS. THE 2011 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY OUT OF THE REVENUES, RECEIPTS, FUNDS OR MONEYS OF THE ISSUER PLEDGED UNDER THE INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE INDENTURE FOR THE PAYMENT OF THE 2011 BONDS. THE 2011 BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

The purchase of the 2011 Bonds involves certain risks. See the caption “CERTAIN BONDHOLDERS’ RISKS” herein.

The 2011 Bonds will be issued only as fully-registered bonds in book-entry-only form, and when delivered, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company, New York, New York (“DTC”). Individual purchases of beneficial interests in the 2011 Bonds will be made in book-entry only form (without certificates). So long as DTC or its nominee is the registered owner of the 2011 Bonds, payments of principal, redemption price, and interest on the 2011 Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursements of such payments to the beneficial owners in the responsibility of DTC participants.

The 2011 Bonds are offered, subject to prior sale, when, as and if issued and accepted by the Underwriter, subject to the approving opinion of Hiscock & Barclay, LLP, Buffalo, New York, Bond Counsel, and certain other conditions. In connection with the issuance of the 2011 Bonds, certain legal matters for the Company will be passed on by its counsel, Hodgson Russ LLP, Buffalo, New York, certain legal matters for the Issuer will be passed on by its counsel, Harris Beach, PLLC, Buffalo, New York, and certain legal matters for the Underwriter will be passed on by its counsel, Reed Smith LLP, Philadelphia, Pennsylvania. Delivery and payment in full for the 2011 Bonds are anticipated to occur on or about June 16, 2011.

 **M&T Securities, Inc.**



BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION

\$43,875,000 REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A

Maturity Schedule

<u>Maturity (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP[†]</u>
2012	\$260,000	3.000%	1.050%	102.494%	11943KAL6
2013	685,000	3.000	1.500	103.365	11943KAM4
2014	705,000	3.000	1.940	103.362	11943KAN2
2015	725,000	3.000	2.350	102.636	11943KAP7
2016	750,000	4.000	2.600	106.876	11943KAQ5
2017	780,000	4.000	3.000	105.691	11943KAR3
2018	820,000	5.000	3.320	110.795	11943KAS1
2019	860,000	5.000	3.610	109.878	11943KAT9
2020	905,000	5.000	3.840	108.987	11943KAU6
2021	950,000	5.000	4.040*	107.694	11943KAV4

\$5,645,000 5.750% Term Bonds due October 1, 2026, priced @ 107.993 to yield 4.720%*, CUSIP[†] 11943KAW2
 \$7,575,000 6.000% Term Bonds due October 1, 2031, priced @ 107.099 to yield 5.070%*, CUSIP[†] 11943KAX0
 \$23,215,000 5.375% Term Bonds due October 1, 2041, priced @ 98.302 to yield 5.490%, CUSIP[†] 11943KAY8

*Yield to first call date

\$410,000 TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011B

Maturity Schedule

<u>Maturity Date (October 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP[†]</u>
2012	\$410,000	1.250%	1.250%	100.000%	11943KAZ5

[†] The above CUSIP (Committee on Uniform Securities Identification Procedures) numbers have been assigned by an organization not affiliated with the Issuer, the Company or the Underwriter, 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 bondholders and no representation is made as to the correctness of such CUSIP numbers. CUSIP numbers assigned to securities may be changed during the term of such securities based on a number of factors including, but not limited to, the refunding or defeasance of such issue or the use of secondary market financial products. Neither the Issuer, the Company nor the Underwriter has agreed to, and there is no duty or obligation to, update this Official Statement to reflect any change or correction in the CUSIP numbers set forth above.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2011 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME WITHOUT PRIOR NOTICE.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE ISSUER, THE COMPANY OR THE UNDERWRITER TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS, OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING. ALL INFORMATION CONTAINED HEREIN HAS BEEN OBTAINED FROM THE ISSUER, THE COMPANY AND OTHER SOURCES WHICH ARE BELIEVED TO BE ACCURATE AND RELIABLE, BUT NO REPRESENTATION, WARRANTY, OR GUARANTEE IS MADE AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION IN THIS OFFICIAL STATEMENT. NOTHING CONTAINED IN THIS OFFICIAL STATEMENT CONSTITUTES AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE 2011 BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO COMPLETION AND AMENDMENT. ALL SUMMARIES CONTAINED IN THIS OFFICIAL STATEMENT ARE SUBJECT IN ALL RESPECTS TO THE COMPLETE CONSTITUTIONAL PROVISION, STATUTE, REGULATION, RULE, COURT DECISION, DOCUMENT OR REPORT REFERRED TO. THE INFORMATION AND EXPRESSIONS OF OPINION CONTAINED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE. NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY STATEMENT NOR ANY SALE MADE HEREUNDER WILL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COMPANY SINCE THE DATE HEREOF.

THE UNDERWRITER HAS PROVIDED THE FOLLOWING FOR INCLUSION IN THIS OFFICIAL STATEMENT: THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, ITS RESPONSIBILITIES TO INVESTORS UNDER, THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE 2011 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE 2011 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE 2011 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN THE OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE 2011 BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The Issuer assumes no responsibility with respect to the accuracy or completeness of the information contained in this Official Statement, other than information under the captions "THE ISSUER" and "LITIGATION-The Issuer," all of which information has been furnished by others.

This Official Statement contains summaries of certain documents believed to be accurate, but reference is hereby made to the actual documents, copies of which are available at the offices of the Trustee, and all such summaries are qualified in their entirety by this reference. During the initial offering period with respect to the 2011 Bonds, copies of all such documents in draft or executed form may be obtained by contacting the underwriting firm, M&T Securities, Inc., 160 Technology Drive, Suite 201, Canonsburg, Pennsylvania 15317.

**CAUTIONARY STATEMENTS
REGARDING FORWARD-LOOKING STATEMENTS
IN THIS OFFICIAL STATEMENT**

This Official Statement contains certain “forward-looking statements” concerning the operations and financial condition of the Project and the Company. These statements are based upon a number of assumptions and estimates which are subject to significant uncertainties, many of which are beyond the control of the Company. The words “may,” “would,” “could,” “will,” “expect,” “anticipate,” “believe,” “intend,” “plan,” “estimate” and similar expressions are meant to identify these forward-looking statements. *The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Company does not plan to issue any updates or revisions to these forward-looking statements if or when changes to its expectations, or events, conditions or circumstances on which such statements are based, occur.* A number of important factors affecting the Company’s financial results could cause actual results to differ materially from those stated in the forward-looking statements.

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* The Table of Contents does not list all of the subjects in this Official Statement. In all instances, reference should be made to the complete Official Statement to determine the subjects set forth herein.

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OFFICIAL STATEMENT

relating to

\$43,875,000

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION
REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

\$410,000

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION
TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011B**

INTRODUCTORY STATEMENT

This Official Statement, including the cover page and appendices, provides certain information with respect to Buffalo and Erie County Industrial Land Development Corporation (the "Issuer") and its \$43,875,000 aggregate principal amount of Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A (the "2011A Bonds"), and its \$410,000 aggregate principal amount of Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B (the "2011B Bonds" and, together with the 2011A Bonds, the "2011 Bonds"). The 2011 Bonds are being issued under and pursuant to a Trust Indenture, dated as of June 1, 2011 (the "Indenture"), between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "Trustee"). The 2011 Bonds shall be dated the date of their delivery and shall mature on the dates and bear interest at the rates set forth on the inside front cover hereof. The 2011 Bonds are subject to redemption prior to maturity as set forth more fully herein under "THE 2011 BONDS - Redemption Prior to Maturity."

Capitalized words and terms used in this Official Statement and not otherwise defined herein shall have the meanings assigned to them in APPENDIX B - "CERTAIN DEFINITIONS AND DOCUMENT SUMMARIES."

The 2011 Bonds are to be issued pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the "State"), as amended, and the Resolutions of the Legislature of the County of Erie, New York (the "County"), Nos. 218 and 295 of 2009 and No. 5-3 of 2010, each as amended to date (collectively referred to as the "Act"), and the certificate of incorporation, bylaws and proceedings of the Issuer. The 2011 Bonds will be special, limited obligations of the Issuer payable solely from the moneys received under the Loan Agreement described herein, from the moneys held by the Trustee under the Indenture described herein, and from the other collateral security furnished by the Company as described herein.

The 2011 Bonds are being issued at the request of Buffalo State College Foundation Housing Corporation (the "Company"), a New York not-for-profit corporation and an organization determined by the Internal Revenue Service to be exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Treasury Department promulgated thereunder (the "Code"). See the section captioned "THE COMPANY" herein.

The 2011 Bonds are being issued to pay or reimburse certain costs of, and to refinance certain indebtedness of the Company previously incurred in connection with, a project consisting of the acquisition, construction, equipping and furnishing of an approximately 225,000 square foot student housing complex (sometimes referred to in this Official Statement as the "Student Housing Facility", the "Project" or the "Facility") consisting of three wings of varying heights with approximately 507 beds, together with related infrastructure improvements, located on 3.9 acres of land (the "Land") situated at the corner of Letchworth Street and Grant Street in the City of Buffalo,

Erie County, New York and serving students of Buffalo State College (the "College"), a part of the State University of New York ("SUNY") system of higher education. See the sections captioned "THE STUDENT HOUSING FACILITY," "THE COLLEGE" and "STATE UNIVERSITY OF NEW YORK" herein and APPENDIX A hereto. In connection with the development of the Student Housing Facility, SUNY (for and on behalf of the College) leased the Land (the "Leased Premises") to Buffalo State Alumni Association, Inc., a New York not-for-profit corporation (the "Alumni Association") pursuant to a Ground Lease, dated July 1, 2009 (the "Ground Lease"), between SUNY and the Alumni Association. The term of the Ground Lease extends to June 30, 2051, and this term may be extended to June 30, 2059 unless SUNY elects, prior to one year before the expiration of the original term, not to renew the term. The Alumni Association has subleased the Leased Premises to the Company pursuant to a Sublease Agreement, dated as of July 1, 2009 (the "Sublease"), between the Alumni Association and the Company. The Sublease extends for a term ending one day prior to the expiration of the term of the Ground Lease. The Company has constructed the Student Housing Facility on the Leased Premises. Construction of the Student Housing Facility has been substantially completed and the Student Housing Facility is fully assigned for occupancy for the fall 2011 semester of the College. See "THE STUDENT HOUSING FACILITY" herein.

The Company and SUNY (for and on behalf of the College), as Manager (the "Manager"), have entered into a Facility Management Agreement, dated as of July 1, 2009 (the "Facility Management Agreement"). Under the Facility Management Agreement, the Company has appointed the Manager to be the manager of the Student Housing Facility for a term coincident with the term of the Ground Lease. Under the Facility Management Agreement, the Manager agrees, among other things, to cause the College to actively promote and market the Student Housing Facility as an integral part of the overall housing program of the College; to cause the College to establish a schedule of license rates to be charged at the Student Housing Facility sufficient to generate revenues in an amount each year equal to 120% of debt service plus amounts for capital reserves, operating expenses, and certain other expenses and payments; and to cause to be licensed units in the Student Housing Facility to students on a first-priority basis until the Student Housing Facility has attained an occupancy level sufficient to generate revenues sufficient to pay debt service, operating expenses, capital reserves and certain other expenses and payments. See "THE MANAGEMENT AGREEMENT" herein.

In addition, the Company and SUNY (for and on behalf of the College) will enter into an Agreement, dated as of June 1, 2011 (the "SUNY Agreement"), for a term coincident with the term of the Ground Lease, pursuant to which, among other things, SUNY will agree that if at the beginning of the fall or spring semester in any academic year the occupancy of the Student Housing Facility falls below the level that is projected to be necessary to achieve the level of revenues required under the Facility Management Agreement as described above, SUNY will promptly license in its own name those of the unoccupied units in the Student Housing Facility, and pay at such time the then established license rates for the Student Housing Facility, as shall be necessary to achieve the required level of Project Revenues. See "THE SUNY AGREEMENT" herein.

The Issuer and the Company will enter into a Loan Agreement, dated as of June 1, 2011 (the "Loan Agreement"), under which the Company will be obligated to make Loan Payments in amounts sufficient to pay the principal of, premium, if any, and interest on the 2011 Bonds when due. Pursuant to the Indenture, the Issuer will assign and pledge to the Trustee, as security for the payment of the 2011 Bonds and all Additional Bonds issued under the Indenture, all right, title and interest of the Issuer in and to the Loan Agreement, including payments to be made by the Company pursuant to the Loan Agreement (except certain Unassigned Rights including indemnity, payment of fees, and repayment of expenses and advances), and all right, title and interest of the Issuer in and to all money and securities held by the Trustee in any fund or account under the Indenture (other than the Rebate Fund). In order to secure the 2011 Bonds and its obligations under the Loan Agreement, the Company and the Trustee shall enter into a Guaranty Agreement, dated as of June 1, 2011 (the "Guaranty"), under which the Company will unconditionally guarantee the full and prompt payment of debt service on the 2011 Bonds; the Company and the Issuer shall enter into a Leasehold Mortgage and Security Agreement, dated as of June 1, 2011 (the "Leasehold Mortgage"), pursuant to which the Company shall grant to the Issuer (which shall assign to the Trustee) a mortgage lien on and security interest in its interest in the real and personal property comprising the Student Housing Facility; the Company shall enter into an Assignment of Rents and Leases, dated as of June 1, 2011 (the "Assignment of Rents"), pursuant to which the Company shall assign to the Trustee all rents, residency agreements, leases, subleases, licenses or occupancy agreements with regard to the Student Housing Facility; and the Company and the Trustee shall enter into an Assignment of Agreements, dated as of June 1, 2011 (the "Assignment of Agreements"), pursuant to which the Company shall assign to the Trustee all of its right, title and interest under the SUNY Agreement and the Facility Management Agreement. See "SECURITY FOR THE 2011 BONDS" herein and APPENDIX B hereto.

There follow in this Official Statement and in the Appendices hereto descriptions of the 2011 Bonds and the security for the 2011 Bonds; summaries of certain Bond Documents; descriptions of the Company, the Issuer, the Student Housing Facility, the College and SUNY; a summary of certain Bondholders' risks; and certain other information. These summaries and descriptions do not purport to be complete and are expressly made subject to the further provisions of this Official Statement (including the Appendices hereto) as well as to the exact provisions of the complete documents, which may be obtained from the Trustee or, during the offering period for the 2011 Bonds, from the Underwriter.

THE ISSUER

The Issuer was established as a not-for-profit local development corporation of the State pursuant to the purposes and powers contained within the Act, and pursuant to its certificate of incorporation filed on January 13, 1982, as amended on October 15, 1996, with 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 and to issue its revenue bonds in furtherance of the foregoing.

The Act further authorizes the Issuer to lease and sell any or all of its facilities, to issue bonds and to make loans 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 the revenues and receipts from the lease or sale thereof to secure the payment of such bonds and interest thereon.

The sole member of the Issuer is the County of Erie, New York, acting by and through its County Executive. The Issuer currently has seven (7) directors. The persons currently serving as directors of the Issuer are as follows:

<u>Name</u>	<u>Position</u>
Hon. Chris Collins	Chairperson
Philip C. Ackerman	Director
Philip Corwin	Director
Hon. Byron W. Brown	Director
Hon. Barbara Miller-Williams	Director
Hon. Timothy J. Whalen	Director
Michael Hoffert	Director

The persons currently serving as officers of the Issuer are as follows:

<u>Name</u>	<u>Position</u>
Alfred D. Culliton	Chief Operating Officer
Andrew Schoeppich	Treasurer/CFO
John Cappellino	Executive Vice President
David W. Kerchoff	Assistant Treasurer
Karen Fiala	Assistant Treasurer
Shawn M. Griffin	Secretary
Robert G. Murray	Assistant Secretary

THE 2011 BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE PAYMENTS MADE BY THE COMPANY UNDER THE LOAN AGREEMENT, FROM THE MONIES HELD BY THE TRUSTEE UNDER THE INDENTURE, AND THE OTHER COLLATERAL SECURITY FURNISHED BY THE COMPANY. THE ISSUER, ITS MEMBER, DIRECTORS AND OFFICERS ARE NOT PERSONALLY LIABLE WITH RESPECT TO THE 2011 BONDS. ACCORDINGLY, NO FINANCIAL INFORMATION WITH RESPECT TO THE ISSUER OR ITS MEMBER, DIRECTORS OR OFFICERS HAS BEEN INCLUDED IN THIS OFFICIAL STATEMENT.

THE ISSUER HAS NO TAXING POWER. THE 2011 BONDS SHALL NEVER CONSTITUTE A DEBT OF THE STATE OR THE COUNTY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE, THE COUNTY OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE 2011 BONDS, AND NEITHER THE STATE NOR THE COUNTY SHALL BE LIABLE THEREON NOR SHALL THE 2011 BONDS BE PAYABLE OUT OF ANY FUNDS OF THE ISSUER OTHER THAN THOSE DULY PLEDGED THEREFOR PURSUANT TO THE INDENTURE.

The Issuer has not verified, reviewed or approved, and does not make any representations with respect to, the accuracy or completeness of any of the information set forth in this Official Statement, other than information set forth under "THE ISSUER" and "LITIGATION-The Issuer" herein.

THE COMPANY

The Company is a not-for-profit corporation organized in 2008 under the laws of the State of New York for the purpose of, among other things, supporting the College and Buffalo State College Foundation, Inc. (the "Foundation") by, among other things, providing and maintaining residential and other facilities for the use of students and faculty at the College and obtaining financing to accomplish such purposes. The Internal Revenue Service has determined that the Company is an organization described in Section 501(c)(3) of the Code and is exempt from federal income taxation under Section 501(a) of the Code.

The Company is governed by a seven member board of directors which currently includes the Vice President for Finance and Management of the College, the Vice President for Institutional Advancement of the College, and a member-at-large of the Board of Directors of the Alumni Association.

The development and construction of the Student Housing Facility are the first and only activities undertaken by the Company. The Student Housing Facility and the contract rights of the Company relating thereto constitute the primary assets of the Company, and the revenues from the Student Housing Facility are expected to constitute the primary source of income of the Company.

See APPENDIX A hereto for certain additional information concerning the Foundation and the Company.

THE STUDENT HOUSING FACILITY

The Student Housing Facility consists of an approximately 225,000 square foot apartment style student housing complex consisting of approximately 507 beds, located on the Land at the western edge of the College's campus at the corner of Letchworth Street and Grant Street in the City of Buffalo, Erie County, New York. The facility consists of three wings of various heights. In keeping with the preferences of today's resident student, each apartment contains four single bedrooms, two full baths, and a full kitchen and living room. The Student Housing Facility has been constructed on land owned by SUNY that has been leased to the Alumni Association pursuant to the Ground Lease and subleased by the Alumni Association to the Company under the Sublease. Construction of the Student Housing Facility began in November 2009 and the facility is now substantially completed, with a certificate of occupancy anticipated to be issued in June 2011. The architect for the project is Cannon Design and the construction manager is LPCiminelli, Inc. The total cost for the design and construction of the Student Housing Facility is approximately \$44,600,000.

The Student Housing Facility is expected to be completed and delivered in June 2011 and to be open for occupancy by students for the fall 2011 semester of the College. The Student Housing Facility is fully assigned for fall 2011 occupancy.

The College has marketed the Student Housing Facility to current and prospective students through the use of a marketing brochure mailed to all newly accepted students and to incoming transfer students; a postcard mailer sent to parents of current upper division students; a web site; virtual and on-site tours; and posters located throughout the College campus.

Housing rates per student per semester for the Student Housing Facility are expected to be initially \$4,400. Other current housing rates for other student residence facilities at the College range from \$3,169 for a standard

double room to \$4,019 for a standard single room to \$3,570 for a Moore Complex double room and \$4,400 for a Moore Complex single room.

Construction of the Student Housing Facility was financed by two series of variable rate bonds and one series of fixed rate bonds, in the aggregate principal amount of \$47,755,000, issued by the Issuer in a private placement on December 31, 2009 (the "Construction Financing"). The 2011 Bonds are being issued to refund the Construction Financing and to pay or reimburse certain remaining costs of the construction and equipping of the Student Housing Facility.

THE COLLEGE

The College is a public, coeducational, residential college located on a 125-acre campus in the City of Buffalo, New York. The College was founded in 1871 as the "Buffalo Normal School" for the purpose of training public school teachers. The College became part of the SUNY system in 1948 and is the largest comprehensive college in the SUNY system. The College's enrollment in the fall of 2010 was 11,695 students (9,788 undergraduate and 1,907 graduate). The College offers 166 undergraduate programs (with 11 honors options) and 62 graduate programs. Total enrollment at the College over the past five years is shown in the table below.

Academic Year,					
<u>Fall:</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Undergraduate	9,314	9,139	9,371	9,822	9,788
Graduate	<u>1,906</u>	<u>1,854</u>	<u>1,863</u>	<u>1,892</u>	<u>1,907</u>
TOTAL	11,220	10,993	11,234	11,714	11,695

More than 2,200 students live on campus at the College in ten residence halls. As many as 275 resident students must be accommodated off-campus each fall semester because of a shortage of on-campus housing. The College anticipates even greater demand for on-campus housing because of planned renovations to four existing dormitory towers and an increased focus on recruiting downstate students. The current campus housing capacity (not taking the Student Housing Facility into account) is comprised of 1000 beds double occupancy/suites; 872 beds double occupancy/corridor; 62 beds single occupancy; 13 beds handicapped-accessible; and 18 beds apartment-style.

Current College housing policy requires first and second-year students residing more than 35 miles from the College to live on campus. The 2013-2023 master plan of the College recommends the demolition of three outmoded, difficult to renovate residential buildings in the campus core, which will require the replacement of 557 beds in the campus inventory.

For more information about the College, see APPENDIX A hereto.

THE COLLEGE SHALL NOT BE LIABLE OR OBLIGATED (GENERALLY, SPECIALLY, MORALLY OR OTHERWISE) TO PAY THE PRINCIPAL OF THE 2011 BONDS OR THE PREMIUM, IF ANY, OR INTEREST THEREON.

STATE UNIVERSITY OF NEW YORK

SUNY is a corporate entity created within the Education Department of the State of New York and under the State Board of Regents. SUNY has campuses across the entire State. In carrying out its responsibilities and in order to operate and maintain its facilities, SUNY receives moneys from various sources, a substantial portion of which consists of annual appropriation of State funds. The successful maintenance and operation of the facilities of SUNY and the overall financial viability of SUNY are dependent upon the ability and the willingness of the State Legislature to continue making appropriations of State funds in the amounts required for the operation of SUNY. See APPENDIX A hereto for more information concerning SUNY.

SUNY SHALL NOT BE LIABLE OR OBLIGATED (GENERALLY, SPECIALLY, MORALLY OR OTHERWISE) TO PAY THE PRINCIPAL OF THE 2011 BONDS OR THE PREMIUM, IF ANY, OR INTEREST THEREON.

THE MANAGEMENT AGREEMENT

Under the Facility Management Agreement, the Company has appointed SUNY as the Manager of the Student Housing Facility for a term coincident with the term of the Ground Lease. Under the Facility Management Agreement, the Manager agrees to cause to be licensed on behalf of the Company units in the Student Housing Facility to students associated with the College's campus until the occupancy is at a level sufficient to generate aggregate license fees and other charges paid by occupants ("Project Revenues") in an amount that will allow the Company to fund all necessary reserves for the capital repair, replacement, alteration or improvement of the Student Housing Facility ("Capital Reserves"), to pay all operating expenses with respect to the Student Housing Facility ("Operating Expenses"), to make all principal and interest payments on the 2011 Bonds ("Debt Service Payments"), to pay all expenses of the College for staff, utilities and non-capital maintenance and repairs at the Student Housing Facility ("College Expenses"), and to make all other payments required under the Indenture, the Ground Lease, the Sublease and the Loan Agreement (the "Principal Agreements").

Under the Facility Management Agreement, a management committee (the "Management Committee") is created comprised of one member appointed by the Company and two appointed by the Manager acting on behalf of the College. The Management Committee oversees the financial aspects of the Facility and sets general operating policies. The Manager will cause the College, through its housing office, to operate the Student Housing Facility under annual budgets submitted by the College to the Management Committee not later than 210 days prior to the beginning of each academic year.

No later than 210 days prior to the commencement of each academic year, the Manager shall cause the College to establish and submit to the Management Committee a schedule setting forth the license rates to be charged at the facility for such academic year, which rates shall be sufficient at historic occupancy levels to generate aggregate Project Revenues in an amount equal to: (a) 120% of all Debt Service Payments scheduled to become due during such year and (b) the total sum needed by the Company in such year to: (i) fund all Capital Reserves, (ii) pay all Operating Expenses, (iii) pay all non-deferred College Expenses, and (iv) make all other payments required under the Principal Agreements.

As provided in the Facility Management Agreement, subject to applicable law:

(a) The Manager will cause to be licensed on behalf of Company units in the Student Housing Facility to students associated with the College campus who desire, or are required by the College's current or future housing policy to occupy housing on the Campus (the "On-Campus Occupants") until the Student Housing Facility has attained occupancy levels sufficient to generate aggregate Project Revenues in an amount which will allow the Company to fund all Capital Reserves, to pay all Operating Expenses, to make all Debt Service Payments, to pay all College Expenses and to make all other payments required under the Principal Agreements during such academic year. Such licensing shall be on a first priority basis such that the College shall refrain from licensing or entering into any other type of use or occupancy arrangement for any other student housing on the campus for such academic year until the Student Housing Facility reaches the occupancy level required by the preceding sentence. Spaces in the Student Housing Facility shall be made available to the On-Campus Occupants as follows:

Each semester, the Manager acting for and on behalf of the College shall permit all On-Campus Occupants, regardless of classification, to apply for occupancy at the Project (the "Applicants"). Based upon the limited availability of the Student Housing Facility, the Manager acting for and on behalf of the College shall have the right, from time to time, to designate certain Applicants as priority occupants (the "Priority Occupants") based upon criteria established by the College (for example, Priority Occupant designation may be given to Applicants who are graduate students, upperclassmen, transfer students, or students that currently reside in College residence halls). The Manager acting for and on behalf of the College may assign Priority Occupants to the Student Housing Facility prior to assigning Applicants who are not Priority Occupants to the Project.

(b) Student license payments will be assessed and collected by the Manager along with student tuition bills and payments.

(c) Any students delinquent in the payment of their student housing license fees will be precluded by the Manager from registering and the Manager will withhold grade reports and transcripts until payment in full has been made by the particular student.

In addition, the Facility Management Agreement provides that the Manager shall cause the College, through its housing office, to manage, operate and maintain the Project in accordance with the requirements of applicable law. In particular, the Manager shall cause the College, through its housing office, to:

(a) Prepare and submit to the Management Committee at least annually, a marketing program (the "Marketing Program") which shall entail license rates, license terms and marketing strategies.

(b) Supervise the preparation of all advertising layouts, brochures, campaigns and model apartments and ensure compliance of all such items with applicable law.

(c) Prepare and submit to the Management Committee an annual budget, which shall describe in detail all of the revenue and expenses entailed in the operation and maintenance of the Project (including capital repairs, replacements and refurbishments) and the provision of all payments required by or in connection with the 2011 Bonds, the Principal Agreements and the Facility Management Agreement.

(d) Implement the Marketing Program and annual budget (the "Management Plans") as approved by the Management Committee.

(e) Institute monthly reports and accounting systems to accurately reflect the implementation of the Management Plans.

(f) Establish requirements for security deposits, in accordance with the Marketing Program, and collecting, holding, applying and refunding security deposits in accordance with applicable law and terms of each license.

(g) Collect all Project Revenues, which shall, upon receipt by the College, be promptly deposited into the College's cash receivables account, and thereafter promptly remitted without set-off or deduction (in any event no later than two weeks after receipt by the College) to the Company.

(h) Take those steps required by the Indenture to assure that all Operating Expenses and other expenses included in an approved Annual Budget are promptly paid by the Owner out of Project Revenues. As used in this Agreement, the term "Operating Expenses" shall mean the aggregate of the following expenses incurred in connection with or arising from the ownership, operation, management, repair, maintenance, and use or occupancy of the Project: (i) license and permit fees, real estate taxes, assessments and payments in lieu thereof, and any other charges of any kind or nature imposed or assessed against the Project by any governmental authority; (ii) legal, accounting, engineering and other professional and consulting fees and disbursements; (iii) accounts payable to third party contractors and vendors providing labor, material, services and equipment to the Project; (iv) premiums for insurance paid with respect to the Project or the operations thereof; (v) costs of capital maintenance, repairs, reserves and replacements of any equipment dedicated to the Project; (vi) service contracts and public utility charges not supplied by the College to the Project; and (vii) costs of credit reports, bank charges and like matters.

(i) Pay when due all College Expenses, defined to include: (i) all payroll costs for on-site staff of the College including wages, salary, incentive bonuses, holiday and vacation pay, insurance benefits, workers' compensation premiums or allocable costs for self insurance of such matters, pension and health and welfare payments, payroll taxes and other governmental assessments so long as such salary and wage costs and benefits conform to the approved Annual Budget or are otherwise approved in writing by the Company; (ii) any backcharge by the College for or with respect to any utilities supplied by the College to the Project; and (iii) costs of non-capital maintenance and repairs at the Project.

(j) Supervise and cause to be made all capital and non-capital repairs, replacements, alterations, additions, improvements, and decorations necessary to keep the Project in good condition and repair and at its optimum operating efficiency and otherwise as specified in the Management Plans, utilizing, in each instance, contractors retained by the College on behalf of the Company to perform such work.

(k) In general, do all things necessary, proper, or expedient in connection with carrying out the spirit and intent of the Facility Management Agreement with respect to the licensing, management, operations and improvement of the Project.

The Facility Management Agreement provides that each month during the term thereof, the Manager shall cause the College to submit an invoice to the Company for all College Expenses incurred during the preceding month. The Company will cause such invoice to be paid on or before the thirtieth day following receipt to the extent of available Project Revenues after making provisions for the funding of all outstanding Capital Reserves, and the payment of all Operating Expenses, Debt Service Payments and other monetary obligations under the Principal Agreements then due and owing. To the extent that available Project Revenues, after making provisions for the payments referenced in this paragraph, are sufficient to pay any portion of the College Expenses, the Company shall pay such portions of such expenses and damages. If at the time of any such invoice, available Project Revenues, after making provisions for the payments referenced in the preceding sentence, are insufficient to pay all invoiced College Expenses, the amount of such insufficiency shall be deferred on a non-interest bearing basis until such time as the Company accumulates sufficient Project Revenues to pay such outstanding expenses.

The Company may terminate the Facility Management Agreement for cause at any time during the term by giving to the College and the Manager notice that the Agreement shall cease immediately upon the receipt of such notice. Termination for cause shall consist of the Manager's or the College's (or the Manager's or the College's employees) gross negligence, willful misconduct, malfeasance or fraud. In the event of breach of contract, the Company shall give the Manager notice of such breach and an opportunity to cure the breach within thirty (30) days after the receipt of such notice. If such breach shall continue following such thirty (30) day period, such breach shall constitute grounds for termination for cause.

THE SUNY AGREEMENT

The SUNY Agreement provides that if at the beginning of the fall or spring semester in any academic year during the term thereof occupancy of the Project falls below the level necessary to achieve the level of Project Revenues required under the Facility Management Agreement, including, but not limited to 120% of all Debt Service Payments scheduled to become due and payable during that academic year, measured as of the last day of the calendar month preceding the beginning of the fall or spring semester, as the case may be, SUNY will promptly license in its own name those of the unoccupied units in the Project, and pay at such time the then established license rates for the Project, as shall be necessary to achieve the required level of Project Revenues.

As provided in the SUNY Agreement, upon determination by the Company that occupancy at the Project for any fall or spring semester during the term thereof shall be at a level below that which is required under the terms of the Facility Management Agreement, the Company will within three (3) business days thereafter notify SUNY whereupon SUNY will promptly enter into a license agreement based upon the Company's then current form of student license under which SUNY shall license those portions of the unoccupied units in the Project, provided, however, that notwithstanding any terms and conditions in such license which prohibit subletting or sublicensing, SUNY shall have the unfettered right to sublet or sublicense any such units on such terms and conditions as SUNY shall in its sole discretion determine. Such license shall obligate SUNY to perform all obligations with respect to such units in the manner specified in such license, even if such units are later sublet or sublicensed, including, without limitation, payment of license fees and any other sums due under the license at the times and in matter set forth therein.

THE GROUND LEASE AND THE SUBLEASE

Under the Ground Lease, SUNY has leased the Land to the Alumni Association for a term ending on June 30, 2051, which term may be extended to June 30, 2059 unless SUNY elects, prior to one year before the expiration of the original term, not to renew the term. The rent under the Ground Lease is one dollar per year. The Ground Lease requires the Alumni Association to cause the Company to construct, operate and maintain the Student Housing Facility on the Land, and requires the Alumni Association to cause the Company to enter into the Facility Management Agreement with SUNY. The Ground Lease expressly requires that the use of the Leased Premises shall be limited to the purposes of constructing, developing or operating student housing and such attendant uses as are commonly carried out at SUNY campuses in similar student housing facilities. The Alumni Association agrees in the Ground Lease that any lease, assignment, sublease, foreclosure sale, leasehold mortgage, or any other agreement relating to an interest in the Leased Premises shall be subject to this condition and to all of the terms and conditions of the Facility Management Agreement.

An event of default under the Ground Lease includes the bankruptcy, insolvency or receivership of the Alumni Association and the default by the Alumni Association in fulfilling any of the material covenants or

agreements of the Ground Lease, which material default continues for 30 days after notice from SUNY. No event of default is deemed to occur if the reason for such default is the failure by SUNY to perform any obligation as manager under the Facility Management Agreement. Upon the occurrence of an event of default under the Ground Lease, SUNY may give the Alumni Association a 60-day notice of its intention to terminate the Ground Lease and the Ground Lease will terminate at the expiration of such 60-day period if the event of default still exists.

Under the Ground Lease, the Company, as subtenant of the Alumni Association, has the right with the prior written consent of SUNY to mortgage its interest under the Sublease to a leasehold mortgagee (the "Subleasehold Mortgagee"). The Subleasehold Mortgagee has the right to receive notices of default under the Ground Lease and an additional grace period of 30 days to cure defaults. SUNY agrees that it will take no action to terminate the Ground Lease upon an event of default without giving the Subleasehold Mortgagee reasonable time within which to either obtain possession of the Leased Premises and cure such default or to institute foreclosure proceedings and complete such foreclosure or otherwise acquire the interest of the Company under the Sublease. Also, in the event of termination of the Ground Lease prior to its stated expiration date, and provided the Subleasehold Mortgagee has paid all rent then due and the new lessee agrees to diligently proceed to cure all other defaults capable of being cured by it, SUNY will enter into a new lease with the Subleasehold Mortgagee or its designee upon the same terms. Under the Ground Lease, SUNY reserves the right to approve (such approval not to be unreasonably withheld, conditioned or delayed) any sublessee, or any party which succeeds to the interest of the Company's in the leased premises, by reason of a foreclosure, by reason of a cure of any event of default or by reason of any other means, to ensure that the leased premises are used for the exclusive purpose of developing, constructing and operating student housing.

Under the Sublease, the Alumni Association subleases the Leased Premises to the Company for a term ending one day prior to the end of the term of the Ground Lease. The Company agrees to comply with and be bound by all of the terms, covenants, promises and conditions of the Ground Lease. An event of default under the Sublease includes the occurrence of a default under the Ground Lease caused by the Company; failure by the Company to observe or perform the covenants of the Sublease and the continuance of such default for 20 days after written notice; or bankruptcy, insolvency, dissolution, merger or transfer of substantially all of the assets of the Company. Upon the occurrence of any such event of default, the Alumni Association may terminate the Sublease.

PLAN OF FINANCE

The proceeds of the 2011A Bonds will be applied to redeem the entire outstanding principal balance of that portion of the Construction Financing constituting tax-exempt bonds, to pay or reimburse certain remaining costs of the construction and equipping of the Student Housing Facility, and to pay a portion of the costs of issuance of the 2011A Bonds. The proceeds of the 2011B Bonds will be applied to redeem the entire outstanding principal balance of that portion of the Construction Financing constituting taxable bonds, together with a portion of the costs of issuance of the 2011 Bonds.

ESTIMATED SOURCES AND APPLICATION OF FUNDS

The estimated sources and application of funds in connection with the issuance of the 2011 Bonds are anticipated to be as follows:

SOURCES OF FUNDS

Par Amount of 2011 Bonds	\$44,285,000
Plus Net Original Issue Premium.....	<u>1,090,966</u>
TOTAL SOURCES	<u>\$45,375,966</u>

USES OF FUNDS

Redemption of Construction Financing.....	\$39,698,521
Construction Fund	5,074,987
Costs of Issuance**	<u>602,458</u>
TOTAL USES	<u>\$45,375,966</u>

** Includes Underwriter's discount, legal fees, trustee fees, printing costs, rating fees, title insurance premium and miscellaneous expenses.

THE 2011 BONDS

General

The 2011A Bonds are authorized to be issued in the aggregate principal amount of \$43,875,000 and the 2011B Bonds are authorized to be issued in the aggregate principal amount of \$410,000. The 2011 Bonds are to be dated the date of issuance and are to bear interest payable semiannually on April 1 and October 1 of each year, commencing April 1, 2012, at the rates per annum, according to years of maturity, as set forth on the inside front cover hereof. The 2011 Bonds are to mature on October 1 of the years and in the principal amounts set forth on the inside front cover hereof, and will be subject to redemption prior to maturity, including optional redemption, extraordinary redemption and mandatory redemption, as applicable, as set forth below under "Redemption Prior to Maturity."

Interest payable on each Interest Payment Date for the 2011 Bonds is to be paid to the persons in whose names the 2011 Bonds are registered on the bond register maintained by the Trustee (sometimes referred to herein as the "Holders") on the 15th calendar day of the month (regardless of whether such day is a Business Day) immediately preceding the relevant Interest Payment Date, or, in certain events, if payment of the 2011 Bonds is not deposited with the Trustee on or before any such Interest Payment Date, to the Holders at the close of business on a Special Record Date established by the Trustee, notice of which shall have been mailed to all Owners not less than 15 days prior to such date.

The 2011 Bonds are to be issued in the form of fully registered 2011 Bonds, without coupons, each in minimum denominations of \$5,000 and integral multiples thereof. Each 2011 Bond shall be transferable only on the books of the Issuer as maintained by the Trustee in its capacity as bond registrar, upon surrender thereof at the designated office of the Trustee, together with a written instrument of transfer satisfactory to the Trustee duly executed by the Owner or his attorney duly authorized in writing. Upon the transfer of any registered 2011 Bond, the Issuer shall issue in the name of the transferee a new registered 2011 Bond or 2011 Bonds, of the same series, aggregate principal amount, maturity and rate of interest as the surrendered 2011 Bond.

The Issuer, the Trustee and any paying agent may deem and treat the Person in whose name any 2011 Bond shall be registered upon the books of the Issuer as the absolute owner thereof, whether such 2011 Bond shall be overdue or not for the purpose of receiving payment of the principal or redemption price of and interest on such 2011 Bond and for all other purposes. All such payments so made to any such Owner or upon his order shall be

valid and effectual to satisfy and discharge the liability of the Issuer upon such 2011 Bond to the extent of the sum or sums so paid. Neither the Issuer, the Trustee nor any paying agent shall be affected by any notice to the contrary.

In all cases in which the privilege of exchanging or transferring 2011 Bonds is exercised, the Issuer shall execute and the Trustee shall authenticate and deliver 2011 Bonds in accordance with the provisions of the Indenture. For every exchange or transfer of Bonds, whether temporary or definitive, the Issuer or the Trustee may make a charge sufficient to reimburse it for (i) any tax, fee or other governmental charge required to be paid with respect to the delivery of definitive 2011 Bonds in exchange for temporary 2011 Bonds, (ii) the reasonable cost of preparing each new 2011 Bond, and (iii) any other expenses of the Issuer or the Trustee incurred in connection therewith.

Neither the Issuer nor the Trustee shall be obligated to exchange or transfer any 2011 Bond during the ten (10) days next preceding (i) principal or interest payment date or (ii) in the case of any proposed redemption of 2011 Bonds, the date of the first mailing of notice of such redemption.

In the event any 2011 Bond is mutilated, lost, stolen or destroyed, the Trustee will authenticate a new 2011 Bond in accordance with the provisions of the Indenture, and the Trustee may charge the owner of such 2011 Bond with its reasonable fees and expenses in connection therewith and require indemnity reasonably satisfactory to the Trustee.

Redemption Prior to Maturity

Optional Redemption of 2011A Bonds. The 2011A Bonds maturing on or after October 1, 2021, are subject to redemption at the option of the Company, in whole or in part at any time on or after April 1, 2021, at the par amount of the 2011A Bonds to be redeemed, without premium, plus accrued interest to the Redemption Date.

Mandatory Sinking Fund Redemption of 2011A Bonds. The 2011A Bonds are subject to scheduled mandatory sinking fund redemption pursuant to the operation of the mandatory sinking fund, as provided for in the Indenture, from payments to be made by the Company under the Loan Agreement, as follows:

The 2011A Bonds maturing on October 1, 2026 shall be subject to redemption on October 1 of each year, and in the principal amounts each year, as set forth below, at a Redemption Price equal to their principal amount plus accrued interest to the Redemption Date.

<u>Year</u>	<u>Principal Amount</u>
2022	\$1,005,000
2023	1,060,000
2024	1,125,000
2025	1,190,000
2026*	1,265,000

* Maturity

The 2011A Bonds maturing on October 1, 2031 shall be subject to redemption on October 1 of each year, and in the principal amounts each year, as set forth below, at a Redemption Price equal to their principal amount plus accrued interest to the Redemption Date.

<u>Year</u>	<u>Principal Amount</u>
2027	\$1,340,000
2028	1,420,000
2029	1,510,000
2030	1,605,000
2031*	1,700,000

* Maturity

The 2011A Bonds maturing on October 1, 2041 shall be subject to redemption on October 1 of each year, and in the principal amounts each year, as set forth below, at a Redemption Price equal to their principal amount plus accrued interest to the Redemption Date.

<u>Year</u>	<u>Principal Amount</u>
2032	\$1,800,000
2033	1,900,000
2034	2,005,000
2035	2,115,000
2036	2,235,000
2037	2,355,000
2038	2,485,000
2039	2,625,000
2040	2,770,000
2041*	2,925,000

* Maturity

Extraordinary Redemption. The 2011 Bonds are subject to redemption prior to maturity (1) as a whole, without premium, in the event of (i) a taking in Condemnation of, or failure of title to, all or substantially all of the Project, (ii) damage to or destruction of part or all of the Project and the election by the Company to redeem the 2011 Bonds, or (iii) a taking in Condemnation of part of the Project and election by the Company to redeem the 2011 Bonds; (2) as a whole, without premium, in the event that any court or administrative body shall enter a judgment or decree requiring the Company to cease all or any substantial part of its operations at the Project; or (3) in part, without premium, in the event that (i) excess moneys remain in the Insurance and Condemnation Fund established under the Indenture following damage or Condemnation of a portion of the Project and completion of the repair, rebuilding or restoration of the Project by the Company, and (ii) such excess moneys are not paid to the Company. In any such event, the 2011 Bonds shall be redeemed, as a whole or in part, as the case may be, in the manner provided in the Indenture, on the earliest practicable date for which the Trustee can give notice of redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the Redemption Date, without premium.

Notice of and Procedures for Redemption. In the event of any partial redemption, the particular 2011 Bonds or portions thereof to be redeemed shall be selected by the Trustee not more than sixty (60) days prior to the Redemption Date in inverse order of maturity, and within each maturity by lot or by such other method as the Trustee shall deem fair and appropriate. The Trustee shall apply any partial redemption payments made with respect to any 2011 Bonds subject to mandatory sinking fund installments to the schedule of mandatory sinking fund installments for such 2011 Bonds in inverse order of maturity. Further, the Trustee may provide for the selection of redemption of portions (equal to \$5,000 or any integral multiple of \$5,000 in excess thereof) of 2011 Bonds. In no event shall the principal amount of 2011 Bonds subject to any partial redemption be other than a whole multiple of \$5,000. When 2011 Bonds are to be redeemed, the Trustee shall give written notice to the Bondowners in the name of the Issuer, which notice shall identify the 2011 Bonds to be redeemed, state the date fixed for redemption and specify the office of the Trustee at which such 2011 Bonds will be redeemed. The notice shall further state that on such date there shall become due and payable upon each 2011 Bond to be redeemed the Redemption Price thereof together with interest accrued to the Redemption Date, and that moneys therefor having been deposited with the Trustee, from and after such date, interest thereon shall cease to accrue and that the 2011 Bonds or portions thereof called for redemption shall cease to be entitled to any benefit under the Indenture except the right to receive payment of the Redemption Price, together with interest accrued to the Redemption Date. All such notices shall be given not less than thirty (30) days prior nor more than sixty (60) days prior to the date fixed for redemption. Failure to mail notice to a particular Bondowner, or any defect in the notice to such Bondowner, shall not affect the redemption of any other 2011 Bond. If at the time of mailing of notice of any optional redemption there shall not have been deposited moneys in the Bond Fund available for payment sufficient to redeem all the 2011 Bonds called for redemption, such notice may state that it is conditional in that it is subject to the deposit of the redemption moneys in the Bond Fund available for payment not later than the opening of business on the Redemption Date, in which case such notice shall be of no effect unless moneys are so deposited.

Book-Entry Only System

Unless otherwise noted, the following description of the procedures and record keeping with respect to beneficial ownership interests in the 2011 Bonds, payment of interest and other payments on the 2011 Bonds to Participants or Beneficial Owners (as such terms are defined below) of the 2011 Bonds, confirmation and transfer of beneficial ownership interests in the 2011 Bonds and by and between DTC, Participants and Beneficial Owners of the 2011 Bonds is based solely on information furnished by DTC. Accordingly, the Issuer, the Company, and the Underwriter do not and cannot make any independent representations concerning these matters.

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the 2011 Bonds. The 2011 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity (and, if appropriate, each fixed interest rate within a maturity) of each separate series of the 2011 Bonds, 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 State’s banking law (the “Banking Law”), a “banking organization” within the meaning of the Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the State’s Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. 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 2011 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2011 Bonds on DTC’s records. The ownership interest of each actual purchaser of each 2011 Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2011 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 2011 Bonds, except in the event that use of the book-entry system for the 2011 Bonds is discontinued.

To facilitate subsequent transfers, all 2011 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 2011 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 2011 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such 2011 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

Redemption notices shall be sent to DTC. If less than all of the 2011 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2011 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Company 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 2011 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the 2011 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 Trustee, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of 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 depository with respect to the 2011 Bonds at any time by giving reasonable notice to Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2011 Bond certificates are required to be printed and delivered.

The Company may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2011 Bond certificates will be printed and delivered to DTC.

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

Use of Certain Terms in Other Sections of the Official Statement. In reviewing this Official Statement, it should be understood that while the 2011 Bonds are in the Book-Entry System, references in other sections of this Official Statement to Owners of the 2011 Bonds or Bondholders shall refer to Cede & Co., as nominee of DTC, and should be read with the understanding that (a) all rights of the Beneficial Owners must be exercised through DTC and the Book-Entry System and (b) notices that are to be given to Holders by the Trustee will be given only to DTC. DTC will forward (or cause to be forwarded) the notices to the Direct Participants by its usual procedures so that the Direct Participants may forward (or cause to be forwarded) such notices to the Beneficial Owners.

SECURITY FOR THE 2011 BONDS

Limited Obligations

THE 2011 BONDS SHALL NEVER BE A DEBT OF THE STATE OF NEW YORK, THE COUNTY OF ERIE OR ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE STATE OF NEW YORK, THE COUNTY OF ERIE OR ANY POLITICAL SUBDIVISION THEREOF SHALL BE LIABLE THEREON. NONE OF THE STATE OF NEW YORK, THE COUNTY OF ERIE OR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW YORK, THE COUNTY OF ERIE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF, THE PRINCIPAL OR REDEMPTION PRICE, IF ANY, OF OR INTEREST ON, THE 2011 BONDS. THE 2011 BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE ISSUER, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE ISSUER PLEDGED UNDER THE INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE INDENTURE FOR THE PAYMENT OF THE 2011 BONDS. THE 2011 BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER. THE ISSUER HAS NO TAXING POWER.

Trust Estate

Under the Indenture, the Issuer assigns and pledges to the Trustee, and grants to the Trustee a security interest in, for the benefit of the owners and future owners of the Bonds issued under the Indenture, (A) all right, title and interest of the Issuer in and to the Loan Agreement (except for the Unassigned Rights expressly retained by the Issuer), the present and continuing right to make claim for, collect, receive and receipt for any of the Pledged Revenues and other sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable under the Loan Agreement or the Indenture (except for amounts payable to the Issuer with respect to Unassigned Rights), the exclusive right to bring actions and proceedings thereunder or for the enforcement thereof (except as otherwise specifically provided with respect to Unassigned Rights), the right to grant consents and waivers and to enter into amendments and to do any and all things which the Issuer is or may become entitled to do thereunder; (B) all right, title and interest of the Issuer in and to all moneys and securities held by the Trustee under the terms of the Indenture or credited to any fund or account established thereunder (except moneys and securities in the Rebate Fund); (C) any and all other property of every name and nature from time to time by delivery or by writing of any kind given, granted, sold, conveyed, mortgaged, pledged, assigned or transferred, or as to which a Lien is granted, as and for additional security under the Indenture by the Issuer or by anyone on its behalf or with its written consent or by the Company, subject to the Unassigned Rights, in favor of the Trustee; and (D) any and all proceeds (including real property) acquired by the Issuer or the Trustee as a result of the exercise of any remedies under the Loan Agreement or the other security documents.

Loan Agreement

Under the Loan Agreement, the Company shall agree to pay to the Trustee, on the tenth day preceding a principal or interest payment date for the 2011 Bonds, an amount sufficient to pay the principal of and interest on the 2011 Bonds on such payment date. The obligations of the Company to make payments under the Loan Agreement are absolute and unconditional. See APPENDIX B hereto.

Security Interest in Gross Revenues

Under the Loan Agreement and the Leasehold Mortgage, as security for the payment of all liabilities and the performance of all obligations of the Company pursuant thereto, the Company pledges, grants a Lien on and assigns to the Issuer the Gross Revenues, together with the Company's right to receive and collect the Gross Revenues and the proceeds of the Gross Revenues. The Company covenants that, except in connection with the issuance of Additional Bonds pursuant to the Indenture, it shall not create or permit the creation of any Lien in or other commitment of or with respect to the Gross Revenues or the Project. For purposes of the Lien granted by the Company, "Gross Revenues" is defined to mean all Project Revenues, issues, profits, revenues, income, receipts, moneys and royalties derived from all license, lease or rental arrangements for dormitory rooms in the Project, operating revenues and gains from or relating to the Project, determined in accordance with generally accepted accounting principles, including Federal or State grant or other programs, insurance and condemnation payments and awards and amounts received under the SUNY Agreement and Facility Management Agreement, and also including investment income on all funds and accounts (except the Rebate Fund) held by the Trustee under the Indenture, and all proceeds thereof and rights to receive the same, but excluding (i) any Restricted Gift, or (ii) any income derived from the investment of any such Restricted Gift.

Leasehold Mortgage; Assignment of Rents

Under the Leasehold Mortgage, the Company grants to the Issuer a first priority mortgage lien on all of its right, title and interest in and to the real and personal property comprising the Student Housing Facility, including its leasehold interest under the Sublease. The Issuer shall assign its rights under the Leasehold Mortgage to the Trustee.

Under the Assignment of Rents, the Company assigns to the Trustee all rents, issues, fees, sums, amounts, profits and, to the extent permitted by law, security deposits of and from the Student Housing Facility, and all residency agreements, leases, subleases, licenses or occupancy agreements of all or part of the Student Housing Facility. See APPENDIX B hereto.

Indenture Funds

The Trustee will establish various funds and accounts under the Indenture. Pursuant to the Loan Agreement, the Company agrees to collect the Gross Revenues and transfer them to the Trustee for deposit to the Pledged Revenue Fund.

Except as otherwise provided in the Indenture, on September 25 (or if not a Business Day, the next succeeding Business Day) and March 25 (or if not a Business Day, the next succeeding Business Day), commencing September 25, 2011 (each such date being referred to as a "Transfer Date"), the Trustee will withdraw moneys from the Pledged Revenue Fund and transfer them to the following funds in the following order of priority:

FIRST, to the Rebate Fund to pay any Rebate Amount then owing;

SECOND, commencing with the Transfer Date on March 25, 2012 (there being no transfer to the Bond Fund on the first Transfer Date) (a) to the Interest Account of the Bond Fund, until there is on deposit therein amounts sufficient to fund the next succeeding Debt Service Payment attributable to interest on the 2011 Bonds; and (b) to the Principal Account of the Bond Fund, until there shall be on deposit therein amounts sufficient to fund one-half of the next succeeding Debt Service Payment attributable to principal on the 2011 Bonds;

THIRD, to the Repair and Replacement Fund Requirement an amount equal to one-half of the amount of the Repair and Replacement Fund Requirement allocable to such Fiscal Year (together with an amount equal to any amount withdrawn from the Repair and Replacement Fund and not previously replenished). Once an amount equal to the full Repair and Replacement Fund Requirement has been deposited into the Repair and Replacement Fund (which amount is \$4,600,000), no further funds shall be transferred into the Repair and Replacement Fund pursuant to this clause THIRD;

FOURTH, to the Operation and Maintenance Fund until there is on deposit therein an amount equal to one-half of the budgeted Operating Expenses for the current Fiscal Year; and

FIFTH, after the Fiscal Year ending June 30, 2017, to the Repair and Replacement Fund any amount necessary to fully fund such Fund at the Repair and Replacement Fund Requirement.

On April 15 of each Fiscal Year, the Trustee shall transfer all remaining amounts on deposit in the Pledged Revenue Fund to the Surplus Fund. See "APPENDIX B – CERTAIN DEFINITIONS AND DOCUMENT SUMMARIES".

Guaranty

Pursuant to the Guaranty, the Company irrevocably guarantees to the Trustee the full and prompt payment of principal of and interest and premium, if any, due on the 2011 Bonds and all other sums payable by the Issuer to the Trustee under any Bond Documents when and as the same shall become due.

Assignment of Agreements

Under the Assignment of Agreements, the Company assigns to the Trustee all of its rights under the Facility Management Agreement and the SUNY Agreement.

Financial Covenants

Under the Loan Agreement, the Company agrees that it shall cause the Project to maintain at all times while the Bonds remain Outstanding a Debt Service Coverage Ratio of 1.10 to 1.00. In addition, the Company agrees in the Loan Agreement that so long as any of the Bonds shall remain Outstanding, the Company shall not, nor shall it permit any subsidiary to, directly or indirectly, create, assume, incur or in any manner become or remain liable in respect to, any Indebtedness secured by the Project or the Gross Revenues, or create, assume, incur or suffer to exist or allow to be created, assumed or incurred or suffered to exist any Lien upon any of the Project or the Gross Revenues, now owned or hereafter acquired, excepting, however, Permitted Encumbrances. See APPENDIX B hereto.

The Company has estimated that all initial rates, revenues and expenses of the Project, together with anticipated future increases to such variables, will allow the Project to be self-supporting. The Company has projected revenues and expenses when planning the Project to achieve a Debt Service Coverage Ratio in excess of 1.25 to 1.00. Furthermore, the Company estimates that the Debt Service Coverage Ratio will range between 1.30 to 1.00 and 1.60 to 1.00 during the first five years of operation, but no assurances can be given that such estimated results will actually be achieved.

CASH FLOW FORECAST

A Cash Flow Forecast (the “Cash Flow Forecast”) relating to the Project and the Company’s ability to generate revenues from the operations of the Project sufficient to pay principal and interest on the 2011 Bonds for each of the fiscal years ending June 30 of the years 2012 through 2021 has been prepared by the Company based on projected occupancy and is presented below. The Cash Flow Forecast assumes that the 2011 Bonds will be issued in the aggregate principal amount of \$45,585,000, will bear interest at a yield of approximately 5.60% and will be structured to produce approximately level annual debt service. The Rental Revenues which are estimated in the Cash Flow Forecast are based on the following assumed rent levels:

Number of <u>Units</u>	Number of <u>Beds</u>	Academic Year <u>Rents</u>	Summer Term <u>Rents</u>	Vacancy Rate <u>(Yr/Sum)</u>	<u>Total Rents</u>
125	507	\$8,800	\$1,800	3%/60%	\$4,683,536

Vacancies of 3% during the academic year and 60% during the summer term are assumed based on the experience of the College at its other residence halls. Income and expense estimates are escalated at an assumed rate of 5% and 4%, respectively, per annum.

The achievement of any financial forecast is dependent upon future events, the occurrence of which cannot be assured. Therefore, the actual results achieved may vary from the forecast. Such variation could be material.

The Cash Flow Forecast and underlying assumptions have been developed by the Company based upon projected occupancy.

Cash Flow Pro-Forma Summary		Year 1	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fiscal Year Ending June 30,		2012*	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues: (assumed 5% Inflation Rate)											
Room Rental Income	4,683,536	\$4,917,712.80	\$5,163,998.44	\$5,421,778	\$5,692,867	\$5,977,511	\$6,276,386	\$6,590,205	\$6,919,716	\$7,265,702	
Damages/Cancellation/Termination Fees	23,418	24,589	25,818	27,109	28,464	29,888	31,382	32,951	34,599	36,329	
Interest Income on Repair/Replace Fund @ 1%		6,000	12,000	19,000	27,000	36,000	46,000	46,000	46,000	46,000	
Total	4,706,954	4,948,301	5,201,416	5,467,887	5,748,332	6,043,398	6,353,768	6,669,157	7,000,314	7,348,030	
Expenditures: (assumed 4% Inflation Rate)											
Insurance	70,000	72,800	75,712	78,740	81,890	85,166	88,572	92,115	95,800	99,632	
Audit	7,500	7,800	8,112	8,436	8,774	9,125	9,490	9,869	10,264	10,675	
Subordinated Expenditures: (assumed 4% Inflation Rate)											
Staffing	59,500	61,880	64,355	66,929	69,607	72,391	75,286	78,298	81,430	84,687	
Security	9,000	9,560	9,734	10,124	10,529	10,950	11,388	11,843	12,317	12,810	
Leasing (Promotion level)	10,000	10,400	10,816	11,249	11,699	12,167	12,653	13,159	13,686	14,233	
Fringe Benefits	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319	27,371	28,466	
Utilities	275,000	286,000	297,440	309,338	321,711	334,580	347,963	361,881	376,356	391,411	
Laundry	20,000	20,800	21,632	22,497	23,397	24,333	25,306	26,319	27,371	28,466	
Cable	18,600	19,544	20,118	20,922	21,739	22,630	23,535	24,476	25,455	26,474	
Internet	10,000	10,400	10,816	11,249	11,699	12,167	12,653	13,159	13,686	14,233	
Contract Services	62,500	65,000	67,600	70,304	73,116	76,041	79,082	82,246	85,536	88,957	
Programming	10,000	10,400	10,816	11,249	11,699	12,167	12,653	13,159	13,686	14,233	
CD & R/A Waivers	52,800	54,912	57,108	59,393	61,769	64,239	66,809	69,481	72,260	75,151	
Total Expenses Before Debt Service	669,900	696,696	724,564	753,546	783,688	815,036	847,637	881,543	916,804	953,477	
Excess Revenue Available to Pay Debt Service	4,037,054	4,251,605	4,476,853	4,714,341	4,964,643	5,228,362	5,506,131	5,787,614	6,083,510	6,394,553	
Average and Fund Analysis											
Excess Revenue Available to Pay Debt Service	4,037,054	4,251,605	4,476,853	4,714,341	4,964,643	5,228,362	5,506,131	5,787,614	6,083,510	6,394,553	
Total Funds Available to Pay Debt Service	4,037,054	4,251,605	4,476,853	4,714,341	4,964,643	5,228,362	5,506,131	5,787,614	6,083,510	6,394,553	
Net Annual Debt Service	1,854,319	3,003,902	3,002,019	3,002,169	3,000,719	2,999,844	2,999,244	3,003,144	3,001,144	3,002,019	
Debt Service Coverage	2.18	1.42	1.49	1.57	1.65	1.74	1.84	1.93	2.03	2.13	

DEBT SERVICE REQUIREMENTS FOR THE 2011A BONDS

<u>Fiscal Year (June 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	-----	-----	-----
2012	-----	\$1,849,407.55	\$1,849,407.55
2013	\$ 260,000.00	2,332,193.76	2,592,193.76
2014	685,000.00	2,318,018.76	3,003,018.76
2015	705,000.00	2,297,168.76	3,002,168.76
2016	725,000.00	2,275,718.76	3,000,718.76
2017	750,000.00	2,249,843.76	2,999,843.76
2018	780,000.00	2,219,243.76	2,999,243.76
2019	820,000.00	2,183,143.76	3,003,143.76
2020	860,000.00	2,141,143.76	3,001,143.76
2021	905,000.00	2,097,018.76	3,002,018.76
2022	950,000.00	2,050,643.76	3,000,643.76
2023	1,005,000.00	1,998,000.01	3,003,000.01
2024	1,060,000.00	1,938,631.26	2,998,631.26
2025	1,125,000.00	1,875,812.51	3,000,812.51
2026	1,190,000.00	1,809,256.26	2,999,256.26
2027	1,265,000.00	1,738,675.01	3,003,675.01
2028	1,340,000.00	1,662,106.26	3,002,106.26
2029	1,420,000.00	1,579,306.26	2,999,306.26
2030	1,510,000.00	1,491,406.26	3,001,406.26
2031	1,605,000.00	1,397,956.26	3,002,956.26
2032	1,700,000.00	1,298,806.26	2,998,806.26
2033	1,800,000.00	1,199,431.26	2,999,431.26
2034	1,900,000.00	1,099,993.76	2,999,993.76
2035	2,005,000.00	995,046.88	3,000,046.88
2036	2,115,000.00	884,321.88	2,999,321.88
2037	2,235,000.00	767,415.63	3,002,415.63
2038	2,355,000.00	644,059.38	2,999,059.38
2039	2,485,000.00	513,984.38	2,998,984.38
2040	2,625,000.00	376,653.13	3,001,653.13
2041	2,770,000.00	231,662.51	3,001,662.51
2042	2,925,000.00	78,609.38	3,003,609.38

DEBT SERVICE REQUIREMENTS FOR THE 2011B BONDS

<u>Fiscal Year (June 30)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	-----	-----	-----
2012	-----	\$4,911.45	\$ 4,911.45
2013	\$410,000.00	1,708.32	411,708.32

CERTAIN BONDHOLDERS' RISKS

General

AN INVESTMENT IN THE 2011 BONDS INVOLVES CERTAIN RISKS AND EACH INVESTOR SHOULD CONSIDER THE RISKS INVOLVED TO DETERMINE THE SUITABILITY OF INVESTING IN THE 2011 BONDS. Each prospective investor should also carefully examine this Official Statement and his or her own financial condition (including the diversification of his or her investment portfolio) in order to make a judgment as to whether the 2011 Bonds are an appropriate investment.

The Company has identified and summarized below a number of "Bondholders' Risks" that could adversely affect the operation of the Project and/or the 2011 Bonds which should be considered by prospective investors. The following discussion is not intended to be exhaustive, but includes certain major factors which should be considered along with other factors set forth elsewhere in this Official Statement, including the Appendices hereto.

If the Company is unable to generate sufficient revenues from the operation of the Student Housing Facility to pay its operating expenses and principal of and interest on the 2011 Bonds, an event of default will occur under the Bond Documents. Upon such an event of default, the 2011 Bonds may be paid before maturity or applicable Redemption Dates. The Company's ability to generate revenues and its overall financial condition may be adversely affected by a wide variety of future events and conditions including (i) a decline in the enrollment of the College, (ii) increased competition from other schools or student housing facilities, (iii) loss of accreditation of the College's programs, (iv) failure of the College to meet applicable federal guidelines or some other event which results in students of the College being ineligible for federal financial aid, and (v) the overall financial viability of SUNY and the ability and willingness of the State Legislature to continue making appropriations of State funds in the amounts required for the operation of SUNY. See APPENDIX A hereto for more information concerning SUNY.

Limited Obligations of the Issuer

The 2011 Bonds constitute special limited obligations of the Issuer and have two potential sources of payment. The sources of payment are as follows:

- (1) Loan Payments received by the Trustee from the Company pursuant to the terms of the Indenture and the Loan Agreement.

The Issuer has no obligation to pay the 2011 Bonds except from the Trust Estate assigned and pledged under the Indenture, including Loan Payments derived from the Loan Agreement. The 2011 Bonds are special limited obligations of the Issuer, are not a debt of the County of Erie, the State of New York or any political subdivision thereof and are payable solely from the sources referred to in the 2011 Bonds as described herein. Neither the general credit of the Issuer nor the credit or taxing power of the County of Erie, the State of New York or any political subdivision thereof is pledged to the payment of the principal or Redemption Price of, or interest on, the 2011 Bonds. The Issuer has no taxing power. Under the Loan Agreement, the Company will be required to make Loan Payments to the Trustee, as the assignee of the Issuer, in amounts sufficient to enable the Trustee to pay the principal of, premium, if any, and interest on the 2011 Bonds. The Loan Payments are anticipated, however, to be derived solely from the operation of the Project. Furthermore, the Company's ability to meet its obligations under the Loan Agreement will depend upon achieving and maintaining certain occupancy levels at the Student Housing Facility throughout the term of the 2011 Bonds. However, no assurance can be made that the Company will generate sufficient revenues from the Project to pay maturing principal of, premium, if any, and interest on the 2011 Bonds when due after payment of operating expenses of the Student Housing Facility.

- (2) Proceeds realized from the sale or lease of Company's interest in the Student Housing Facility to a third party by the Trustee at or following foreclosure by the Trustee of the Leasehold Mortgage and proceeds realized from the liquidation of other security for the 2011 Bonds.

Debtors frequently employ defensive measures, such as protracted litigation and bankruptcy proceedings, in response to lenders' efforts to foreclose on real property or otherwise to realize upon collateral to satisfy indebtedness which is in default. Such defensive measures can prevent, or greatly increase the expense and time

involved in achieving, such foreclosure or other realization. In addition, the Trustee could experience difficulty in selling or leasing the real and personal property portion of the Student Housing Facility upon foreclosure due to the special purpose nature of a student housing facility, and the proceeds of such sale may not be sufficient to pay fully the owners of the 2011 Bonds. See "CERTAIN BONDHOLDERS' RISKS - Liquidation of Security may not be Sufficient in the Event of a Default" herein. Accordingly, prospects for uninterrupted payment of principal and interest on the 2011 Bonds in accordance with their terms are largely dependent upon the Loan Payments described in paragraph (1) above, which are wholly dependent upon the success of the Project. Even if the Project is operating in an efficient manner, other factors could affect the Company's ability to make Loan Payments under the Loan Agreement.

Moreover, subject to the terms of the Loan Agreement, the Company also may become engaged in other ventures in the future. If losses are experienced in such other future ventures, the Company might default in payments under the Loan Agreement, regardless of the successful operation of the Project. The filing by, or against, the Company for relief under the United States Bankruptcy Code (the "Bankruptcy Code") in connection with any other project may have an adverse effect on the ability of the Trustee and Bondholders to enforce their claim or claims to the security granted by the Indenture and the Leasehold Mortgage which secure the Project, and their claim or claims to moneys owed them as unsecured claimants, if any. Such a filing would generally operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Company and its property and as an automatic stay of any act or proceeding to enforce a lien against such property, which may include the Project even though the Project is not pledged to secure any other indebtedness. Further, once a bankruptcy court has acquired jurisdiction over the Company in connection with this Project or any other project or venture, such court would likely have the ability to exercise its jurisdiction generally in respect of the Company and its assets, including the Project and any other project.

Limited Resources of the Company

Other than its ownership of the Student Housing Facility, the Company has no substantial revenues or assets. Therefore, timely payment of principal of, premium, if any, and interest on the 2011 Bonds will be dependent upon the Company's ability to generate revenues from the Project sufficient to pay its operating expenses and Loan Payments under the Loan Agreement. If after payment of operating expenses, net revenues are insufficient to pay the debt service on the 2011 Bonds, the Company likely will have no moneys or assets other than the Project from which to make the payments required under the Loan Agreement.

No Recourse Against the College or SUNY

Neither the College nor SUNY will be liable for the payment of the principal of, premium, if any, or interest on the 2011 Bonds, nor shall the College or SUNY be responsible or liable for any other obligations of the Company, except as may otherwise be expressly stated herein, under the Loan Agreement or any of the other Bond Documents, either as principal or guarantor.

Liquidation of Security may not be Sufficient in the Event of a Default

The Project is specifically designed and constructed as a student housing facility, is located on the campus of the College, and may not be suitable for other uses. The Ground Lease restricts the use of the Leased Premises to the operation of a student housing facility subject to the Facility Management Agreement. Under the Ground Lease, SUNY reserves the right to approve any party which succeeds to the interest of the Company's in the Leased Premises, by reason of a foreclosure, by reason of a cure of any event of default or by reason of any other means, to ensure that the Leased Premises are used for the exclusive purpose of developing, constructing and operating student housing. The number of entities that could be expected to purchase or lease the Company's interest in the Student Housing Facility is therefore limited, and thus the ability of the Trustee to realize funds from the sale or lease of such interest upon an event of default may be limited. Such value may be also limited by actual or alleged rights of residents. Any foreclosure proceeding may be subject to substantial delays. In addition, the Leasehold Mortgage is on the Company's subleasehold interest in the Project rather than fee simple title to the Project. The term of the Ground Lease (and the Sublease) extends to 2051, but the Ground Lease (and the Sublease) could be terminated under certain circumstances prior to the final maturity of the 2011 Bonds and such termination will extinguish the Company's interest in the Student Housing Facility. The ability of the Trustee to receive funds sufficient to pay the

2011 Bonds from any sale or foreclosure of the Company's leasehold interest in the Project may be limited by a number of factors, including the limited operational use of the Project as a student housing facility and the fact that the purchaser of such interest may control the Project only for a limited period of time.

Required Occupancy Levels and Rents

In order for the Company to generate sufficient revenues to enable it to make Loan Payments under the Loan Agreement at the times required under the Loan Agreement, the Project must meet certain assumed occupancy levels and achieve certain assumed rents during each academic school year. There can be no assurance, however, that the Project will be able to meet and maintain such required occupancy and rent levels during any academic school year.

Special Use Nature of the Project

The Student Housing Facility has been constructed to serve as a student housing facility and is located on the campus of the College. If it were necessary to sell the Company's interest in the Sublease pursuant to the Leasehold Mortgage upon an event of default, the special use nature of the Project as a student housing facility, its location and the fact that the interest to be sold is in the nature of a leasehold interest and subject to the terms of the Ground Lease, the Facility Management Agreement and the Sublease may limit the purchase price that could be obtained, and the net proceeds received may be less than the principal amount of 2011 Bonds Outstanding. For all practical purposes, payment of the 2011 Bonds will be almost solely dependent upon the continued operation of the Student Housing Facility as housing for students of the College.

Clean-up Costs and Liens under Environmental Statutes

There are potential risks relating to environmental liability associated with the ownership or operation of, or secured lending with respect to, any real property. If hazardous substances are found to be located on real property, owners or operators of, or secured lenders regarding, such property may be held liable for costs and other liabilities relating to such hazardous substances on a strict liability basis. In the event of repossession, purchase or participation in the management of the Project by the Trustee or the Bondholders, the Trustee and/or the Bondholders may be held liable for costs and other liabilities relating to hazardous substances, if any, on the site of the Project on a strict liability basis and such costs might exceed the value of such property.

The Company is not aware of any enforcement actions currently in process with respect to any releases of pollutants or contaminants at the site of the Project. However, there can be no assurance that an enforcement action or actions will not be instituted under such statutes at a future date. In the event such enforcement actions were initiated, the Company could be liable for the costs of removing or otherwise treating pollutants or contaminants located at the Project. In addition, under applicable environmental statutes, in the event an enforcement action were initiated, a lien superior to the Trustee's lien on behalf of the Bondholders could attach to the Project, which would adversely affect the Trustee's ability to realize value from the disposition of the Company's interest in the Project upon foreclosure of the Leasehold Mortgage. Furthermore, in determining whether to exercise any foreclosure rights with respect to the Project under the Leasehold Mortgage, the Trustee and the Bondholders would need to take into account the potential liability of any tenant of the Project, including a tenant by foreclosure, for clean-up costs with respect to such pollutants and contaminants.

Pledge, Assignment, and Grant of Security Interest in Future Revenues

Under the Loan Agreement and the Leasehold Mortgage, the Company shall grant to the Issuer (which shall assign to the Trustee) a lien on and security interest in the Gross Revenues and all other personal property of the Company relating to the Student Housing Facility. Nevertheless, certain interests and claims of others may be on a parity with or prior to the pledge, assignment, and grant of a security interest made in the Loan Agreement and/or the Leasehold Mortgage and in the Indenture and certain statutes and other provisions may limit the Company's right to make such pledges, assignments, and grants of security interests. Examples of such claims, interests, and provisions are:

- (1) statutory liens;

- (2) rights arising in favor of the United States of America or any agency thereof;
- (3) present or future prohibitions against assignment contained in any federal statutes or regulations;
- (4) the New York Uniform Commercial Code may not recognize a security interest in future revenues derived from the Project;
- (5) Permitted Encumbrances;
- (6) any parity or subordinated lien permitted under the Loan Agreement;
- (7) constructive trusts, equitable liens, or other rights impressed or conferred by any state or federal court in the exercise of its equitable jurisdiction;
- (8) federal bankruptcy laws as they affect amounts earned with respect to the Project after any effectual institution of bankruptcy proceedings by or against the Company or the Issuer;
- (9) as to those items in which a security interest can be perfected only by possession, including items converted to cash, the rights of third parties in such items not in the possession of the Trustee;
- (10) items not in possession of the Trustee, the records to which are located or moved outside the State of New York, which are thereby not subject to or are removed from the operation of the State of New York; and
- (11) the requirement that appropriate continuation statements be filed in accordance with the New York Uniform Commercial Code as from time to time in effect.

Enforceability of Remedies

The 2011 Bonds are payable from the Trust Estate pledged under the Indenture, including payments to be made under the Loan Agreement and the proceeds of the collateral security pledged to secure the 2011 Bonds. See "SECURITY FOR THE 2011 BONDS" herein. The practical realization of value upon any default will depend upon the exercise of various remedies specified by the Bond Documents. These and other remedies may, in many respects, require judicial actions, which are often subject to discretion and delay. Under existing law (including, particularly, the Bankruptcy Code), the remedies specified by the Bond Documents may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in the Bond Documents. The various legal opinions to be delivered concurrently with the delivery of the 2011 Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by state and federal laws, rulings, and decisions affecting remedies, including judicial discretion in the application of the principles of equity, and by bankruptcy, reorganization, or other laws affecting the enforcement of creditors' rights generally.

Effect of Determination of Taxability

The Company will covenant not to take any action that would cause the 2011A Bonds to be arbitrage bonds or that would otherwise adversely affect the federal income tax status of interest in the 2011A Bonds. The Company has also made representations with respect to certain matters within its knowledge which have been relied on by Bond Counsel and which Bond Counsel has not independently verified. Failure to comply with such covenants could cause interest on the 2011A Bonds to become subject to federal income taxation retroactively from their date of issuance.

It is possible that a period of time may elapse between the occurrence of the event which causes interest to become taxable and the determination that such an event has occurred. In such a case, interest previously paid on the 2011A Bonds could become retroactively taxable from the date of their issuance. Additionally, certain owners of 2011A Bonds are subject to possible adverse tax consequences. See "TAX MATTERS" herein.

Risks Relating to the College

The ability of the Company to pay debt service on the 2011 Bonds depends upon its ability to market the Project to students of the College. The economic feasibility of the Project depends upon the ability of the College to enroll students seeking campus housing and upon the ability of the Company to attract sufficient those students to the Student Housing Facility and to maintain substantial occupancy at projected rent levels throughout the term of the 2011 Bonds. The College and its operations are subject to regulation, certification and accreditation by various federal, state and local government agencies and by certain nongovernmental agencies. No assurance can be given as to the effect on future operations of existing laws, regulations and standards for certification or accreditation or of any future changes in such laws, regulations and standards. The College could face additional competition in the future from both private and public educational institutions that offer comparable services and programs to the population which the College presently serves. This could include the establishment of new programs and the construction, renovation or expansion of competing educational institutions.

The recent global economic downturn and market dislocation over the past two years has effected higher education in a number of ways, including (1) a decrease in the funds spent by families on higher education, causing many colleges and universities to increase institutional scholarships, which are funded in part or in whole through an institution's operating budget; (2) fewer eligible students applying to some colleges and universities; and (3) certain student loan providers choosing not to participate in various state and federal student loan programs. There is no guaranty that a continuation or worsening of the overall economic situation will not have a negative effect on enrollment or the affordability of education offered by the College.

Additional factors may affect future operations of the College to an extent that cannot be determined at this time. These factors include, among others, (1) changes in the demand for higher education in general or for programs offered by the College in particular; (2) cost and availability of energy; (3) high interest rates, which could prevent borrowing for needed capital expenditures; (4) a decrease in student loan funds or other aid that permits many students the opportunity to pursue higher education; (5) claims presently unknown to the College; (6) increased competition from both public and private institutions of higher learning which may offer similar academic programs or may recruit similar students; (7) reduced availability of qualified faculty to teach the programs offered by the College; (8) an inability to retain students, resulting in enrollment losses and reduced revenues; (9) a downgrade in the State's bond rating to a level which prevents SUNY from being able to borrow at affordable rates in the future; and (10) reductions or delays in appropriations by the State to SUNY.

Additional Bonds

The Issuer has the right to issue Additional Bonds under the Indenture which will be equally and ratably secured on a parity basis with the 2011 Bonds. SUCH ADDITIONAL BONDS COULD DILUTE THE SECURITY FOR THE 2011 BONDS. Such Additional Bonds may be issued to refund other Bonds issued under the Indenture or to finance improvements or repairs to the Project or the acquisition of furniture, fixtures, machinery or other tangible personal property for installation in the Project or use at the Project. One of the conditions precedent to the issuance of Additional Bonds is the delivery of a Company Certificate that the Debt Service Coverage Ratio of the Company for the Fiscal Year prior to the Fiscal Year in which such Additional Bonds are to be issued is equal to or greater than 1.10:1.00 and a Company Certificate accompanied by a Certificate of a firm of independent accountants of recognized standing that the Debt Service Coverage Ratio of the Company for the Fiscal Year during which such Additional Bonds are being issued (taking into account Debt Service Payments on such Additional Bonds) will be equal to or greater than 1.10:1.00.

Consequences of Changes in the Company's Tax Status

The Company has obtained a determination letter from the Internal Revenue Service stating that it will be treated as an exempt organization as described in §501(c)(3) of the Code and not a "private foundation". In order to maintain its exempt status and to not be considered a private foundation, the Company is subject to a number of requirements affecting its operation. The possible modification or repeal of certain existing federal income tax laws, the change of Internal Revenue Service policies or positions, the change of the Company's method of operations, purposes or character or other factors could result in loss by the Company of its tax-exempt status.

The Company has covenanted to remain eligible for such tax-exempt status and to avoid operating the Project as an unrelated trade or business (as determined by applying §512(a) of the Code). Failure of the Project to remain so qualified or of the Company so to operate the Project could affect the funds available to the Company for payments under the Loan Agreement by subjecting the Company to federal income taxation and could result in the loss of the excludability of interest on the 2011A Bonds from gross income for purposes of federal income taxation. See "CERTAIN BONDHOLDERS' RISKS - Effect of Determination of Taxability" above.

Taxation of Interest on 2011A Bonds

An opinion of Bond Counsel will be delivered as described under "TAX MATTERS" herein. Such an opinion is not binding on the Internal Revenue Service. Application for a ruling from the Internal Revenue Service regarding the status of the interest on the 2011A Bonds has not been made. The opinion of Bond Counsel contains certain exceptions and is based on certain assumptions described herein under the heading "TAX MATTERS". Failure by the Issuer or the Company to comply with certain provisions of the Code and covenants contained in the Indenture and the Loan Agreement could result in interest on the 2011A Bonds becoming includable in gross income for federal tax purposes.

An opinion of Bond Counsel has been obtained regarding the exemption of interest on the 2011 Bonds from certain taxation by the State of New York and its political subdivisions, as described under "TAX MATTERS" herein. Bond Counsel has not opined as to whether interest on the 2011 Bonds is subject to state or local income taxation in jurisdictions other than New York. Interest on the 2011 Bonds may or may not be subject to state or local income taxation in jurisdictions other than New York under applicable state or local laws. Each purchaser of the 2011 Bonds should consult his or her own tax advisor regarding the taxable status of the 2011 Bonds in a particular state or local jurisdiction.

New York Foreclosure Procedures

In order to recover the debt due on a defaulted mortgage loan, the holder of the mortgage loan may either commence an action on the mortgage debt or commence an action to foreclose the mortgage. State law restricts the ability of the holder of a mortgage loan to simultaneously bring an action to recover the mortgage debt and foreclose the mortgage. For purposes of these restrictions, actions to recover the mortgage debt include actions against the party primarily liable on the mortgage debt, actions against any guarantor of the mortgage debt and certain actions on title insurance policies insuring the mortgage premises. If an election is made to commence an action to foreclose the mortgage, no other action on the mortgage debt may be commenced to recover any part of the mortgage debt without leave of the court. If an election is made to commence an action on the mortgage debt, where final judgment has been rendered in such an action, an action may not be commenced to foreclose the mortgage unless an execution has been issued against the property of the defendant, which has been returned wholly or partially unsatisfied. In addition, there is case law indicating that if an action is commenced on the mortgage debt where final judgment has not been rendered and a subsequent action is commenced to foreclose the mortgage, then the action on the mortgage debt may be stayed or discontinued to prevent the mortgagee from pursuing both actions simultaneously.

Where a foreclosure action is brought, every person having an estate or interest in possession or otherwise in the property whose interest is claimed to be subject and subordinate to the mortgage must be made a party defendant to the action in order to have its interest in the property extinguished. Judicial foreclosure in the State is a lengthy process, as judicial intervention is required at all stages, including, but not limited to: (i) the appointment of a referee to compute the amount due; (ii) the appointment of a receiver to operate the property during the pendency of the action; (iii) the confirmation of the referee's oath and report; (iv) the issuance of the judgment of foreclosure and sale; (v) the confirmation of the sale; and (vi) the issuance of a deficiency judgment and/or rights to surplus monies. If during the pendency of the action the mortgagor pays into court the amount due for principal, interest, the costs of the action and the expenses of the proceedings to sell, if any, the court will: (i) dismiss the complaint without costs against the mortgagee if the payment is made before judgment directing the sale; or (ii) stay all proceedings upon judgment if the payment is made after judgment directing sale but before sale.

Where the mortgage debt remains partly unsatisfied after the sale of the property, the court, upon application, may award the mortgagee a deficiency judgment for the unsatisfied portion of the mortgage debt, or as

much thereof as the court may deem just and equitable, against a mortgagor who has appeared or has been personally served in the action. Prior to entering a deficiency judgment the court determines the fair and reasonable market value of the mortgaged premises as of the date such premises were bid in at auction or as of such nearest earlier date upon which there shall have been any market value thereof. In calculating the deficiency judgment, the court will reduce the amount to which the mortgagee is entitled by the higher of the bid price of the mortgaged property or the fair market value of the mortgaged property, as determined by the court.

The mortgagee may also, at its discretion, negotiate with the delinquent mortgagor to offer a deed in lieu of foreclosure to the mortgagee, subject to existing Liens. In some situations this would allow the mortgagee to reduce the cost of, and the time involved in, acquiring the property.

TAX MATTERS

2011A Bonds

In the opinion of Bond Counsel, under existing statutes and court decisions, interest on the 2011A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"); interest on the 2011A Bonds is not treated as a preference item in calculating the federal alternative minimum tax imposed on individuals or corporations; however, for the purpose of computing the alternative minimum tax imposed on certain corporations (as determined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings.

The Code imposes various requirements that must be met in order that interest on the 2011A Bonds will be and remain excludable from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the 2011A Bonds and the rebate of certain earnings in respect of such investments to the United States. Failure to comply with the requirements of the Code may cause interest on the 2011A Bonds to be includable in gross income for purposes of federal income tax retroactive to the date of original execution and delivery of the 2011A Bonds, regardless of the date on which the event causing such inclusion occurs. The Issuer and the Company have made certain covenants contained in the Indenture, Loan Agreement and Tax Compliance Agreement to comply with the requirements of the Code and have made representations in the Indenture, Loan Agreement and Tax Compliance Agreement addressing various matters relating to the requirements of the Code. The opinion of Bond Counsel assumes continuing compliance with such covenants as well as the accuracy of such representations made by the Issuer and the Company.

Certain requirements and procedures contained or referred to in the Indenture, Loan Agreement and Tax Compliance Agreement may be changed, and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice or with the approving opinion of Bond Counsel. The opinion of Hiscock & Barclay, LLP states that such firm, as Bond Counsel, expresses no opinion as to any 2011A Bond or the interest thereon if any such change occurs or action is taken upon the advice or approval of Bond Counsel other than Hiscock & Barclay, LLP.

Prospective purchasers of the 2011A Bonds should be aware that ownership of, accrual or receipt of interest on, or disposition of the 2011A Bonds may have collateral federal income tax consequences for certain taxpayers, including financial institutions, insurance companies, Subchapter S Corporations, certain foreign corporations, individual recipients of social security or railroad retirement benefits, individuals benefiting from the earned income credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry such obligations. Prospective purchasers should consult their tax advisors as to any possible collateral consequences of their ownership of, accrual or receipt of interest on, or disposition of the 2011A Bonds. Bond Counsel expresses no opinion regarding any such collateral federal income tax consequences.

Interest paid on tax-exempt obligations is subject to information reporting to the Internal Revenue Service (the "IRS") in a manner similar to interest paid on taxable obligations. Although information reporting does not, in and of itself, affect the excludability of such interest from gross income for federal income tax purposes, the reporting requirement causes payment of interest on the bonds to be subject to backup withholding. Interest on the 2011A Bonds may be subject to backup withholding if such interest is paid to a registered owner who or which (i) fails to provide certain identifying information (such as the registered owner's taxpayer identification number) in the

manner required by the IRS, or (ii) has been identified by the IRS as being subject to backup withholding. Amounts withheld under the backup withholding rules will be paid to the IRS as federal income tax withheld on behalf of the registered owner of the 2011A Bonds and will be allowed as a refund or credit against such owner's federal income tax liability (or the federal income tax liability of the beneficial owner of the 2011A Bonds, if other than the registered owner).

In the opinion of Bond Counsel, interest on the 2011A Bonds is exempt, under existing statutes, from personal income taxes of the State of New York or its political subdivisions (including the City of New York and the City of Yonkers). See "APPENDIX C – Proposed Form of Opinion of Bond Counsel". The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the 2011A Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the Issuer or the Company, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS.

Premium Bonds

Certain maturities of the 2011A Bonds (the "Premium Bonds") may be sold to the initial purchasers at prices greater than the stated principal amount thereof. The Premium Bonds will be subject to requirements under the Code relating to tax cost reduction associated with the amortization of bond premium and, under certain circumstances, the initial owner of a Premium Bond may realize taxable gain upon disposition of Premium Bonds even though sold or redeemed for an amount less than or equal to such owner's original cost of acquiring Premium Bonds. The amortization requirements may also result in the reduction of the amount of stated interest that an owner of Premium Bonds is treated as having received for federal tax purposes (and an adjustment to basis). Owners of Premium Bonds are advised to consult with their own tax advisors with respect to the tax consequences of owning such Premium Bonds.

Original Issue Discount

"Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a 2011 Bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity means the first price at which a substantial amount of the 2011A Bonds of that maturity was sold (excluding sales to bond houses, brokers, or similar persons acting in the capacity as underwriters, placement agents, or wholesalers). In general, the issue price for each maturity of the 2011A Bonds is expected to be the initial public offering price set forth on the inside cover page of this Official Statement. Bond Counsel further is of the opinion that, for any 2011 Bond having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the 2011A Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their own tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

2011B Bonds

The following discussion is a brief summary of the principal federal income tax consequences of the acquisition, ownership and disposition of 2011B Bonds by original purchasers of the 2011B Bonds who are "U.S. Holders", as defined herein. This summary (i) is based on the Code, Treasury Regulations, revenue rulings and court decisions, all as currently in effect and all subject to change at any time, possibly with retroactive effect; (ii) assumes that the 2011B Bonds will be held as "capital assets"; and (iii) does not discuss all of the federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the 2011B Bonds as a position in a "hedge" or "straddle", holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, holders who acquire 2011B Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code.

Holders of 2011B Bonds should consult with their own tax advisors concerning the federal income tax and other consequences with respect to the acquisition, ownership and disposition of the 2011B Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Disposition and Defeasance

Generally, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a 2011B Bond, a holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such holder's adjusted tax basis in the 2011B Bond.

For federal income tax purposes, the defeasance of 2011B Bonds pursuant to the Indenture could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, the character and timing of receipt of payments on the 2011B Bonds subsequent to any such defeasance could also be affected.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to non-corporate holders with respect to payments of principal, payments of interest, and the proceeds of the sale of a 2011B Bond before maturity within the United States. Backup withholding may apply to holders of 2011B Bonds under Section 3406 of the Code. Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's federal income tax provided the required information is furnished to the Internal Revenue Service.

U.S. Holders

The term "U.S. Holder" means a beneficial owner of a 2011B Bond that is: (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

In the opinion of Bond Counsel, interest on the 2011B Bonds is not exempt from personal income taxes imposed by the State or any of its political subdivisions.

LEGAL MATTERS

The 2011 Bonds are offered, subject to prior sale, when, as and if issued and accepted by the Underwriter, subject to the approving opinion of Hiscock & Barclay, LLP, Buffalo, New York, Bond Counsel, and certain other

conditions. In connection with the issuance of the 2011 Bonds, certain legal matters for the Company will be passed upon by its counsel, Hodgson Russ LLP, Buffalo, New York, certain legal matters for the Issuer will be passed upon by its counsel, Harris Beach, PLLC, Buffalo, New York, and certain legal matters for the Underwriter will be passed upon by its counsel, Reed Smith LLP.

The various legal opinions to be delivered concurrently with the delivery of the 2011 Bonds express the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or the future performance of the parties to the transaction. In addition, the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

LITIGATION

The Issuer

There is not now pending or, to the knowledge of the Issuer, threatened any litigation restraining or enjoining the issuance or delivery of the 2011 Bonds or questioning or affecting the validity of the 2011 Bonds or the proceedings or authority under which they are to be issued. Neither the creation, organization or existence of the Issuer nor the title of any of the present member, directors or other officials of the Issuer to their respective offices is being contested. There is no litigation pending or, to the Issuer's knowledge, threatened which in any manner questions the right of the Issuer to enter into the any of the Bond Documents or to secure the 2011 Bonds in the manner provided in the Indenture or the Act.

The Company

There is not now pending or, to the knowledge of the Company, threatened any litigation restraining or enjoining the execution or delivery by the Company of any of the Bond Documents, or questioning or affecting the validity of the Bond Documents, or the proceedings or authority under which the Bond Documents are to be executed and delivered by the Company. Neither the creation, organization or existence of the Company nor the title of any of the present members of the board of directors of the Company to their respective offices is being contested. There is no litigation pending or, to the Company's knowledge, threatened which in any manner questions the right of the Company to enter into any of the Bond Documents.

UNDERWRITING

The 2011 Bonds are being purchased by the Underwriter shown on the cover page (the "Underwriter"). The Underwriter has agreed to purchase the 2011 Bonds for an aggregate purchase price of \$45,156,755.35. Such purchase price represents the par amount of the 2011 Bonds (\$44,285,000), less underwriter's discount (\$219,210.75), and plus net original issue premium (\$ 1,090,966.10).

The Underwriter will be obligated to purchase all of the 2011 Bonds if any of such 2011 Bonds are purchased. The 2011 Bonds may be offered and sold to certain dealers (including dealers depositing such 2011 Bonds into investment trusts) at prices lower than the initial public offering prices, and such public offering prices may be changed, from time to time, by the Underwriter. The Company has agreed to indemnify the Issuer and the Underwriter against losses, claims and liabilities arising out of any materially incorrect statement or information with respect to the Company contained in or material information omitted from this Official Statement.

Subject to prevailing market conditions, the Underwriter intends, but is not obligated, to maintain a secondary market for the 2011 Bonds. The Underwriter is not, however, obligated to repurchase any 2011 Bonds at the request of any Holder thereof.

CONTINUING DISCLOSURE

The substantial form of the Continuing Disclosure Agreement to be entered into between the Company and the Trustee is attached hereto as APPENDIX D to this Official Statement (the "Continuing Disclosure Agreement").

Pursuant to the Continuing Disclosure Agreement, the Company will covenant and agree to provide (a) annual financial information and operating data to the Trustee within 150 days after the end of each fiscal year of the Company and (b) quarterly financial information to the Trustee within 45 days after the end of each fiscal quarter of the Company. Annual financial information shall include, collectively, (i) the annual financial statements of the Company, as audited by a firm of independent certified public accountants, (ii) the computation of the Debt Service Coverage Ratio for the fiscal year of the Company covered by the relevant Audited Financial Statements as described in the section of this Official Statement captioned "SECURITY FOR THE 2011 BONDS – Financial Covenants", (iii) information detailing the occupancy of the Student Housing Facility for the fiscal year of the Company covered by the relevant audited financial statements, (iv) an annual update of the information in the sections captioned "BUFFALO STATE COLLEGE – Enrollment" and -- "Demand" in APPENDIX A to this Official Statement, and (v) certain information regarding amendments to the Continuing Disclosure Agreement. Quarterly financial information shall include unaudited quarterly financial statements of the Company and information detailing the occupancy of the Student Housing Facility for the fiscal quarter covered by the quarterly financial statements, including without limitation the number of units, if any, licensed by SUNY pursuant to the SUNY Agreement.

The Trustee shall provide such annual financial information and quarterly financial information to the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system within five business days after receipt by the Trustee.

In addition, the Company will agree in the Continuing Disclosure Agreement that, if an event listed below occurs, the Company shall provide, in a timely manner (but in all cases in sufficient time for the Trustee to send notice thereof to the MSRB through the EMMA system within ten business days after the occurrence of such event), written notice of such event to the Trustee. The Trustee shall send notice of such event to the MSRB through the EMMA system not later than three business days after receipt of notice of such event. These notice events include the following:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of security holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or a similar event of the obligated person;

(xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

The Continuing Disclosure Agreement may be amended, by written agreement of the parties, without the consent of the holders of the 2011 Bonds (except to the extent described below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Company or the type of business conducted thereby, (2) the Continuing Disclosure Agreement as so amended would have complied with the requirements of SEC Rule 15c2-12 (the "Rule") as of the date of the Continuing Disclosure Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Company shall have delivered to the Trustee an opinion of counsel, addressed to the Company and the Trustee, to the same effect as set forth in clause (2) above, (4) either (i) the Company shall have delivered to the Trustee an opinion of counsel or a determination by a person, in each case unaffiliated with the Issuer or the Company (such as bond counsel or the Trustee) and acceptable to the Company, addressed to the Company and the Trustee, to the effect that the amendment does not materially impair the interests of the holders of the 2011 Bonds or (ii) the holders of the 2011 Bonds consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Indenture with consent of holders of 2011 Bonds pursuant to the Indenture, and (5) the Trustee shall have delivered copies of such opinion(s) and amendment to the MSRB through the EMMA system and to the Issuer. The Trustee shall so deliver such opinion(s) and amendment with one business day after receipt by the Trustee.

The provisions of the Continuing Disclosure Agreement shall inure to the benefit of the holders from time to time of the 2011 Bonds, including beneficial owners of 2011 Bonds held in a book-entry system by a securities depository. The obligations of the Company to comply with the provisions of the Continuing Disclosure Agreement shall generally be enforceable by any holder of Outstanding 2011 Bonds, or by the Trustee on behalf of the holders of Outstanding 2011 Bonds; *provided, however*, that the Trustee shall not be required to take any enforcement action except at the direction of the holders of not less than a majority in aggregate principal amount of the 2011 Bonds at the time Outstanding, who shall have provided the Trustee with adequate security and indemnity. The holders' and Trustee's rights to enforce the provisions of the Continuing Disclosure Agreement shall be limited solely to a right, by action for specific performance, to compel performance of the Company's obligations under the Continuing Disclosure Agreement. Any failure by the Company or the Trustee to perform in accordance with the Continuing Disclosure Agreement shall not constitute a default or an Event of Default under the Indenture or the Loan Agreement, and the rights and remedies provided by the Indenture or the Loan Agreement upon the occurrence of a default or an Event of Default shall not apply to any such failure.

CERTAIN RELATIONSHIPS AMONG FINANCING PARTICIPANTS

The Trustee under the Indenture (Manufacturers and Traders Trust Company) and the Underwriter of the 2011 Bonds (M&T Securities, Inc.) are affiliates. Manufacturers and Traders Trust Company is also the holder of a portion of the Construction Financing that will be refunded by the 2011 Bonds. An officer of M&T Bank is a member of the College Council of the College and another officer of M&T Bank is a member of the board of directors of the Foundation. A partner in the firm of Hodgson Russ LLP (which is acting as counsel to the Company in this transaction) is also a member of the board of directors of the Foundation.

RATING

Standard & Poor's Ratings Group ("S&P") has given the 2011 Bonds a rating of "A+" with a "Stable Outlook" based upon the rating agency's analysis of the structure of the financing, the agreements between the Company and SUNY, and information provided by the Company and the College, and a meeting with representatives of the Company and the College. Such rating and outlook reflects only the view of S&P and its

rationale for such rating, and any desired explanation of the significance of such rating or rationale should be obtained from S&P. There is no assurance that such rating will apply for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of S&P, circumstances so warrant. The Underwriter has undertaken no responsibility to bring to the attention of the holders of the 2011 Bonds any proposed revision or withdrawal of the rating on the 2011 Bonds or to oppose any such proposed revision or withdrawal. Any downward revision or withdrawal of such rating and/or outlook could have an adverse effect on the market price of the 2011 Bonds. Such rating should not be taken as a recommendation to buy or hold the 2011 Bonds.

MISCELLANEOUS

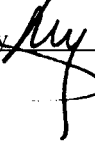
The references herein to laws and various of the Bond Documents are brief summaries of certain provisions thereof. Such summaries do not purport to be complete and, accordingly, are qualified by reference and are subject to the full texts thereof.

Neither this Official Statement nor any other disclosure in connection with the 2011 Bonds is to be construed as a contract with the holders of the 2011 Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so identified, are intended merely as such and not as representations of fact. No representation is made that any of such statements will be realized.


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The Issuer has consented to the use of this Official Statement, but has not participated in the preparation of this Official Statement and has made no independent investigation with respect to the information contained in this Official Statement and, accordingly, the Issuer assumes no responsibility for the sufficiency, accuracy or completeness of such information, other than information set forth under "THE ISSUER" and "LITIGATION-The Issuer" herein. The Company has authorized the distribution of this Official Statement.

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

By: /s/Stanley Kardonsky 
Vice President

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION**

By: /s/David W. Kerchoff 
Assistant Treasurer

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APPENDIX A

**CERTAIN INFORMATION CONCERNING SUNY, THE COLLEGE,
THE FOUNDATION AND THE COMPANY**

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APPENDIX A

CERTAIN INFORMATION CONCERNING SUNY, THE COLLEGE, THE FOUNDATION AND THE COMPANY

STATE UNIVERSITY OF NEW YORK

General

The State University of New York ("SUNY" or the "University") is a corporate entity created within the Education Department of the State of New York and under the State Board of Regents. Created in 1948, today SUNY has 64 campuses across the entire State. In carrying out its responsibilities and in order to operate and maintain its facilities, SUNY receives moneys from various sources, a substantial portion of which consists of annual appropriation of State funds. The successful maintenance and operation of the facilities of SUNY and the overall financial viability of SUNY are dependent upon the ability and the willingness of the State Legislature to continue making appropriations of State funds in the amounts required for the operation of SUNY.

SUNY is assigned the responsibility for the planning, supervision and administration of facilities enabling programs in accordance with a master plan to be proposed by the University and approved by the Board of Regents. The University is governed by a Board of Trustees comprised of 17 members, 15 appointed by the Governor with the advice and consent of the Senate, the president of the University-wide Student Assembly, ex officio and voting, and the president of the University Faculty Senate, ex officio and non-voting. The Chairman and Vice-Chairman of the Board are designated by the Governor. The 15 Trustees appointed by the Governor currently serve overlapping terms of seven years, the student Trustee a one-year term, and the faculty Trustee a two-year term. Trustees receive no compensation for their services other than reimbursement of expenses. The Board of Trustees appoints its own officers, the Chancellor, the senior System Administration staff and campus Presidents.

On April 1, 1949, the University assumed jurisdiction over the 29 existing State-supported institutions of higher education. These institutions were primarily professional and technical schools, placing emphasis on applied arts and sciences and the training of teachers. In the period between 1957 and 1962, the Trustees established three university centers: the State University of New York at Albany, the State University of New York at Binghamton, and the State University of New York at Stony Brook. In addition, the former private University of Buffalo was merged into the University system and became the State University of New York at Buffalo. Two health science centers were added, one in Brooklyn serving the New York City metropolitan area and one in Syracuse serving upstate New York. In 1961, the University Trustees set into motion a plan under which the teachers colleges included in the system became multipurpose institutions offering baccalaureate preparation in liberal arts, business and technologies, as well as education courses. In 1964, the six, two-year Agricultural and Technical Institutes became Agricultural and Technical Colleges and in 1987 were redesignated either Colleges of Technology or Colleges of Agriculture and Technology. Two additional colleges of arts and sciences were opened in 1968, the State University College at Old Westbury and the State University College at Purchase.

Other components of the present University system are the State University Institute of Technology at Utica/Rome, the Empire State College in Saratoga Springs, the Maritime College at Fort Schuyler, the State University of New York College of Environmental Science and Forestry at Syracuse, the College of Optometry at New York City, the five statutory colleges - four at Cornell University (College of Veterinary Medicine, School of Industrial and Labor Relations, College of Agriculture and Life Sciences, and College of Human Ecology) and one at Alfred University (College of Ceramics), and the New York State Agricultural Experiment Station at Geneva. The statutory colleges are administered by the private universities under the general supervision of the University Board of Trustees.

Each University Center and College of the University is administered locally although subject to overall review and supervision by the University's Board of Trustees. Graduate study at the doctoral level is offered by the University at 15 of its institutions, and graduate work at the master's level at 30 campuses. The University is

continuing to broaden and expand overall opportunities for advanced degree study. Graduate study areas embrace a wide spectrum including agriculture, business administration, criminal justice, dentistry, education, engineering, forestry, law, library science, medicine, nursing, optometry, pharmacy, social work, and veterinary medicine as well as the liberal arts and sciences. Four-year programs strongly emphasize the liberal arts and sciences and also include specialization in teacher education, business, forestry, maritime service, ceramics, and the fine and performing arts. Two-year programs include nursing and liberal arts transfer programs and a wide variety of technical curriculums such as agriculture, business, and the industrial and medical technologies. The University Educational Opportunity Centers located throughout the State provide training for skilled and semiskilled occupations and college foundation courses. In addition to courses such as high school equivalency, college preparation, typing, bookkeeping, and vending and business machine repair, these centers provide a broad range of services, including personal counseling, diagnostic testing, placement and referral services.

Since 1952, the University as an entity has maintained accreditation by the Middle States Association of Colleges and Secondary Schools. This accreditation applies to all State-operated colleges of the University.

University Centers

State University of New York at Albany	State University of New York at Buffalo
State University of New York at Binghamton	State University of New York at Stony Brook

Health Sciences Centers

Health Science Center at Brooklyn	Health Science Center at Buffalo University Center
Health Science Center at Syracuse	Health Science Center at Stony Brook University Center

University Colleges

State University College at Brockport	State University College at Old Westbury
State University College at Buffalo	State University College at Oneonta
State University College at Cortland	State University College at Oswego
State University College at Fredonia	State University College at Plattsburgh
State University College at Geneseo	State University College at Potsdam
State University College at New Paltz	State University College at Purchase Empire State College

Fiscal Structure

The University has several sources of revenue. Revenues and expenditures relating to the University's core instructional budget, (i.e., tuition and fees and State general fund support), dormitory operations, and hospital and clinics, and certain user fees are subject to State appropriation. Revenues generated from sponsored research and food service and bookstore operations that are administered by legally separate not-for-profit organizations are not subject to State appropriations.

The University Controller's Office prepares annual statements of revenues and expenditures that include all programs operated at the various University campuses. The financial statements include current operations financed predominantly from appropriations of State funds, tuition and fees, dormitory room rents, dining and food service fees, hospital and clinical fees and restricted revenues financed from federal, State and other sources.

The University receives a large percentage of its State funds from the State's General Fund. The major source of revenues for the General Fund is State tax moneys which are supplemented by certain transfers from other funds and miscellaneous revenue sources. Appropriations to the University from the State, along with tuition and fees, comprise the University's core instructional budget, and are expended within the requirements of the State Finance Law. These expenditures are subject to the pre-audit of the State Comptroller. Post-audits are also conducted periodically at the various campuses of the University by the State Comptroller. The University's internal audit staff also conducts periodic audits of campus activities. In addition, the University obtains an audit of the

University’s annual financial statements in accordance with generally accepted accounting principles by independent certified public accountants.

The annual budget request of the University contains its estimated financial requirements for all programs for which expenditures are subject to State appropriations, existing and proposed, and is submitted to the Governor and the legislative fiscal committees. The Governor prepares recommendations on the requests of all agencies and departments (including the University) which comprise the Executive Budget as submitted to the State Legislature. The State Legislature in turn may approve or reduce individual items presented in the Executive Budget and may enact separate appropriations bills. In addition to the so-called regular budget bills, the State Legislature has also enacted from time to time a “deficiency” budget bill, covering obligations incurred near the close of a fiscal period and, in some years, a “supplemental” budget bill containing amendments to the “regular” bill. The State’s fiscal year begins on April 1st and ends on March 31st, while the University’s fiscal year begins on July 1st and ends on June 30th.

The majority of sponsored research that generates restricted grant revenue is operated through The Research Foundation of State University of New York (the “Research Foundation”). The Research Foundation is a separate, not-for-profit educational corporation, chartered by the State Board of Regents in 1951 to administer gifts, grants and contracts for the University’s campuses, with particular emphasis on federally-sponsored research grants. Annual audits of the financial activities of the Research Foundation are performed by independent certified public accountants, and periodic audits are performed by the State Comptroller and the Research Foundation’s internal audit staff. Other programs supported by restricted revenues are operated through State treasury funds which are subject to normal State fiscal controls.

Appropriations of State Funds to the University

In addition to its own sources of revenues, the successful maintenance and operation of the University and its overall financial viability are dependent upon the ability and willingness of the State to continue making appropriations of State funds in the amounts which, together with other available revenues of the University, are sufficient to pay the operating expenses and to meet other financial obligations of the University. Appropriations of State funds have historically constituted a significant portion of the University’s revenues, and no assurance can be given that State funds will be available in the future in the amounts contemplated or required by the University or which have been historically appropriated and paid to the University. The State has made appropriations to the University from the General Fund. These appropriations are made in connection with the State’s annual budget process and are therefore dependent upon the availability of budgetary resources and the allocation thereof.

A portion of the total State appropriation to the University is offset by the application of other University income for operating expenses and the remainder of the appropriation constitutes the State-funded portion. The appropriations of this State-funded portion from the State to support the University core operating budget made directly to the University (exclusive of Student Aid appropriations, fringe benefits budgeted separately, debt service for educational facilities, community colleges and other special programs) were as follows for the indicated State fiscal years:

State-Funded University Appropriations	
<u>Fiscal Year</u>	<u>Appropriated from State Purposes Account</u>
2006-07	\$ 1,212,440,000
2007-08	1,340,363,000
2008-09	1,255,125,000*
2009-10	1,223,540,000**
2010-11	1,086,314,000

* Available State support net of one-time collective bargaining funding.

** State-supported appropriation was reduced by \$90 million due to mid-year reductions in the State budget.

Source: College Officials

BUFFALO STATE COLLEGE

General

Buffalo State College, State University of New York (the “College”), is a public, coeducational, residential college located on a 125-acre campus in the City of Buffalo, New York. The College was founded in 1871 as the “Buffalo Normal School” for the purpose of training public school teachers. The College became part of the SUNY system in 1948 and is the largest comprehensive college in the SUNY system. The College’s enrollment in the fall of 2010 was 11,695 students (9,788 undergraduate and 1,907 graduate). The College offers 166 undergraduate programs (with 11 honors options) and 62 graduate programs.

The College is accredited by the Middle States Association of Colleges and Schools as well as numerous professional organizations for specific academic programs. The Middle States Association is an institutional accrediting agency recognized by the United States Secretary of Education and the Commission on Recognition and Postsecondary Accreditation.

Through the SUNY Research Foundation, the College receives more grants and research support than all other SUNY comprehensive colleges combined. Many of the College’s faculty members conduct applied research that makes a direct and immediate impact in the Buffalo Niagara community. Each year, hundreds of undergraduate students gain hands-on experience in their fields by partnering with faculty members on research projects. In addition, the College is a leader in human services research and training.

Mission Statement

The College is committed to the intellectual, personal, and professional growth of its students, faculty, and staff. The goal of the College is to inspire a lifelong passion for learning, and to empower a diverse population of students to succeed as citizens of a challenging world. Toward this goal, and in order to enhance the quality of life in Buffalo and the larger community, the College is dedicated to excellence in teaching and scholarship, cultural enrichment, and service.

Vision Statement

The College’s vision statement is that the College will be a nationally recognized leader in public higher education, known for the intellectual and creative accomplishments of its faculty, staff, and students, a caring academic environment where lives are transformed through education and each individual is valued, and an institution that serves to improve our region, our nation, and our world, one student at a time.

Organization and Governance

The College Council is responsible for the “operations and affairs” of the College. It is composed of ten members --- nine appointees of the Governor of New York, and one elected student representative. Appointees serve seven-year terms, and student representatives are elected for one-year terms.

<u>Name</u>	<u>Occupation</u>
John T. Hoskins, <i>Chair</i>	Chairman and CEO, Curtis Screw Co., Inc.
Howard A. Zemsky, <i>Vice Chair</i>	President, Taurus Capital Partners, LLC
William J. Bissett	President, Delaware North Companies Gaming & Entertainment
James Bradys, '71, '73	Senior Vice President, Investment Wealth Management Advisor, Merrill Lynch
Melissa Brinson	Board of Education President, Town of Tonawanda, NY Town Clerk, Town of Tonawanda, NY
Robert D. Bulman, '84	Partner, Capitol Public Strategies, LLC
Charles J. Naughton, '85	Director of Labor Relations, Town of Tonawanda, NY
Alphonso O'Neil-White	President and CEO, HealthNow New York, Inc.
Gerald C. Saxe	Insurance Sales-President, M&T Bank
Renea A. Johnson	Student Representative

Administration

Aaron Podolefsky, Ph.D., President of the College. Aaron Podolefsky was named President of the College in 2010. President Podolefsky received his B.A. in Mathematics at San Jose University. He then went on to receive an M.A. in Liberal Studies, M.A. in Anthropology, and a Ph.D. with distinction in Anthropology at the State University of New York at Stony Brook. Prior to being named President at the College, President Podolefsky was a professor of anthropology as well as the President at the University of Central Missouri from 2005 until 2010. There he created and implemented new strategic and campus master plans, oversaw the first major campus construction and renovation since 1999, and emphasized diversity and sustainability as campus priorities through a 24-month, \$36 million project to dramatically reduce energy consumption and carbon footprint of the university. President Podolefsky is also a member of the Board of Directors for the Missouri Biotechnology Council, the Missouri Council on Transfer and Articulation, the Mid-America Intercollegiate Athletic Association Council, the Board of Directors for the General Anthropology Division of the American Anthropological Association and a book review editor of *General Anthropology*.

Dennis Ponton, Ph.D., Provost. Dr. Ponton has been the Provost at the College since 2003, and has served as Interim President preceding the appointment of President Podolefsky. He attended Marshall University from 1962 to 1965. Dr. Ponton later received his A.B. in Biology, M.S. in Zoology, and Ph.D. in Agricultural Biochemistry from West Virginia University. In addition to his duties as Provost, Dr. Ponton is also the Operations Manager for the Buffalo State College Research Foundation, Accreditation Liaison Officer to the Middle States Commission on Higher Education, and Convener of the Buffalo-Niagara Council of Chief Academic Officers (BNCCAO). Prior to being named Provost at the College, Dr. Ponton held the positions of Associate Vice President for Budget and Planning of Academic Affairs, Interim Provost and Vice President for Academic Affairs, and Interim Dean for the Faculty of Applied Science and Education, all at the College.

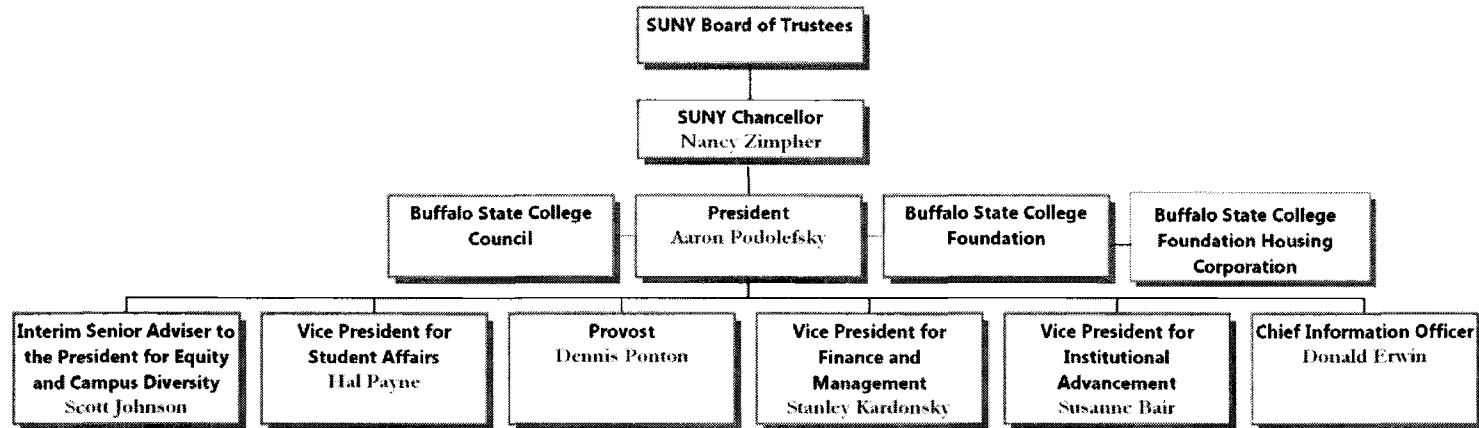
Stanley Kardonsky, Ph.D., Vice President for Finance and Management. Dr. Kardonsky has been the Vice President for Finance and Management since 1993. He received his B.S. in Chemistry at Long Island University, his M.S. in Chemistry at University of Florida, and his Ph.D. in Physical/Nuclear Chemistry at the City University of New York. Dr. Kardonsky is responsible for the development, implementation control, and reconciliation of a \$140,000,000 annual budget including both state purpose and income funds. He provides leadership and management relating to the College's business and finance operations; human resources; internal

controls; facilities design construction and operations; University Police; and the Burchfield Penney Art Center. Concurrent with his position as Vice President for Finance and Management at the College, he was also Interim Vice President for Institutional Advancement from 2006-2007. Prior to joining the College, Dr. Kardonsky was the Vice President for Administration and Professor of Chemistry at San Francisco State University. He is currently a member of the Eastern Association of College and University Business Officers (EACUBO), the Society for College and University Planning (SCUP), the American Association of University Administrators (AAUA), and the National Association of College and Business Officers (NACUBO).

Hal D. Payne, J.D., Vice President for Student Affairs. Hal D. Payne was named Vice President for Student Affairs in 1991. He received his B.A. in History at Adelbert College, and his J.D. at the Cleveland-Marshall College of Law. As Vice President for Student Affairs, he is responsible for the supervision of all student affairs functions, which include the counseling and health centers, residence life, career development, international student affairs, intercollegiate athletics, and student life. He is also responsible for the development and administration of policies and practices for the Student Affairs staff and student development programs. Prior to his current position at the College, Mr. Payne was Acting Vice President for Student Affairs and Assistant Vice President for Student Affairs. He was also a Senior Associate for the Council for Opportunity in Education (COE). Mr. Payne is a member of the Administrative Assistants Association for the U.S. House of Representatives, the National Student Aid Coalition, the Committee for Educational Funding, the Mid-America Association of Educational Opportunity Program Personnel, the American Association of Higher Education, and the Association of College Personnel Administrators.

Susanne P. Bair, DPE., Vice President for Institutional Advancement. Dr. Bair has been the Vice President for Institutional Advancement since 2007. Dr. Bair received a B.S. in Physical Education with a Coaching Specialization and a minor in Business, as well as an M.S. in Physical Education with Athletic Administration Emphasis, at Indiana State University. She then went on to Indiana University, where she acquired a Doctorate in Physical Education. Dr. Bair is responsible for a forty person staff comprised of Advancement Services, Alumni Affairs, College Relations, Events and Protocol, Government Relations, and Major and Planned Giving. As Vice President for Institutional Advancement, she has doubled funding for the All College Honors Program, lead the largest fundraising year in the history of the College with more than \$8 million raised, and completed a Mellon matching grant campaign to provide an endowed chair at the College. Dr. Bair has been Vice President for Development at Fletcher Allen Health Care, Vice President of Development for the Indian University Foundation, and Assistant Dean and Director of Development and Affairs at the Indiana University School of Health, Physical Education and Recreation, prior to her current position. She is a member of the College Planning Council, the College Senate, and the Vice President's Council at the College.

Buffalo State College Table of Organization
January 2011



Tuition and Housing Cost Comparison of Regional Higher Education Institutions

Tuition & Housing Cost Comparison: Full-Time, Undergraduate	Academic Year Tuition	Per Semester Housing Costs
Buffalo State College (SUNY), in-state student	\$4,970	\$3,196 to \$4,400
Medaille College (local, private)	\$10,285	\$3,805 to \$4,875
D'Youville College (local, private)	\$10,400	\$4,000 to \$6,480
Niagara University (local, private)	\$25,600	\$5,325 to \$5,875
Canisius College (local, private)	\$29,020	\$3,845 to \$4,400
University of Buffalo (SUNY), in-state student	\$4,970	\$5,098 to \$6,848
Average, state university, in-state student	\$7,605	\$4,367
Average, private college	\$27,293	\$4,850

Source: College Officials

Enrollment

Total enrollment at the College over the past five years is shown in the table below.

	<u>Fall 2006</u>	<u>Fall 2007</u>	<u>Fall 2008</u>	<u>Fall 2009</u>	<u>Fall 2010</u>
Undergraduate	9,314	9,139	9,371	9,822	9,788
Graduate	<u>1,906</u>	<u>1,854</u>	<u>1,863</u>	<u>1,892</u>	<u>1,907</u>
TOTAL	11,220	10,993	11,234	11,714	11,695

Source: College Officials

Demand

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
UNDERGRADUATE					
Applications	9,791	9,762	10,304	11,132	12,184
Accepts	4,507	4,631	4,662	4,749	5,149
Enrolled	1,495	1,450	1,559	1,530	1,490
GRADUATE					
Applications	860	876	879	876	980
Accepts	726	721	603	606	672
Enrolled	452	400	502	443	464

Source: College Officials

Faculty

The College has 425 full-time faculty members, and about 80% hold terminal degrees. Of the full-time faculty, 61% have tenure, while 30% are on track for tenure. The SUNY Chancellor's Award for Excellence in Teaching has been given to 45 faculty members, and seven faculty members have been honored as SUNY Distinguished Teaching Professors. The College has 412 part-time faculty members, 796 full-time staff and 185 part-time staff.

BUFFALO STATE COLLEGE FOUNDATION

General

The Buffalo State College Foundation was incorporated in New York State on March 15, 1963.

Mission Statement

The mission of the Foundation is to advance the welfare and development of Buffalo State College and to support its goals of excellence in teaching and scholarship, cultural enrichment and service. The Foundation furthers its mission by fostering private sector participation in the College's endeavors, particularly in the areas of philanthropy and fundraising, and by providing various support services to the College.

Board of Directors

<u>Name</u>	<u>Occupation</u>
Linda A. Dobmeier, '71, <i>President</i>	Vice President, Dobmeier Janitor Supply, Inc.
Dorothy T. Ferguson, <i>Vice Chair</i>	
Ross B. Kenzie, <i>Vice Chair</i>	Retired Chairman and CEO, Goldome Bank
Robert M. Zak, <i>Treasurer</i>	President and CEO, Merchants Insurance Group
Anthony J. Baynes, '79, <i>Secretary</i>	Extra Mile Transportation, LLC
Cindy Abbott Letro	Law Offices of Francis M. Letro
Susanne P. Bair	Vice President, Buffalo State College
C. Teo Balbach	Mercury Capital Partners
Shelby Kay Baldwin	Student Representative, Buffalo State College
Timothy P. Balkin	Treasurer, Moog, Inc.
Todd W. Brason, '85	CEO, Willcare
Tim L. Brenner	Senior Vice President, M&T Bank
Gary M. Brost	Chairman and CEO, Strategic Investments & Holdings, Inc.
Gerald L. Cornish, '90	1 st Vice President, Wealth Management Advisor
Jacqueline S. Culliton	Senior Vice President, First Niagara Financial Group
Wanda M. Davis	Professor, Buffalo State College
James F. Dentinger	President, McGuire Development Co.
Rock D. Doyle, '99	Assistant Director Health Services, Buffalo State College
Judy L. Elliot, '82	Chief Academic Officer, Los Angeles Unified School District
Gretchen Fierle	Interim Chief Communications Officer, BlueCross BlueShield of WNY
Allen F. Grum	President, Rand Capital
Paul R. Hojnacki, '84	President, Curtis Screw Company, LLC
William N. Hudson, Jr.	CEO, Hudson Advisor Services, Inc.
Stanley Kardonsky	Vice President, Buffalo State College
Robert J. Lamendola, '72	Consultant Services to Renaissance Reinsurers, Ltd.
Paul J. Lamparelli, '82	President, Lamparelli Construction Co., Inc.
Jacqueline V. LoRusso, '62, '64	JVL Management Co.
Russell J. Maxwell	President, Medical Answering Services, LLC
Thomas J. Murrer	President and CEO, Renold Global Gears & Coupling Group
Arthur F. D. Musarra	Musarra Law Offices
Aaron Podolefsky	President, Buffalo State College
Matthew E. Ryan, '99	Senior Financial Advisor, Merrill Lynch Global Wealth Management
Benjamin M. Zuffranieri, '80	Partner, Hodgson Russ, LLP

BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION

Purpose

The Company was incorporated in 2008 to support the College and the Foundation by providing and maintaining residential and other facilities for the use of the students and faculty of the College, and by obtaining financing to accomplish this.

Board of Directors

<u>Name</u>	<u>Occupation</u>
Ross B. Kenzie, <i>President</i>	Retired Chairman and CEO, Goldome Bank
Stanley Kardonsky, <i>Vice President</i>	Vice President for Finance and Management, Buffalo State College
Gerald L. Cornish '90, <i>Secretary</i>	First Vice President-Wealth Management Advisor, Merrill Lynch
Anthony J. Baynes '79, <i>Treasurer</i>	CEO, Owner and Founder, the A.J. Baynes Group
Susanne P. Bair	Vice President for Institutional Advancement, Buffalo State College
Timothy P. Balkin	Treasurer, Moog Inc.
Richard J. Trigilio '90	President and CEO, Medical Management Services

Housing

More than 2,200 students live on campus at the College in ten residence halls. As many as 275 resident students must be accommodated off-campus each fall semester because of a shortage of on-campus housing. The College anticipates even greater demand for on-campus housing due to increased recruitment of students in downstate New York. The current campus housing capacity is comprised of 1000 beds double occupancy/suites; 872 beds double occupancy/corridor; 62 beds single occupancy; 13 beds handicapped-accessible; and 18 beds apartment-style.

Current College housing policy requires first and second-year students residing more than 35 miles from the College to live on campus. The 2013-2023 master plan of the College recommends the demolition of three outmoded, difficult to renovate residential buildings in the campus core, which will require the replacement of 557 beds in the campus inventory.

Campus Housing Capacity (before 2011 Student Housing Facility)

<u>Type</u>	<u>Occupancy</u>
Double occupancy/suites	1,000
Double occupancy/corridor	872
Single occupancy	62
Handicapped-accessible	13
Apartment style	18

The Student Housing Facility

The Student Housing Facility consists of an approximately 225,000 square foot apartment style student housing complex consisting of 507 beds, located on the Land at the western edge of the College's campus at the corner of Letchworth Street and Grant Street in the City of Buffalo, Erie County, New York. The facility consists of three wings of various heights. In keeping with the preferences of today's resident student, each apartment contains four single bedrooms, two full baths, and a full kitchen and living room. The Student Housing Facility has been constructed on land owned by SUNY that has been leased to the Alumni Association pursuant to the Ground Lease and subleased by the Alumni Association to the Company under the Sublease. Construction of the Student Housing Facility began in November 2009 and the facility is now substantially completed, with a certificate of occupancy anticipated to be issued in June 2011. The architect for the project is Cannon Design and the construction manager

is LP Ciminelli. The total cost for the design and construction of the Student Housing Facility is approximately \$44,600,000.

The Student Housing Facility is expected to be completed and delivered in June 2011 and to be open for occupancy by students for the fall 2011 semester of the College. The Student Housing Facility is fully assigned for fall 2011 occupancy.

The College has marketed the Student Housing Facility to current and prospective students through the use of a marketing brochure mailed to all newly accepted students and to incoming transfer students; a postcard mailer sent to parents of current upper division students; a web site; virtual and on-site tours; and posters located throughout the College campus.

Housing rates per student per semester for the Student Housing Facility are expected to be initially \$4,400. Other current housing rates for other student residence facilities at the College range from \$3,169 for a standard double room to \$4,019 for a standard single room to \$3,570 for a Moore Complex double room and \$4,400 for a Moore Complex single room.

Construction of the Student Housing Facility was financed by two series of variable rate bonds and one series of fixed rate bonds, in the aggregate principal amount of \$47,755,000, issued by the Issuer in a private placement on December 31, 2009 (the "Construction Financing"). The 2011 Bonds are being issued to refund the Construction Financing and to pay or reimburse certain remaining costs of the construction and equipping of the Student Housing Facility.

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APPENDIX B

CERTAIN DEFINITIONS AND DOCUMENT SUMMARIES

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CERTAIN DEFINITIONS

In addition to the other terms defined in the Official Statement, when used in the summaries of certain provisions of the Indenture, the Loan Agreement and the Leasehold Mortgage and Security Agreement, the following terms have the meanings ascribed to them below.

“*Acknowledgment*” means the Acknowledgment by the Company of the Pledge and Assignment.

“*Act*” means Section 1411 of the Not-for-Profit Corporation Law of the State of New York and Resolution Nos. 218 and 295 of 2009 and 5-3 (2010) of the Erie County Legislature, each as amended to date.

“*Additional Bonds*” means any bonds issued by the Issuer pursuant to Section 2.12 of the Indenture.

“*Agency Obligations*” means obligations of any agency or corporation which has been or may hereafter be created pursuant to an act of Congress as an agency or instrumentality of the United States, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Mortgage Association, Student Loan Marketing Association, Farm Credit System, Federal Land Bank, Federal Home Loan Bank, Federal Intermediate Credit Bank and the Bank for Cooperatives.

“*Annual Budget*” means the annual budget for operation of the Project prepared by the College and approved by the Management Committee pursuant to the Facility Management Agreement.

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

“*Architect*” means Cannon Design, Inc., its successors and/or assigns.

“*Assignment of Agreements*” means the Assignment of Agreements dated as of June 1, 2011, by the Company to the Trustee, as amended or supplemented from time to time.

“*Assignment of Mortgage*” means the Assignment of Mortgage dated as of June 16, 2011, by the Issuer.

“*Assignment of Rents*” means Assignment of Rents and Leases dated as of June 1, 2011, from the Company to the Trustee, as amended or supplemented from time to time.

“*Association*” means the Buffalo State Alumni Association, Inc., a not-for-profit corporation incorporated under the laws of the State.

“*Authorized Denomination*” means \$5,000 or any integral multiple of \$5,000 in excess thereof, except that if as a result of redemption partially redeemed Bonds cannot be authenticated in such denominations, such partially redeemed Bonds shall be authenticated in such other denominations to the extent required to effect such redemption.

“*Authorized Representative*” or “*Authorized Officer*” means the Persons or Persons at the time designated to act on behalf of the Issuer or the Company, as the case may be, by written Certificate furnished to the Trustee containing the specimen signature of each such Person and signed on behalf of (A) the Issuer by its Chair, Vice Chair, Chief Executive Officer, Chief Operating Officer, Assistant Treasurer, Treasurer and/or Chief Financial Officer, or other officer designated by the Chair, and (B) the Company by its President, Treasurer or any Vice President, or such other Person as may be authorized by the President of the Company to act on behalf of the Company.

“*Bankruptcy Code*” means the United States Bankruptcy Code, as amended from time to time.

“*Bond*” or “*Bonds*” means the Series 2011A Bonds and the Series 2011B Bonds, together with any Additional Bonds.

“*Bond Counsel*” means the law firm of Hiscock & Barclay, LLP, or such other attorney or firm of attorneys located in the State whose experience in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and who is acceptable to the Issuer.

“*Bond Documents*” means the Bond Purchase Agreement, the Indenture, the Loan Agreement, the Tax Compliance Agreement, the Pledge and Assignment, the Guaranty, the Mortgage, the Assignment of Rents, the Assignment of Agreements, the Continuing Disclosure Agreement and the Official Statement.

“*Bond Fund*” means the fund so designated and created pursuant to Section 4.1 of the Indenture.

“*Bondowners*,” “*Bondholders*,” “*Owners*” or words of similar import means the registered owner of any Bond as indicated on the bond register maintained by the Bond Registrar.

“*Bond Payment Date*” means any date on which a Debt Service Payment shall be due on any of the Bonds so long as the Bonds shall be Outstanding.

“*Bond Proceeds*” means the proceeds of the sale of the Bonds, including any accrued interest, paid to the Trustee on behalf of the Issuer by the purchasers from time to time of the Bonds as the purchase price of the Bonds.

“*Bond Purchase Agreement*” means the Bond Purchase Agreement dated May 26, 2011, by and among the Issuer, the Company and the Underwriter.

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

“*Bond Resolution*” means the resolution of the Issuer adopted on March 21, 2011, authorizing the Issuer to issue and sell the Initial Bonds and to execute and deliver the Bond Documents to which the Issuer is a party.

“*Bond Year*” shall have the meaning assigned thereto in the Tax Compliance Agreement.

“*Book Entry Only System*” means the system of registration described in Section 2.3(c) of the Indenture.

“*Business Day*” means any day of the year, other than a Saturday or Sunday, on which commercial banks located in the city or cities in which are located the principal corporate trust offices of the Trustee and the New York Stock Exchange is not required or authorized to remain closed.

“*Capital Reserves*” means all necessary reserves for the capital repair, replacement, alteration or improvement of the Project.

“*Certificate*” means a certificate or report, in form and substance satisfactory to the Issuer and the Trustee, executed: (i) in the case of an Issuer Certificate, by an Authorized Representative of the Issuer; (ii) in the case of a Company Certificate, by an Authorized Representative of the Company; and (iii) in the case of a Certificate of any other Person, by such Person, if an individual, and otherwise by an officer, member, partner or other authorized representative of such Person; *provided that* in no event shall any individual be permitted to execute any Certificate in more than one capacity.

“*Certificate of Authentication of the Trustee*” and “*Trustee’s Certificate of Authentication*” means the certificate executed by an authorized officer of the Trustee certifying the due authentication of the Bonds in the aggregate principal amount of \$44,285,000.

“*Closing Date*” means June 16, 2011.

“*Code*” means the Internal Revenue Code of 1986, as amended, and the applicable regulations of the United States Treasury Department promulgated thereunder.

“*College*” means Buffalo State College.

Appendix B

“*College Expense*” means (i) all payroll costs for on-site staff, including wages, salary, incentive bonuses, holiday and vacation pay, insurance benefits, workers’ compensation premiums or allocable costs for self-insurance of such matters, pension and health and welfare payments, payroll taxes and other governmental assessments so long as such salary and wage costs and benefits conform to the approved Annual Budget or are otherwise approved in writing by the Company; (ii) any backcharge by the College for or with respect to any utilities supplied by the College to the Project; and (iii) costs of non-capital maintenance and repairs at the Project. To the extent that any on-site staff member devotes less than full time (*i.e.*, forty (40) hours per week) to the Project, the expenses identified in clause (i) in the immediately preceding sentence with respect to such employee shall be allocated pro rata based upon the amount of time such employee devotes exclusively to the Project.

“*Company*” means Buffalo State College Foundation Housing Corporation, a not-for-profit corporation incorporated under the laws of the State.

“*Company Documents*” means the Sublease, the Facility Management Agreement, the SUNY Agreement, the Loan Agreement, the Mortgage, the Guaranty, the Assignment of Rents, the Assignment of Agreements, the Bond Purchase Agreement, the Tax Compliance Agreement, the Environmental Compliance and Indemnification Agreement, the Acknowledgment and the other documents, certificates and instruments executed and delivered by the Company in connection with the issuance of the Bonds.

“*Completion Certificate*” means the certificate executed by an Authorized Officer of the Company in accordance with Section 4.5 of the Indenture.

“*Construction Fund*” means the fund established under Section 4.1 of the Indenture.

“*Computation Period*” means “Computation Period” as defined in the Tax Compliance Agreement.

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

“*Continuing Disclosure Agreement*” means the Continuing Disclosure Agreement dated as of June 1, 2011, by and between the Company and the Trustee, as amended or supplemented from time to time.

“*Cost*” or “*Costs*” means all those costs and items of expense relating to (i) the cost of preparing the Plans and Specifications (including any preliminary study or planning of the Project or any aspect thereof); (ii) all costs of constructing, reconstructing and equipping the Project (including architectural, engineering and supervisory services with respect to the Project); (iii) all fees, taxes, charges and other expenses for recording or filing, as the case may be, the Bond Documents, any other agreement contemplated thereby and any financing statements that the Issuer and the Trustee may deem desirable in order to perfect or protect the Issuer’s or the Company’s respective interest in the Project, and any security interests contemplated by the Bond Documents; (iv) all fees and expenses in connection with any actions or proceedings that the Issuer or the Trustee may deem desirable in order to perfect or protect the Issuer’s, the Trustee’s or the Company’s respective interest in the Project; (v) eligible working capital costs; (vi) all legal, accounting and any other fees, costs and expenses incurred in connection with the preparation, printing, reproduction, authorization, issuance, execution, sale and distribution of the Bonds and the Bond Documents and all other documents in connection herewith or therewith, with the acquisition of a leasehold or fee simple interest in the Project and with any other transaction contemplated by the Loan Agreement or the other Bond Documents; (vii) the administrative fee, if any, of the Issuer and the Trustee; (viii) all appraisal and survey costs; (ix) eligible or approved soft costs contemplated by the Bond Documents and all other documents in connection therewith; and (xi) reimbursement to the Company for any of the above-enumerated costs and expenses.

“*Costs of Issuance Fund*” means the fund so designated and created pursuant to Section 4.1 of the Indenture.

“*Costs of the Project*” means all those costs and items of expense relating to (i) the cost of preparing the Plans and Specifications (including any preliminary study or planning of the Project or any aspect thereof); (ii) all costs of constructing, reconstructing and equipping the Project (including architectural, engineering and supervisory services with respect to the Project); (iii) all fees, taxes, charges and other expenses for recording or filing, as the case may

be, the Bond Documents or the documents relating to the Outstanding Prior Bonds, any other agreement contemplated thereby and any financing statements to perfect or protect the Issuer's or the Company's respective interest in the Project, and any security interests contemplated by the Bond Documents or the documents relating to the Outstanding Prior Bonds; (iv) all fees and expenses in connection with any actions or proceedings that the Issuer or the Trustee may deem desirable in order to perfect or protect the Issuer's, the Trustee's or the Company's respective interest in the Project; (v) eligible working capital costs; (vi) all legal, accounting and any other fees, costs and expenses incurred in connection with the preparation, printing, reproduction, authorization, issuance, execution, sale and distribution of the Bonds and the Bond Documents and all other documents in connection herewith or therewith or of the Outstanding Prior Bonds and the documents relating thereto, with the acquisition of a leasehold or fee simple interest in the Project and with any other transaction contemplated by the Loan Agreement or the other Bond Documents or by the documents relating to the Outstanding Prior Bonds; (vii) the administrative fee, if any, of the Issuer and the Trustee; (viii) all appraisal and survey costs; (ix) eligible or approved soft costs contemplated by the Bond Documents, all other documents in connection therewith or the documents relating to the Outstanding Prior Bonds; and (xi) reimbursement to the Company for any of the above-enumerated costs and expenses.

"Debt Service Coverage Ratio" means, with respect to any Fiscal Year, the ratio of aggregate Project Revenues during such Fiscal Year to the sum of Debt Service Payments, Capital Reserves payments, Operating Expense payments, all non-deferred College Expense payments and all other payments required to be made pursuant to the Principal Agreements during such Fiscal Year.

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

"Default" means any Event of Default under either the Indenture or the Loan Agreement or any event or condition which, with the giving of notice or the passage of time or both, would constitute an Event of Default under either the Indenture or the Loan Agreement.

"DTC" means Depository Trust Company.

"Environmental Compliance and Indemnification Agreement" means the Environmental Compliance and Indemnification Agreement dated as of June 1, 2011 by the Company in favor of the Issuer and the Trustee, as amended or supplemented from time to time.

"Equipment" means all furniture, furnishings, machinery and other tangible personal property in and around the Improvements and financed in whole or in part with proceeds of the Outstanding Prior Bonds.

"Event of Bankruptcy" means the filing of a petition in bankruptcy or the filing of a proceeding under the United States Bankruptcy Code or any other applicable insolvency, reorganization or bankruptcy law by or against the Company, any affiliates thereof, any guarantor of the Bonds or the Issuer, as debtor.

"Event of Default" with respect to the Loan Agreement, has the meaning given to such term in Section 30(a) thereof and with respect to the Indenture, Section 8.1 thereof.

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

"Facility Management Agreement" means that certain Facility Management Agreement, dated as of July 1, 2009, by and between the Company and SUNY, as amended or supplemented from time to time.

"Fiscal Year" means the twelve (12) month period beginning on July 1 in any year or such other fiscal year as the Company may select from time to time.

Appendix B

“*Governmental Authority*” means the United States of America, the State, any other state or any political subdivision of any of them, and any agency, department, commission, board, bureau or instrumentality of any of them, having jurisdiction over the Issuer, the Trustee, the Company or the Project.

“*Government Obligations*” means (i) direct obligations of the United States of America or (ii) obligations, the full and timely payment of the principal and interest of which are guaranteed by the United States of America, which are not subject to redemption by the issuer thereof prior to their stated redemption.

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

“*Gross Proceeds*” means one hundred percent (100%) of the proceeds of the transaction with respect to which such term is used, including, but not limited to, the settlement of any insurance claim or Condemnation award.

“*Gross Revenues*” means all Project Revenues, issues, profits, revenues, income, receipts, moneys and royalties derived from all license, lease or rental arrangements for dormitory rooms in the Project, operating revenues and gains from or relating to the Project, determined in accordance with generally accepted accounting principles, including Federal or State grant or other programs, insurance and Condemnation payments and awards and amounts received under the SUNY Agreement and Facility Management Agreement, and also including investment income on all funds and accounts (except the Rebate Fund) held by the Trustee under the Indenture, and all proceeds thereof and rights to receive the same, but excluding (i) any Restricted Gift, or (ii) any income derived from the investment of any such Restricted Gift.

“*Ground Lease*” means that certain Ground Lease dated as of July 1, 2009, by and between SUNY and the Association with respect to the Land, as amended or supplemented from time to time.

“*Guaranty*” means the Guaranty Agreement dated as of June 1, 2011, from the Company to the Trustee, as amended or supplemented from time to time.

“*Holder*” or “*Holder of Bonds*” means Bondowner.

“*Improvements*” means the approximately 225,000 square foot student housing complex consisting of approximately 507 beds, together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements.

“*Indebtedness*” means, for any Person, without duplication: (a) all indebtedness of such Person for borrowed money, for amounts drawn under a letter of credit (other than letters of credit collateralized by cash or cash equivalents, but only to the extent of the amount of such cash or cash equivalents), or for the deferred purchase price of property for which such Person or its assets is liable, (b) all outstanding amounts under a loan agreement, letter of credit (other than letters of credit collateralized by cash or cash equivalents, but only to the extent of the amount of such cash or cash equivalents), or other credit facility, (c) all amounts required to be paid by such Person as a guaranteed payment to partners, members (or other equity holders) or a preferred or special dividend, including any mandatory redemption of shares or interests, (d) all obligations under leases that constitute capital leases for which such Person is liable, (e) all obligations of such Person under interest rate swaps, caps, floors, collars and other interest hedge agreements, in each case whether such Person is liable contingently or otherwise, as obligor, guarantor or otherwise, or in respect of which obligations such Person otherwise assures a creditor against loss, and (f) all Indebtedness referred to in clauses (a), (b), (c), (d) or (e) above guaranteed directly or indirectly in any manner by such Person.

“*Indenture*” means the Trust Indenture dated as of June 1, 2011, by and between the Issuer and the Trustee, entered into in connection with the issuance, sale, delivery and payment of the Bonds and the security therefor as amended or supplemented from time to time.

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

“Information Report” means Form 8038 used by the issuers of certain tax-exempt bonds to provide the Internal Revenue Service with the information required.

“Initial Bond” or *“Initial Bonds”* means the Series 2011A Bonds and the Series 2011B Bonds.

“Interest Account” means the account established in the Bond Fund pursuant to Section 4.1 of the Indenture.

“Interest Payment Date” means April 1 and October 1 of each year, commencing April 1, 2012.

“Issuer” means the (i) Buffalo and Erie County Industrial Land Development Corporation, its successors and assigns, and (ii) any local development corporation resulting from or surviving any consolidation or merger to which the Issuer or its successors may be a party.

“Issuer Documents” means the Bond Purchase Agreement, the Bonds, the Indenture, the Loan Agreement, the Pledge and Assignment, the Assignment of Mortgage, the Tax Compliance Agreement and the Information Report.

“Issuer Fee” means the fee payable to the Issuer attributable to the issuance of the Bonds, as more particularly described in Schedule A attached to the Loan Agreement and made a part thereof.

“Land” means the approximately 3.9 acres of land located at the corner of Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York, as more particularly described in Exhibit A attached to the Mortgage.

“Lien” means any interest in Property securing an obligation owed to a Person, whether such interest is based on the common law, statute or contract, and including, but not limited to, the security interest arising from a mortgage, encumbrance, pledge, conditional sale or trust receipt or a lease, consignment or bailment for security purposes. The term “Lien” includes reservations, exceptions, encroachments, easements, rights of way, covenants, conditions, restrictions and other similar title exceptions and encumbrances, including, but not limited to, mechanics’, materialmen’s, warehousemen’s, carriers’ and other similar encumbrances, affecting real property. For the purposes of this definition, a Person shall be deemed to be the owner of any Property that 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 June 1, 2011, between the Issuer and the Company, as amended or supplemented from time to time.

“Loan Payments” means the loan payments payable by the Company pursuant to Section 7(a) of the Loan Agreement.

“Majority of Owners” means the Owners of more than fifty percent (50%) of the principal amount of all Outstanding Bonds as evidenced by an instrument or instruments executed by said Owners in accordance with the Indenture, and received by the Trustee. Unless an Event of Default has occurred and is continuing or the context requires otherwise, the Company shall be responsible for obtaining any such instruments from a Majority of Owners.

“Management Committee” has the meaning given to such term in the Facility Management Agreement.

“Moody’s” means Moody’s Investors Service, Inc., a Delaware corporation, its successors and assigns, and if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated in writing by the Company.

“Mortgage” means the Leasehold Mortgage and Security Agreement dated as of June 1, 2011, granted by the Company to the Issuer, as amended or supplemented from time to time.

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“*Mortgaged Property*” means the real and personal property described in Section 2.01 of the Mortgage and subject to the Lien created thereby.

“*Net Proceeds*” means so much of the Gross Proceeds with respect to which that term is used as remain after payment of all expenses, costs and taxes (including attorneys’ fees) incurred in obtaining such Gross Proceeds.

“*Office of the Trustee*” means the principal corporate trust office of the Trustee as specified in the Indenture or at such other address as Trustee shall designate.

“*Official Statement*” means the Official Statement dated May 26, 2011, delivered in connection with the offering and sale of the Initial Bonds.

“*Operating Account*” means the account established by the Company pursuant to Section 10(c) of the Loan Agreement.

“*Operating Expense*” means the aggregate of the following expenses incurred in connection with or arising from the ownership, operation, management, repair, maintenance and use or occupancy of the Project: (i) license and permit fees, real estate taxes, assessments and payments in lieu thereof, and any other charges of any kind or nature imposed or assessed against the Project by any Governmental Authority; (ii) legal, accounting, engineering and other professional and consulting fees and disbursements; (iii) accounts payable to third-party contractors and vendors providing labor, material, services and equipment to the Project; (iv) premiums for insurance paid with respect to the Project or the operations thereof; (v) costs of capital maintenance, repairs, reserves and replacements of any equipment dedicated to the Project; (vi) service contracts and public utility charges not supplied by the College to the Project; and (vii) costs of credit reports, bank charges and like matters. For purposes of the Bond Documents, Operating Expenses shall include College Expenses.

“*Operation and Maintenance Fund*” means the fund so designated and created pursuant to Section 4.1 of the Indenture.

“*Opinion of Bond Counsel*” means an approving legal opinion given by Bond Counsel with respect to the validity, binding nature and enforceability of the Bonds.

“*Opinion of Counsel*” means a written opinion of counsel who is acceptable to the Issuer and the Trustee. In rendering any such written opinion, counsel may rely upon certificates from appropriate individuals with respect to relevant factual matters, *provided that* nothing has come to their attention which would lead them to believe that any of the representations contained in any such Certificate are inaccurate in any respect.

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

“*Outstanding*” or “*Bonds Outstanding*” or “*Outstanding Bonds*” mean all Bonds that have been authenticated by the Trustee and delivered by the Issuer under the Indenture, or any Supplemental Indenture, except: (a) any Bond cancelled by the Trustee because of payment or redemption prior to maturity; (b) any Bond deemed paid in accordance with the provisions of Section 3.1 of the Indenture, except that any such Bond shall be considered Outstanding until the maturity date thereof only for the purposes of being exchanged or registered; (c) any Bond for the redemption of which there has been separately set aside and held in the Bond Fund moneys in an amount sufficient to effect payment of the principal and applicable Redemption Price thereof, together with accrued interest on such Bond to the Redemption Date, in accordance with Section 3.1(f) of the Indenture, (d) any Bond in lieu of or in substitution for which another Bond shall have been authenticated and delivered pursuant to Article II of the Indenture, unless proof satisfactory to the Trustee is presented that any Bond, for which a Bond in lieu of or in substitution therefor shall have been authenticated and delivered, is held by a bona fide purchaser, as that term is defined in Article 8 of the Uniform Commercial Code of the State as amended, in which case both the Bond so substituted and replaced and the Bond or Bonds so authenticated and delivered in lieu thereof or in substitution therefor shall be deemed Outstanding.

“*Outstanding Prior Bonds*” means the Prior Tax-Exempt Bonds and the Prior Taxable Bonds.

“*Owner*” means the registered owner of any Bond as shown on the registration books maintained by the Bond Registrar pursuant to the Indenture. For so long as the Bonds are held by DTC, the registered owner shall be Cede & Co.

“*Parity Bonds*” means the Initial Bonds and any series of Additional Bonds issued on parity with the Initial Bonds and any other series of Additional Bonds, if any, subsequently issued under the Indenture.

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

“*Permitted Encumbrances*” means when used in connection with the Project any of the following:

- (i) The Lien of taxes and assessments which are not delinquent;
- (ii) The Lien of taxes and assessments which are delinquent, but the validity of which is being contested in good faith in accordance with the Loan Agreement;
- (iii) Minor defects and irregularities in the title to such property which do not in the aggregate materially impair the use of such property for the purposes for which it is or may be reasonably be expected to be held;
- (iv) Easements, exceptions or reservations for the purpose of pipelines, telephone lines, telegraph lines, power lines and substations, roads, streets, alleys, highways, railroad purposes, drainage and sewerage purposes, dikes, canals, laterals, ditches, the removal of oil, gas, coal or other minerals, and other like purposes, or for the joint or common use of real property, facilities and equipment, which do not materially impair the use of such property for the purposes for which it is or may be reasonably be expected to be held;
- (v) The Mortgage, the Assignment of Rents and the Assignment of Agreements;
- (vi) Security interests, Liens and other encumbrances to secure the purchase price of any equipment or furnishings, and any other Liens, pledges, charges and encumbrances;
- (vii) Any instrument recorded pursuant to Section 21 of the Loan Agreement; and
- (viii) Such other encumbrances, defects, and irregularities to which the prior written consent of the Issuer and the Trustee has been obtained.

“*Permitted Investments*” has the meaning given to such term in Section 4.18 of the Indenture.

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

“*Plans and Specifications*” means the plans and specifications for the Improvements prepared for the Company as revised from time to time.

“*Pledge and Assignment*” means the Pledge and Assignment with Acknowledgment dated as of June 1, 2011, from the Issuer to the Trustee with the Acknowledgment, as amended or supplemented from time to time.

“*Pledged Revenue Fund*” means the fund so designated and created pursuant to Section 4.1 of the Indenture

“*Pledged Revenues*” means (i) Gross Revenues and all amounts payable by, or on behalf of, the Company pursuant to the Company Documents, including all Loan Payments made or to be made under the Loan Agreement (except payments made with respect to the Unassigned Rights), (B) all payments received by the Trustee from or on behalf

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of the Company, (C) all other amounts pledged to the Trustee by the Issuer or the Company to secure the Bonds or performance of their respective obligations under the Loan Agreement and the Indenture, (D) the Net Proceeds (except proceeds with respect to the Unassigned Rights) of insurance and Condemnation awards with respect to the Project, (E) the Net Proceeds received by the Trustee with respect to any other collateral granted to the Trustee to secure the Bonds, (F) all moneys and investments held from time to time in each fund and account established under the Indenture, and investment income thereon, except (1) for moneys and investments held by the Rebate Fund, (2) moneys deposited with or paid to the Trustee for the redemption of Bonds, notice of which has been duly given, and (3) as specifically otherwise provided, and (G) all other moneys received or held by the Trustee for the benefit of the Holders of Bonds pursuant to the Indenture. Notwithstanding anything to the contrary, amounts held in the Rebate Fund shall *not* be considered Pledged Revenues and shall not be subject to the Lien of the Indenture, and amounts held therein shall not secure any amount payable on the Bonds.

“Preliminary Official Statement” means the Preliminary Official Statement dated May 18, 2011, delivered in connection with the offering and sale of the Initial Bonds.

“Principal Account” means the account established in the Bond Fund pursuant to Section 4.1 of the Indenture.

“Principal Agreements” means the Indenture, the Ground Lease, the Sublease and the Loan Agreement.

“Principal User” means a principal user as that term is defined in the Tax Compliance Agreement.

“Prior Tax-Exempt Bonds” means, collectively, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-2, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009B, the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1, and the Buffalo and Erie County Industrial Land Development Corporation Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2.

“Prior Taxable Bonds” means the Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-3 and the Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-4.

“Prior Trustee” means Manufacturers and Traders Trust Company, as trustee of the Outstanding Prior Bonds.

“Project” means the Land, the Improvements and the Equipment.

“Project Bonds” has the meaning given to such term in Section 2.12 of the Indenture.

“Project Revenues” means license fees and other charges to be paid by the occupants of the Project.

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

“Rating Agency” means Standard & Poor’s and any of its successors or assigns.

“Rebate Amount” means with respect to the Bonds, the amount computed as described in the Tax Compliance Agreement.

“Rebate Fund” means the Fund so designated pursuant to Section 4.1 of the Indenture.

“Record Date” means the close of business on the fifteenth (15th) day of the calendar month next preceding an Interest Payment Date.

“*Redemption Account*” means the account established in the Bond Fund pursuant to Section 4.1 of the Indenture.

“*Redemption Date*” means, when used with respect to a Bond, the date upon which a Bond is scheduled to be redeemed pursuant to the Indenture.

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

“*Refunding Bonds*” has the meaning given to such term in Section 2.12 of the Indenture.

“*Related Person*” means with respect to any Principal User, a Person who is a related person as determined in Section 144(a)(3) of the Code by reference to Sections 267, 707(b) and 1563(a) of the Code, except that fifty percent (50%) is substituted for eighty percent (80%) in Section 1563(a).

“*Repair and Replacement Fund*” means the Fund so designated pursuant to Section 4.8 of the Indenture.

“*Repair and Replacement Fund Requirement*” means \$4,600,000 and shall initially be funded in six annual installments commencing in the Fiscal Year ended June 30, 2012 in the following amounts \$600,000 for the Fiscal Year ended June 30, 2012, \$600,000 for the Fiscal Year ended June 30, 2013, \$700,000 for the Fiscal Year ended June 30, 2014, \$800,000 for the Fiscal Year ended June 30, 2015, \$900,000 for the Fiscal Year ended June 30, 2016 and \$1,000,000 for the Fiscal Year ended June 30, 2017.

“*Restricted Gift*” means, when used in connection with the Project, any gift, grant or bequest of money or other property made or given by any person the use of which has been restricted by such person to paying any cost or expense of the Project.

“*Schedule of Definitions*” means the words and terms set forth in the Schedule of Definitions attached to the Indenture, as amended or supplemented from time to time.

“*Security Documents*” means the Guaranty, the Mortgage, the Assignments of Rents and the Assignment of Agreements.

“*Series 2011A Bonds*” means the Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000.

“*Series 2011B Bonds*” means the Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000.

“*Sinking Fund Installments*” means the mandatory sinking fund installments payable by the Company pursuant to Section 3.1(b) of the Indenture.

“*Standard & Poor’s*” means Standard & Poor’s Ratings Group, a division of The McGraw-Hill Companies, Inc., its successors and assigns, and, if such rating agency shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally-recognized securities rating agency designated in writing by the Company.

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

“*Stated Maturity*” means, when used with respect to any Bond or any installment of interest thereon, the date specified in such Bond as the fixed date on which the principal of such Bond or such installment of interest on such Bond is due and payable.

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“*Sublease*” means that certain Sublease Agreement dated as of July 1, 2009, between the Association and the Company, as amended or supplemented from time to time in accordance with its terms.

“*Subordinate Bonds*” means any series of Additional Bonds issued pursuant to a Supplemental Indenture that provides that such series of Bonds is subordinate to the Parity Bonds and the Lien of the Indenture and Trust Estate securing any Parity Bonds.

“*Supplemental Indenture*” means any indenture amending or supplementing the Indenture which may be entered into in accordance with the Indenture.

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

“*SUNY Agreement*” means that certain Agreement dated as of June 1, 2011, by and between the Company and SUNY, as amended or supplemented from time to time.

“*Surplus Fund*” means the Fund so designated pursuant to Section 4.1 of the Indenture.

“*Tax Compliance Agreement*” means the Tax Compliance Agreement dated the Closing Date executed by the Company and the Issuer regarding, among other things, the restrictions prescribed by the Code in order for interest on the Series 2011A Bonds to remain excludable from gross income for federal income tax purposes.

“*Title Policy*” means leasehold mortgagee title policy issued by Stewart Title Company to the Issuer and the Trustee, as of the Closing Date.

“*Transfer Date*” means September 25 (or if not a Business Day, the next succeeding Business Day) and March 25 (or if not a Business Day, the next succeeding Business Day), commencing September 25, 2011.

“*Trustee*” means Manufacturers and Traders Trust Company, a banking corporation organized and existing under the laws of the State of New York, having an office for the transaction of business located at One M&T Plaza, 7th Floor, Buffalo, New York 14203, or any successor trustee or co-trustee acting as trustee under the Indenture.

“*Trust Estate*” means all Property which may from time to time be subject to a Lien in favor of the Trustee created by the Indenture or any other Issuer Document.

“*UCC*” means the State Uniform Commercial Code as amended from time to time.

“*Unassigned Rights*” means:

(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 Company to complete the Project;

(iv) the right of the Issuer to enforce or otherwise exercise in its own behalf all agreements of the Company with respect to ensuring that the Project shall always constitute a qualified “project” as defined in and as contemplated by the Act;

(v) the right of the Issuer to require any indemnity from any Person;

(vi) 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 2, 3, 4, 5, 6, 7(a)(i), (vi), (vii),

and (viii), 7(c), 15, 16, 17, 18, 20, 22, 23, 24, 25, 26, 27, 29, 30, 36, 37, 39, 40, 41 and 44 of the Loan Agreement; and

(vii) the right of the Issuer in its own behalf to declare an Event of Default under Section 30 of the Loan Agreement or with respect to any of the Issuer's Unassigned Rights.

Notwithstanding the preceding sentence, to the extent the obligations of the Company under the Sections of the Loan Agreement listed above do not relate to the payment of moneys to the Issuer for its own account or to the members, officers, agents and employees of the Issuer for their own account, such obligations, upon assignment of the Loan Agreement by the Issuer to the Trustee pursuant to the Assignment, shall be deemed to and shall constitute obligations of the Company to the Issuer and the Trustee, jointly and severally, and either the Issuer or the Trustee may commence an action to enforce the Company's obligations under the Loan Agreement.

“*Underwriter*” means M&T Securities, Inc., as original purchaser of the Initial Bonds on the Closing Date.

SUMMARY OF CERTAIN PROVISIONS OF THE LOAN AGREEMENT

The following is a summary of certain provisions of the Loan Agreement pertaining to the obligations of the Company and the Project. This summary does not purport to be complete and reference is made to the Loan Agreement for full and complete descriptions of the terms thereof.

Compliance with Indenture

The Issuer and the Company agree that the Loan Agreement is executed in part to induce the purchase by others of the 2011 Bonds. Accordingly, all covenants and agreements on the part of the Issuer and the Company set forth in the Loan Agreement are declared to be for the benefit of the Trustee and the Owners from time to time. The Company covenants and agrees that it will comply with the provisions of the Indenture with respect to the Company and that the Trustee will have the power, authority, rights and protections provided in the Indenture.

(Section 2)

Project Completion

The Company represents that the construction and equipping of the Project have been completed and that all permits and approvals of Governmental Authorities necessary for the use and occupancy of the Project have been obtained.

(Section 3)

Use of Proceeds in Construction Fund

(a) Subject to the conditions of the Loan Agreement and the Tax Compliance Agreement, the Issuer will, to the extent of moneys available in the Construction Fund, cause the Company to be reimbursed for, or pay, any costs and expenses incurred by the Company which constitute Costs of the Project. To the extent that moneys are available therefor, moneys in the Construction Fund shall be disbursed in accordance with the terms of the Indenture. Except as otherwise disclosed to, and agreed to by, the Issuer and the Trustee in writing, delivery of a Construction Fund requisition by the Company shall constitute a representation by the Company that it has complied with all provisions of the Loan Agreement and the Tax Compliance Agreement, including, but not limited to those related to the use of the Project and certain non tax-exempt purposes.

(b) The Company will receive the disbursements of moneys in the Construction Fund to be made under the Loan Agreement, and will hold the right to receive the same, as a trust fund for the purpose of paying the Costs of the Project for which each disbursement was made, and will apply the same first to such payment before using any part thereof for any other purposes.

(c) The Company agrees to retain all documents pertaining to expenditures for items which constitute Costs of the Project for at least seven (7) years after the date of completion of the Project to which such documents relate. All such documents shall be made available to the Issuer and its authorized representatives for inspection upon reasonable prior notice.

(d) The Company acknowledges and agrees that disbursements from the Construction Fund are to be made by the Trustee and shall be made in accordance with the Indenture only upon receipt by the Trustee of the documents required by the Indenture to be executed and delivered in connection with such disbursements.

(e) The Project shall be deemed to be complete upon delivery to the Issuer and the Trustee of a Completion Certificate signed by an Authorized Officer of the Company which certificate shall be delivered as soon as practicable after the completion of such Project. Any such Certificate shall comply with the requirements of Section 4.5 of the Indenture. The moneys, if any, remaining in the Construction Fund after such Project has been deemed to be complete shall be paid as provided in Section 4.5 of the Indenture.

(Section 4)

Compliance with Governmental Requirements

The Company will comply with (i) all Governmental Requirements which, if not complied with, could adversely affect the Company, its operation or financial condition or title to its Properties in any material respect, and (ii) any requirement of an insurance company writing insurance thereon irrespective of the nature of the work required to be done. Anything contained in the Loan Agreement to the contrary notwithstanding, the Company will have the right to contest the validity of any Governmental Requirement or the application thereof at the Company's sole cost and expense. During such contest, compliance with any such contested Governmental Requirement may be deferred by the Company, provided that prior to commencing any action or proceeding, administrative or judicial, contesting such Governmental Requirement the Company notifies the Issuer and the Trustee of the Company's intention to contest such Governmental Requirement and, if the Issuer or the Trustee reasonably requests, furnishes to the Issuer and the Trustee a surety bond, moneys or other security, satisfactory to the Issuer and the Trustee (each in its sole discretion), securing compliance with the contested Governmental Requirement and payment of all interest, penalties, fines, fees and expenses resulting from or in connection with such contest or the failure of the Company to comply with the contested Governmental Requirement. Any such action or proceeding instituted by the Company will be commenced as soon as is reasonably possible after the assertion of the applicability to the Project or any part thereof of the contested Governmental Requirement by a Governmental Authority, and will be prosecuted to final adjudication or other final disposition with reasonable dispatch. Notwithstanding the furnishing of any bond, deposit or other security, the Company promptly will comply with any such Governmental Requirement and compliance will not be deferred if at any time the Project or any part thereof to which such contested Governmental Requirement relates would, in the reasonable judgment of the Issuer or the Trustee, be in substantial danger by reason of the Company's noncompliance with such Governmental Requirement of being sold, attached, forfeited, foreclosed, transferred, conveyed, assigned or otherwise subjected to any proceeding, equitable remedy, Lien, charge, fee or penalty that would impair (i) the interests or security of the Issuer or the Trustee under the Loan Agreement or under the Indenture or the Mortgage, (ii) the ability of the Issuer to enforce its rights thereunder, (iii) the ability of the Issuer or the Trustee to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement or under the Indenture, or (iv) the ability of the Company to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement or under the Mortgage.

(Section 6)

Financial Obligations

(a) Except to the extent that moneys are available therefor under the Indenture or under the Loan Agreement, including moneys in the funds established under the Indenture, and interest accrued but unpaid on investments held in such funds, the Company unconditionally agrees to pay or cause to be paid, so long as Bonds are Outstanding, to or upon the order of the Issuer, from its general funds or any other moneys legally available to it:

(i) On or before the date of delivery of the 2011 Bonds, the Issuer Fee agreed to by the Issuer and the Company in connection with issuance of the 2011 Bonds;

(ii) On or before the date of delivery of the 2011 Bonds, such amount, if any, as is required, in addition to the proceeds of such Bonds available therefor, to pay the costs of issuance of the 2011 Bonds, and other costs in connection with the issuance of the 2011 Bonds;

(iii) On the tenth day preceding a Bond Payment Date an amount sufficient to provide funds to pay the principal of, and interest on, the 2011 Bonds on such Bond Payment Date;

(iv) At least ten (10) days prior to any date on which the Redemption Price of Bonds previously called for redemption, is to be paid, the amount required to pay the Redemption Price of such Bonds;

(v) Promptly after notice from the Issuer, but in any event not later than fifteen (15) days after such notice is given, the amount set forth in such notice as payable to the Issuer (A) for the Issuer Fee then unpaid, (B) to reimburse the Issuer for any expenses or liabilities incurred by the Issuer pursuant to Section 24, 26 or 29 of the Loan Agreement, (C) to reimburse the Issuer for any external costs or expenses incurred by it attributable to the

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issuance of the 2011 Bonds or the financing or construction of the Project, and (D) for the costs and expenses incurred by the Issuer to compel full and punctual performance by the Company of all the provisions of the Loan Agreement or of the Mortgage or of the Indenture in accordance with the terms thereof;

(vi) Promptly upon notice from the Trustee or any Paying Agent, to pay or reimburse for the fees and expenses of the Trustee and any Paying Agent for fees, charges and expenses thereof pursuant to the Indenture;

(vii) Promptly upon demand by the Issuer (a copy of which will be furnished to the Trustee), all amounts required to be paid by the Company as a result of an acceleration pursuant to Section 30 of the Loan Agreement;

(viii) Promptly upon demand by the Issuer, the difference between the amount on deposit in the Rebate Fund available to be rebated in connection with the 2011A Bonds or otherwise available therefore under the Indenture and the amount required to be rebated to the Department of the Treasury of the United States of America in accordance with the Code in connection with the 2011A Bonds; and

(ix) To the extent not otherwise set forth in Section 7(a) of the Loan Agreement, including, without limitation, in the event of any insufficiency, any amounts necessary to pay the principal or Redemption Price, if any, of, and interest on, the 2011 Bonds, on the dates, in the amounts, at the times and in the manner provided in or pursuant to the Indenture, whether at maturity, upon acceleration, redemption, purchase or otherwise.

The Issuer directs the Company, and the Company agrees, to make the payments required by Section 7(a) of the Loan Agreement as follows: (i) the payments required by paragraphs (a)(iii), (a)(iv), (a)(vii) and (a)(ix) of Section 7(a) of the Loan Agreement directly to the Trustee for deposit in the Pledged Revenue Fund and application in accordance with Section 4.5 of the Indenture and by paragraph (a)(viii) of Section 7(a) of the Loan Agreement directly to the Trustee for deposit and application in accordance with Section 4.12 of the Indenture; (ii) the payments required by paragraph (a)(ii) of Section 7(a) of the Loan Agreement directly to the Trustee for deposit in the Costs of Issuance Fund established under the Indenture, as directed by the Issuer; (iii) the payments required by paragraph (a)(vi) directly to the Trustee or Paying Agent, as the case may be; and (iv) the payments required by paragraphs (a)(i) and (a)(v) of Section 7(a) of the Loan Agreement directly to the Issuer.

(b) All moneys paid by the Company to the Trustee pursuant to the Loan Agreement or otherwise held by the Trustee will be deposited and applied in accordance with the Sections 4.3 and 4.5 of the Indenture, *provided that* if an Event of Default has occurred and is continuing, all such moneys will be applied in accordance with Section 8.5 of the Indenture. Except as otherwise provided in the Indenture, the Trustee will hold such moneys in trust in accordance with the applicable provisions of the Indenture for the sole and exclusive benefit of the Holders of Bonds, regardless of the actual due date or applicable payment date of any payment to the Holders of Bonds.

(c) The Company will comply with the requirements of the Indenture regarding funding the Costs of Issuance Fund, the Repair and Replacement Fund and the Insurance and Condemnation Fund.

(d) The obligations of the Company to make payments or cause the same to be made under the Loan Agreement are absolute and unconditional and the amount, manner and time of making such payments will not be decreased, abated, postponed or delayed for any cause or by reason of the happening or non-happening of any event, irrespective of any defense or any right of set-off, recoupment or counterclaim which the Company may otherwise have against the Issuer, the Trustee, the Trustee or any Holder of Bonds for any cause whatsoever including, without limiting the generality of the foregoing, failure of the Company to complete the Project or the completion thereof with defects, failure of the Company to occupy or use the Project, any declaration or finding that the 2011 Bonds or the Indenture is invalid or unenforceable or any other failure or default by the Issuer or the Trustee; *provided, however,* that nothing in the Loan Agreement will be construed to release the Issuer from the performance of any agreements on its part in the Loan Agreement contained or any of its other duties or obligations, and in the event the Issuer will fail to perform any such agreement, duty or obligation, the Company may institute, subject to Section 9 of the Loan Agreement, such action as it may deem necessary to compel performance or recover damages for non-performance.

The Loan Agreement and the obligations of the Company to make payments thereunder are general obligations of the Company.

(e) The Company, if it is not then in default under the Loan Agreement and if no Event of Default would be caused thereby, will have the right to make voluntary prepayments of all or a portion of Loan Payments in any amount to the Trustee, to be applied to the Redemption Price. In the event of a voluntary payment, the amount so paid will be deposited in the Pledged Revenue Fund and applied in accordance with the Indenture. Upon any voluntary payment by the Company, the Issuer agrees to direct the Trustee to redeem Bonds in accordance with the Indenture; *provided, however*, that in the event such voluntary payment is in the sole judgment of the Issuer sufficient to pay all amounts then due under the Loan Agreement and under the Indenture, including the redemption of all Bonds Outstanding, the Issuer agrees, in accordance with the instructions of the Company, to direct the Trustee to redeem all Bonds Outstanding.

(Section 7)

Financial Covenants; No Indebtedness Secured by Project or Gross Revenues

(a) The Company will cause the Project to maintain at all times while the 2011 Bonds remain Outstanding a Debt Service Coverage Ratio of 1.10 to 1.00. At all times while the 2011 Bonds remain Outstanding, the Company will submit to the Trustee the Company's calculation of the Debt Service Coverage Ratio when it submits such calculation to SUNY in accordance with the terms of the SUNY Agreement, but in no event later than 120 days after the end of the Company's Fiscal Year.

(b) So long as any of the 2011 Bonds will remain Outstanding, the Company will not, nor will it permit any subsidiary to, directly or indirectly, (i) create, assume, incur or in any manner become or remain liable in respect to, any Indebtedness secured by the Project or the Gross Revenues; or (ii) create, assume, incur or suffer to exist or allow to be created, assumed or incurred or suffered to exist any Lien upon the Project or Gross Revenues, now owned or hereafter acquired, excepting, however, Permitted Encumbrances; *provided, however*, that notwithstanding the provisions of Section 8 of the Loan Agreement to the contrary, the Company may, in the ordinary course of its operations, make, modify, terminate and otherwise deal with student licenses for use of dormitory rooms included in the Project, without the consent of the Issuer or the Trustee, in a manner consistent with normal College practice, *provided* that no such actions on the part of the Company will waive, release, limit, modify or impair any obligations or liabilities of SUNY under the SUNY Agreement.

(Section 8)

No Liability

(a) All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Loan Agreement, the 2011 Bonds, the other Bond Documents and the other documents and instruments connected therewith will be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, agent or employee of the Issuer in his or her individual capacity, and no recourse under or upon any obligation, covenant or agreement contained in the Loan Agreement, the Bond Documents and the 2011 Bonds or otherwise based upon or in respect to the Bond Documents and the 2011 Bonds or any documents supplemental thereto, or for any of the 2011 Bonds or for any claim based thereon or otherwise in respect thereof, will be had against any past, present or future member, director, officer, agent or employee, as such, of the Issuer, or any successor local development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, or any Person executing the Loan Agreement, the other Bond Documents and the 2011 Bonds either directly or through the Issuer or any successor to the local development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, it being expressly understood that the Issuer Documents and the 2011 Bonds will not constitute or give rise to a general obligation of the Issuer, but rather will constitute special limited obligations of the Issuer, payable solely from the Loan Payments received by the Issuer (except with respect to the Unassigned Rights) and other revenues or Property pledged under the Indenture, and that no such personal liability whatsoever will attach to, or is or will be incurred by, the Issuer or any such member, director, officer, agent or employee of the Issuer or of any such successor local development

corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, or any Person executing the 2011 Bonds because of the creation of the indebtedness authorized thereby, or under or by reason of the obligations, covenants or agreements contained in the Bond Documents or in any of the 2011 Bonds or implied therefrom, and that any and all such personal liability of, and any and all such rights and claims against, the Issuer and every such member, director, officer, agent or employee because of the indebtedness authorized by the Loan Agreement, or under or by reason of the obligations, covenants or agreements contained in the Bond Documents or in any of the 2011 Bonds or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of and as a consideration for the execution of the Bond Documents and the issuance of the 2011 Bonds. The limitations on the obligations of the Issuer contained in Section 9 of the Loan Agreement by virtue of any lack of assurance required by Section 9(b) will not be deemed to prevent the occurrence and full force and effect of any Event of Default pursuant to Section 30 of the Loan Agreement.

(b) No order or decree of specific performance with respect to any of the obligations of the Issuer under the Loan Agreement will be sought or enforced against the Issuer unless (i) the party seeking such order or decree has first requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days will have elapsed from the date of receipt of such request, and the Issuer has refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, has failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, and (ii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree will have placed in an account with the Issuer an amount or undertaking which, in the sole discretion of the Issuer, is sufficient to cover such reasonable fees and expenses, and (iii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, directors, officers, agents or employees will be subject to potential liability, the party seeking such order or decree will (A) agree to indemnify and hold harmless the Issuer and its members, officers, directors, agents and employees against any liability incurred as a result of its compliance with such demand, and (B) if requested by the Issuer, furnish to the Issuer security which, in the sole discretion of the Issuer, is sufficient to protect the Issuer and its members, directors, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request.

(c) The obligations and agreements of the Issuer contained in the Loan Agreement will not constitute or give rise to an obligation of the State or any municipality or subdivision thereof (including Erie County, New York) and neither the State nor any municipality or political subdivision thereof (including Erie County, New York) will be liable thereon.

(Section 9)

Pledge of Gross Revenues; Application of Gross Revenues; Operating Account

(a) As security for the payment of all liabilities and the performance of all obligations of the Company pursuant to the Loan Agreement, the Company continuously pledges, grants a security interest in and assigns to the Issuer the Gross Revenues, together with the Company's right to receive and collect the Gross Revenues and the proceeds of the Gross Revenues.

The Company represents and warrants that no part of the Gross Revenues or any right to receive or collect the same or the proceeds thereof is subject to any Lien or assignment and that the Gross Revenues assigned pursuant to the Loan Agreement are legally available to provide security for the Company's performance under the Loan Agreement. The Company covenants that, except in connection with the issuance of Additional Bonds pursuant to the Indenture, it will not create or permit the creation of any Lien on or other commitment of or with respect to the Gross Revenues or the Project.

(b) The Company agrees to collect and transfer the Gross Revenues, as the same are due, to the Trustee for deposit to the Pledged Revenue Fund and to no other account. The Company shall provide a Certificate of an Authorized Representative of the company and the Budget to the Trustee in accordance with Section 4.5 of the Indenture with respect to each transfer of Gross Revenues. The Company agrees that the Gross Revenues shall be used only for the purpose and in the manner provided in the Loan Agreement, or as provided in the Indenture.

(c) The Company will establish the Operating Account to be held separate and apart from all other accounts of the Company. The Company will pay Operating Expenses from the Operating Account. The Company will cause the depository of the Operating Account to enter into a written deposit account control agreement, which will be satisfactory in form and substance to the Trustee, and pursuant to which the depository will agree (i) that amounts on deposit therein constitute Pledged Revenues that the depository holds on deposit in the Operating Account for the Trustee for the benefit of the Owners of the 2011 Bonds, and (ii) to transfer the Pledged Revenues on deposit therein to the Trustee upon receipt from the Trustee of notice stating that delivery of such Pledged Revenues is required. Except for the Operating Account, the Company will not create any other accounts or deposit any moneys with a financial institution. If invested, moneys in the Operating Account will be invested in Permitted Investments.

(Section 10)

Collection of Gross Revenues

In the event that, pursuant to Section 30(b)(v) of the Loan Agreement, the Issuer notifies the Company that account debtors are to make payments directly to the Issuer or to the Trustee, such payments will be made directly to the Issuer or the Trustee notwithstanding anything contained in Section 11 of the Loan Agreement, but the Company will continue to deliver to the Trustee for deposit in accordance with Section 4.3 of the Indenture any payments received by the Company with respect to the Gross Revenues.

(Section 11)

Covenants With Respect to SUNY Agreement and Facility Management Agreement

The Company agrees and covenants with respect to the SUNY Agreement to (i) perform all of the obligations of the Owner (as defined in the SUNY Agreement) under the SUNY Agreement and enforce the timely payment, performance and observance of the covenants, conditions and terms thereof by SUNY; (ii) not later than August 15 of each Fiscal Year, commencing August 15, 2011, the Company will determine in good faith, based upon licenses actually entered into by the Company as of such date, whether or not the projected Project occupancy for such Fiscal Year will be sufficient to achieve the level of the Project Revenues required under the terms of the Facility Management Agreement, and will give written notice of such determination (including supporting computations in reasonable detail) to the Trustee, the Issuer and the Underwriter; if such determination is that the projected Project occupancy for such Fiscal Year will not be sufficient to achieve the level of Project Revenues required under the terms of the Facility Management Agreement, the Company will immediately give written notice thereof to SUNY and shall secure licenses from SUNY in accordance with the terms and conditions of the SUNY Agreement; (iii) obtain payment from SUNY of the then established license rates for the Project with respect to the units licensed by SUNY as will be necessary to achieve the level of Project Revenues required under Section 4.1 of the SUNY Agreement; (iv) take any and all action required to implement and enforce the SUNY Agreement; and (v) not consent to any amendment thereto or termination thereof without first obtaining the prior written consent of the Trustee.

The Company agrees and covenants with respect to the Facility Management Agreement to (i) perform all of the obligations of Owner under the Facility Management Agreement and enforce the timely payment, performance and observance of the covenants, conditions and terms thereof by SUNY as manager and the College; (ii) cause SUNY to transfer all Project Revenues to the Trustee in accordance with the Facility Management Agreement; (iii) take any and all action required to implement the Facility Management Agreement; and (iv) not consent to any amendment thereto or termination thereof without first obtaining the prior written consent of the Trustee.

(Section 12)

Mortgage; Warranty of Title; Utilities and Access

At or before the delivery by the Issuer of the 2011 Bonds, the Company will execute and deliver to the Issuer the Mortgage, in recordable form, mortgaging the Mortgaged Property acceptable to the Issuer.

Appendix B

The Company warrants and represents to the Issuer that (i) it has good and marketable leasehold title to the Land and Improvements and good and marketable title to the Equipment, free and clear of Liens and encumbrances, except Permitted Encumbrances, so as to permit it to have quiet enjoyment and use thereof for purposes hereof and the Company's programs, and (ii) the Company has such rights of way, easements or other rights in land as may be reasonably necessary for ingress and egress to and from the Project and the Mortgaged Property for proper operation and utilization of the Project and the Mortgaged Property and for utilities required to serve the Project and such Mortgaged Property, together with such rights of way, easements or other rights in, to and over land as may be necessary for construction, use and operation by the Company of the Project and the Mortgaged Property.

As a condition precedent to the Issuer's obligation to deliver such Bonds, the Company agrees to provide the Title Policy and a current survey or surveys, including a metes and bounds description, of such Mortgaged Property; certified to, among others, the Issuer, the Trustee and the issuer of the Title Policy and showing any easements to which the Mortgaged Property is subject.

The Company warrants, represents and covenants that (i) title to the Project and the Mortgaged Property will be kept free from any encumbrances, Liens or commitments of any kind, other than Permitted Encumbrances, (ii) the Project and the Mortgaged Property is and will be serviced by all necessary utilities (including, to the extent applicable, without limitation, electricity, gas, water, sewer, steam, heating, air-conditioning and ventilation), and (iii) to the extent applicable, has and will have its own separate and independent means of access, apart from any other Property owned by the Company or others; *provided, however*, that such access may be through common roads or walks owned by the Company used also for other parcels owned by the Company.

(Section 13)

Consent to Pledge and Assignment

The Company consents to and authorizes the assignment, transfer or pledge by the Issuer to the Trustee of the Issuer's rights to receive any or all of the payments required to be made pursuant to Section 7(a) of the Loan Agreement, any or all security interests granted by the Company under the Loan Agreement, including, without limitation, the security interest in the Gross Revenues given by the Company pursuant to Section 10 of the Loan Agreement, the Mortgage, any security interest in the fixtures, furnishings and equipment located on the Mortgaged Property and all funds and accounts established by the Indenture (other than the Rebate Fund) and pledged under the Indenture, in each case to secure any payment or the performance of any obligation of the Company under the Loan Agreement or arising out of the transactions contemplated by the Loan Agreement whether or not the right to enforce such payment or performance is specifically assigned by the Issuer to the Trustee. The Company further agrees that the Issuer may pledge and assign to the Trustee any and all of the Issuer's rights and remedies under the Loan Agreement. Upon any pledge and assignment by the Issuer to the Trustee authorized by Section 14 of the Loan Agreement, the Trustee will be fully vested with all of the rights of the Issuer so assigned and pledged and may thereafter exercise or enforce, by any remedy provided therefor by the Loan Agreement or by law, any of such rights directly in its own name. Any such pledge and assignment is limited to securing the Company's obligation to make all payments required under the Loan Agreement and to performing all other obligations required to be performed by the Company under the Loan Agreement. Any realization upon any Lien granted by the Loan Agreement not, by operation of law or otherwise, result in cancellation or termination hereof or the obligations of the Company under the Loan Agreement.

(Section 14)

Additional Representations and Warranties

The Company warrants and represents that (i) it has the requisite power and authority (A) to authorize, execute and deliver, and to perform its obligations under the Loan Agreement, the Mortgage, the SUNY Agreement, the Sublease, the Facility Management Agreement and the other Company Documents, (B) to incur the Indebtedness contemplated thereby and (C) to make the Lien on the Gross Revenues given by Section 10 of the Loan Agreement and to mortgage the Mortgaged Property; (ii) each of the Loan Agreement, the Mortgage, the SUNY Agreement, the Sublease, the Facility Management Agreement and the other Company Documents constitutes the valid and binding obligation of the Company enforceable in accordance with its terms, subject to bankruptcy, insolvency,

reorganization, moratorium or similar laws affecting or relating to the rights of creditors generally and general principles of equity; (iii) the execution and delivery of, consummation of the transaction contemplated by and performance of the Company's obligations under the Loan Agreement, the Mortgage, the SUNY Agreement, the Sublease, the Facility Management Agreement and the other Company Documents, including, but not limited to, the pledge of and security interest in the Gross Revenues made or granted pursuant to Section 10 of the Loan Agreement and the mortgaging of the Mortgaged Property, do not or did not violate, conflict with or constitute a default under the certificate of incorporation or by-laws of the Company or any indenture, mortgage, trust, or other commitment or agreement to which the Company is a party or by which it or any of its Properties are bound, or any existing law, rule, regulation, judgment, order, writ, injunction or decree of any Governmental Authority, agency or other instrumentality or court having jurisdiction over the Company or any of its Properties; (iv) the SUNY Agreement, the Sublease and the Facility Management Agreement are in full force and effect and have not been modified or rescinded; (v) the Company is not in default under the SUNY Agreement, the Sublease or the Facility Management Agreement; and (vi) to the knowledge of the Company, no "event of default" or event which with notice of the passage of time would constitute an "event of default" under the Outstanding Prior Bonds, the Ground Lease, the SUNY Agreement, the Sublease or the Facility Management Agreement has occurred.

The Company warrants, represents and covenants (i) that the Gross Revenues are and will be free and clear of any Lien or charge thereon or with respect thereto, prior to, or of equal rank with, the pledge thereof made pursuant to the Loan Agreement, and (ii) that all corporate action on the part of the Company to authorize the pledge thereof and the granting of a security interest therein has been duly and validly taken. The Company further covenants that it will at all times, to the extent permitted by law, defend, preserve and protect such Lien and all of the rights of the Issuer and the Holders of Bonds thereunder against all claims and demands of all persons whomsoever.

(Section 15)

Tax-Exempt Status of Company

The Company represents that: (i) it is an organization described in Section 501(c)(3) of the Code, or corresponding provisions of prior law, and is not a "private foundation," as such term is defined under Section 509(a) of the Code; (ii) it has received a letter or other notification from the Internal Revenue Service to that effect; (iii) such letter or other notification has not been modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in such letter or other notification; (v) the facts and circumstances which form the basis of such letter or other notification as represented to the Internal Revenue Service continue to exist; and (vi) it is exempt from federal income taxes under Section 501 (a) of the Code, except for payment of unrelated business income tax. The Company agrees that: (a) it will not perform any act or enter into any agreement which will adversely affect such federal income tax status and will conduct its operations in the manner which will conform to the standards necessary to qualify the Company as an exempt organization within the meaning of Section 501(c)(3) of the Code or any successor provision of federal income tax law; and (b) it will not perform any act, enter into any agreement or use or permit the Project to be used in a manner, or for any trade or business unrelated to the exempt purposes of the Company, which could adversely affect the exclusion of interest on the 2011A Bonds from federal gross income pursuant to Section 103 of the Code.

(Section 16)

Maintenance of Corporate Existence

The Company covenants that it will (i) maintain its corporate existence, (ii) continue to operate as a not-for-profit corporation, (iii) obtain, maintain and keep in full force and effect such governmental approvals, consents, licenses, permits and accreditation as may be necessary for it to continue to so operate, and (iv) except as expressly permitted by the Loan Agreement, not dissolve or otherwise dispose of all or substantially all of its assets or consolidate with or merge into another person or permit one or more persons to consolidate with or merge into it. The Company, with the prior written consent of the Issuer (which consent will not be unreasonably withheld) and the Trustee (in its sole discretion), may (A) sell or otherwise transfer all or substantially all of its assets to, or consolidate with or merge into, another organization or corporation which qualifies as an organization described in Section 501(c)(3) of the Code, or any successor provision of federal income tax law, (B) permit one or more corporations or any other organization to consolidate with or merge into it, or (C) acquire all or substantially all of the assets of one or more

corporations or other organizations. Notwithstanding the foregoing provisions of Section 18 of the Loan Agreement, no disposition, transfer, consolidation or merger otherwise permitted by the Loan Agreement will be permitted unless (1) the same would not in the opinion of Bond Counsel adversely affect the exclusion of interest on any 2011A Bond from gross income for purposes of federal income taxation; (2) the Company will not as a result thereof be in default under the Loan Agreement or under the SUNY Agreement, the Sublease or the Facility Management Agreement; (3) the surviving, resulting or transferee corporation, as the case may be, is incorporated under the laws of the State and is qualified as an organization described in Section 501(c)(3) of the Code or any successor provision of federal income tax law; (4) the surviving, resulting or transferee corporation of the Company assumes in writing all of the obligations of the Company under the Loan Agreement, under the Mortgage, the SUNY Agreement, the Sublease, the Facility Management Agreement and the other Bond Documents; and (5) the Company furnishes to the Issuer and the Trustee a certificate to the effect that upon such sale, transfer, consolidation, merger or acquisition such corporation will be in compliance with each of the provisions of the Loan Agreement, and will meet the requirements of the Act and such other certificates, opinions and documents as the Issuer and the Trustee may reasonably require to establish compliance with Section 18 of the Loan Agreement.

(Section 18)

Use and Possession of the Project; Ground Lease and Sublease

(a) Subject to the rights, duties and remedies of the Issuer under the Loan Agreement, the Company will have sole and exclusive control and possession of and responsibility for (i) the Project and the Mortgaged Property, (ii) the operation of the Project and the Mortgaged Property and supervision of the activities conducted therein or in connection with any part thereof, and (iii) the maintenance, repair and replacement of the Project and the Mortgaged Property; *provided, however*, that, except as otherwise limited by the Loan Agreement, the foregoing will not prohibit use of the Project or the Mortgaged Property by persons other than the Company or its staff or employees or SUNY, the College, the College's students, staff or faculty in furtherance of the Company's corporate purposes, if such use will not adversely affect the exclusion of interest on any 2011A Bonds from gross income for federal income tax purposes.

(b) The Company will observe and perform all terms, covenants and conditions on its part to be observed or performed under the Ground Lease and the Sublease Agreement and will not consent to any amendment or modification thereof without the prior written consent of the Trustee. The Company will promptly forward to the Trustee copies of any notice of default or of an occurrence which with notice or the passage of time will constitute a default given or received by the Company under the Ground Lease and the Sublease Agreement.

(Section 20)

Sale of the Project or Mortgaged Property

The Company covenants that it will not transfer, sell or convey the Project or the Mortgaged Property or any part thereof or interest therein, including development rights, without the prior approval of the Trustee (in its sole discretion) and the Issuer, *provided that* the Issuer will not approve such transfer, sale or conveyance unless (a) in the opinion of Bond Counsel, the same will not adversely affect the exclusion of interest on any 2011A Bond from gross income for federal income tax purposes, and (b) the Company pays to the Trustee either for deposit into the Bond Fund, or to purchase defeasance securities in accordance with Section 10.1 of the Indenture, an amount equal to the greater of:

(i) the amount, if any, which is sufficient to redeem or provide for payment in accordance with Section 10.1 of the Indenture of any Outstanding 2011A Bonds required to be redeemed or deemed paid in order to preserve the exclusion of interest on 2011A Bonds from gross income for federal income tax purposes; and

(ii) the lesser of (A) the net proceeds of such transfer, sale or conveyance or (B) a percentage of the Outstanding 2011A Bonds determined by dividing (1) the principal amount of 2011A Bonds issued to finance the portion of the Project being transferred, sold or conveyed (which principal amount will be reasonably determined by the Issuer) by (2) the aggregate principal amount of 2011A Bonds issued.

Notwithstanding the foregoing, the Company may remove equipment, furniture or fixtures that is part of the Project or the Mortgaged Property and was financed with the proceeds of the Outstanding Prior Bonds in accordance with Section 23 of the Loan Agreement.

(Section 22)

Maintenance, Repair and Replacement

The Company agrees that, throughout the term of the Loan Agreement, it will, at its own expense, hold, operate and maintain the Project and the Mortgaged Property or cause the Project and Mortgaged Property to be operated and maintained in a careful, prudent and economical manner, and keep the same, with the appurtenances and every part and parcel thereof, in good repair, working order and safe condition and will from time to time make all necessary and proper repairs, replacements and renewals so that at all times the operation thereof may be properly and advantageously conducted. The Company will give the Issuer and the Trustee not less than fifteen (15) days' prior written notice of its intention to make a change or alteration that materially alters the scope or nature of the Project or the Mortgaged Property or a portion thereof. The Company will have the right to remove or replace any type of fixtures, furnishings and equipment in the Project or the Mortgaged Property which may have been financed by the proceeds of the sale of Bonds, *provided* the Company substitutes for any such removed or replaced fixtures, furnishings and equipment, additional fixtures, furnishings and equipment having equal or greater value and utility than the fixtures, furnishings and equipment so removed or replaced and such substituted items remain subject to the first priority perfected Lien of the Mortgage and the Loan Agreement.

The Company further agrees that it will pay at its own expense all extraordinary costs of maintaining, repairing and replacing the Project and the Mortgaged Property except insofar as funds are made available therefor from proceeds of insurance, condemnation or eminent domain awards or from moneys in the Repair and Replacement Fund.

(Section 23)

Covenant as to Insurance

(a) At all times throughout the term of the Loan Agreement, including, without limitation, during any period of construction of the Project, the Company will maintain insurance, with insurance companies licensed to do business in the State, against such risks, loss, damage and liability (including liability to third parties) and, except as otherwise specified in the Loan Agreement, for such amounts as are customarily insured against by other enterprises of like size and type as that of the Company, including, without limitation:

(i) (A) during any period of construction, reconstruction, renovation or improvement of the Project, Builders' All Risk Insurance written on "100% builders' risk completed value, non-reporting form," including coverage therein for "completion and/or premises occupancy," and coverage for property damage insurance, and (B) All Risk Hazard Insurance with respect to the Project, all of which insurance will include coverage for removal of debris, insuring the buildings, structures, facilities, fixtures and other Property constituting a part of the Project against loss or damage to the Project by fire, lightning, vandalism, malicious mischief and other casualties, with standard extended coverage endorsement covering perils of windstorm, hail, explosion, aircraft, vehicles and smoke (except as limited in the standard form of extended coverage endorsement at the time in use in the State) with policy limits equal at least to the lesser of (x) the value of the Project and all improvements thereon or thereto (exclusive of the fair market value of the land), or (y) the aggregate Outstanding principal amount of the 2011 Bonds, and at all times in an amount such that the proceeds of such insurance will be sufficient to prevent the Company or the Issuer from becoming a co-insurer of any loss under the insurance policies;

(ii) public liability insurance in accordance with customary insurance practices for similar operations with respect to the Project and the business thereby conducted in a minimum amount of \$5,000,000 per occurrence during the first five (5) years in which the Initial Bonds are Outstanding and thereafter in a minimum amount calculated by adding three percent (3%) of the prior year's amount of insurance, which insurance (A) will also provide coverage of the Company's obligations of indemnity under Section 29 of the Loan Agreement; (B) may be effected under overall blanket or excess coverage policies of the Company or any affiliate thereof, *provided, however*, that at least \$1,000,000 is effected by a comprehensive liability insurance policy during the first five (5)

Appendix B

years in which the Initial Bonds are Outstanding and thereafter in a minimum amount calculated by adding three percent (3%) of the prior year's amount of insurance; and (C) shall not contain any provisions for a deductible amount in excess of \$1,000 or for risk retention in any amount in excess of \$1,000 by the Company;

(iii) workers' compensation insurance, disability benefits insurance and such other forms of insurance which the Company or the Issuer is required by law to provide covering loss resulting from injury, sickness, disability or death of the employees of the Company or any affiliate thereof, or any contractor or subcontractor performing work with respect to the Project; the Company will require that all said contractors and subcontractors maintain all forms or types of insurance with respect to their employees required by laws; and

(iv) boiler and machine property damage insurance with respect to any steam and pressure boilers and similar apparatus located at the Project from risks normally insured against under boiler and machinery policies and in amounts and with deductions customarily obtained for similar business enterprises and in each case approved by the Issuer.

(b) All insurance required by Section 24 of the Loan Agreement will be procured and maintained in financially sound and generally-recognized, responsible insurance companies authorized to write such insurance in the State.

(c) Each of the policies or binders evidencing the insurance required above to be obtained will:

(i) designate (except in the case of workers' compensation insurance) the Company, the Trustee, and the Issuer as additional insureds as their respective interests may appear, *provided, however*, that the insurance policies set forth in paragraph (a)(i) of Section 24 of the Loan Agreement will name only the Issuer and the Trustee in the mortgagee loss payable clause;

(ii) provide that there will be no recourse against the Issuer or the Trustee for the payment of premiums or commissions or (if such policies or binders provide for the payment thereof) additional premiums or assessments;

(iii) provide that in respect of the respective interests of the Issuer and the Trustee in such policies, the insurance will not be invalidated by any action or inaction of the Company or any other Person and will insure the Issuer and the Trustee regardless of, and any losses will be payable notwithstanding, any such action or inaction;

(iv) provide that such insurance will be primary insurance without any right of contribution from any other insurance carried by the Issuer or the Trustee to the extent that such other insurance provides the Issuer or the Trustee, as the case may be, with contingent and/or excess liability insurance with respect to its respective interest as such in the Project;

(v) provide that if the insurers cancel such insurance for any reason whatsoever, including the insured's failure to pay any accrued premium, or the same is allowed to lapse or expire, or there be any reduction in amount, or any material change is made in the coverage, such cancellation, lapse, expiration, reduction or change will not be effective as to the Issuer or the Trustee until at least thirty (30) days after receipt by the Issuer and the Trustee, respectively, of written notice by such insurers of such cancellation, lapse, expiration, reduction or change;

(vi) waive any right of subrogation of the insurers thereunder against any Person insured under such policy, and waive any right of the insurers to any setoff or counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of any Person insured under such policy; and

(vii) contain such other terms and provisions as any owner or operator of facilities similar to the Project would, in the prudent management of its Properties, require to be contained in policies, binders or interim insurance contracts with respect to facilities similar to the Project owned or operated by it.

(d) Concurrently with the original issuance of the 2011 Bonds, the Company will deliver or cause to be delivered to the Issuer and the Trustee certificates of insurance, and upon the written request of the Issuer or the Trustee, duplicate copies of insurance policies and/or binders evidencing compliance with the insurance requirements of Section 24 of the Loan Agreement. At least thirty (30) days prior to the expiration of any such

policy, the Company will furnish the Issuer and the Trustee with evidence that such policy has been renewed or replaced or is no longer required by the Loan Agreement.

(e) The Company will, at its own cost and expense, make all proofs of loss and take all other steps necessary or reasonably requested by the Issuer or the Trustee to collect from insurers for any loss covered by any insurance required to be obtained by Section 24 of the Loan Agreement. The Company will not do any act, or suffer or permit any act to be done, whereby any insurance required by Section 24 of the Loan Agreement would or might be suspended or impaired.

(f) The insurance required to be maintained pursuant to Section 24 of the Loan Agreement will be subject to the review of the Insurance Consultant every two (2) years commencing June 30, 2013, and the Company agrees that it will follow any recommendations of the Insurance Consultant. In order to establish compliance with Section 24 of the Loan Agreement, the Company agrees that it will deliver to the Trustee bi-annually within three months after the end of the applicable Fiscal Year and upon any modification, renewal or replacement of any insurance required under Section 24 of the Loan Agreement, (i) a report of the Insurance Consultant setting forth a description of the insurance maintained, or caused to be maintained pursuant to Section 24 of the Loan Agreement (with copies of the policies or other evidence of such issuance attached to the report) and then in effect and stating whether, in the opinion of the Insurance Consultant, such insurance, the manner of providing such insurance and any reductions or eliminations of the amount of any insurance coverage during the Fiscal Years covered by such report comply with the requirements of Section 24 of the Loan Agreement and adequately protect the Project and the Company's operations, and (ii) a letter from the Insurance Consultant evidencing compliance with its recommendations. The Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed on the report and letter furnished by the Insurance Consultant and conforming to Section 24(f) of the Loan Agreement. The Trustee shall not have a duty to review the policies or other evidence of insurance and may conclusively rely on any report of the Insurance Consultant that complies with clause (i) of Section 24(f) of the Loan Agreement. The Trustee will notify the Company, the Issuer and the Bondholders of any failure by the Company to deliver a report of the Insurance Consultant to the Trustee. For purposes of Section 24(f) of the Loan Agreement, the term, "Insurance Consultant" means a Person which is appointed by the Company for the purpose of passing on questions related to insurance of the Company and for the Project, having the skill and experience necessary to render the particular report and recommendations required and having a favorable and professionally recognized reputation for such skill and experience, which Person does not control the Company or any affiliate thereof and is not controlled by or under common control with the Company or an affiliate.

(g) THE ISSUER DOES NOT IN ANY WAY REPRESENT THAT THE INSURANCE SPECIFIED IN THE LOAN AGREEMENT, WHETHER IN SCOPE OR COVERAGE OR LIMITS OF COVERAGE, IS ADEQUATE OR SUFFICIENT TO PROTECT THE BUSINESS OR INTEREST OF THE COMPANY.

(Section 24)

Damage or Condemnation

In the event of a taking of the Project or the Mortgaged Property or any portion thereof by eminent domain or condemnation, or of damage or destruction affecting all or part thereof, all property casualty insurance, condemnation or eminent domain proceeds will, if not applied to reimburse the Company for costs incurred to repair or restore the same, be paid to the Trustee for deposit in the Insurance and Condemnation Fund. All proceeds derived from an award for such taking or from property casualty insurance will be applied as provided below.

(i) If within one hundred eighty (180) days (or such longer period as the Issuer and the Company may agree) after the Issuer receives actual notice or knowledge of the taking or damage, the Company, the Trustee and the Issuer agree in writing that the Property or the affected portion thereof will be repaired, replaced or restored, the Company will proceed to repair, replace or restore the same, or the affected portion thereof, including all fixtures, furniture, equipment and effects, to its original condition insofar as possible with such changes and additions as will be appropriate to the needs of the Company and approved in writing by the Trustee and the Issuer. The funds required for such repair, replacement or restoration will be paid, subject to such conditions and limitations as the Trustee and the Issuer may impose, from the proceeds of insurance, condemnation or eminent domain awards

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received by reason of such occurrence and to the extent such proceeds are not sufficient, from funds to be provided by the Company.

(ii) If no agreement for the repair, restoration or replacement of the Property or affected portion will have been reached by the Trustee, the Issuer and the Company within such period, the proceeds then held by the Company will be paid the Trustee for deposit in the Bond Fund and the proceeds then held in the Insurance and Condemnation Fund will be transferred to the Bond Fund, whereupon such proceeds will be applied to the purchase or redemption of Outstanding Bonds in accordance with the Indenture.

(Section 25)

Taxes and Assessments

The Company will pay or cause to be paid, when due at its own expense, and hold the Issuer harmless from, all taxes, assessments, water and sewer charges and other impositions, if any, which may be levied or assessed upon the Project or any part thereof, and upon all ordinary costs of operating, maintaining, repairing and replacing the Project and its equipment. The Company will file exemption certificates as required by law. The Company agrees to exhibit to the Trustee and an Authorized Officer of the Issuer within ten (10) days after written demand by the Issuer or the Trustee, certificates or receipts issued by the appropriate authority showing full payment of all taxes, assessments, water and sewer charges and other impositions; *provided, however*, that the good faith contest of such impositions will be deemed to be complete compliance with the requirements of the Loan Agreement if the Company sets aside such reserves as may be required by good accounting practice. Notwithstanding the foregoing, the Trustee or the Issuer, in each case in its sole discretion, after notice in writing to the Company, may pay any such charges, taxes and assessments if, in the reasonable judgment of the Issuer or the Trustee, the Project or any part thereof would be in substantial danger by reason of the Company's failure to pay such charges, taxes and assessments of being sold, attached, forfeited, foreclosed, transferred, conveyed, assigned or otherwise subjected to any proceeding, equitable remedy, Lien, charge, fee or penalty that would impair (i) the interests or security of the Issuer under the Loan Agreement or under the Indenture; (ii) the ability of the Issuer to enforce its rights thereunder; (iii) the ability of the Issuer to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement or under the Indenture; or (iv) the ability of the Company to fulfill the terms of any covenants or perform any of its obligations under the Loan Agreement. The Company agrees to reimburse the Trustee, or the Issuer for any such payment, with interest thereon from the date payment was made by the Trustee or the Issuer at a rate equal to the highest rate of interest payable on any investment held for the Bond Fund on the date such payment was made by the Trustee or the Issuer.

(Section 26)

Annual Budget; Reporting Requirements; Access to Records

(a) *Annual Budget.* On or before the date of issuance of the 2011 Bonds for the academic year commencing September 2011, and on or before the date that is ninety (90) days prior to the commencement of each academic year thereafter, the Company will prepare or cause to be prepared an Annual Budget for such academic year and will file a copy of such budget with the Trustee and the Underwriter. The Annual Budget of the Company will set forth revenues and expenses and capital expenditures by category in reasonable detail and demonstrate compliance with the Debt Service Coverage Ratio covenant for the applicable Fiscal Years. As and when determined necessary or appropriate by the Company, the Annual Budget will be amended and a copy of each revision will be promptly filed with the Trustee and the Underwriter.

(b) *Reporting Requirements.* The Company will furnish or cause to be furnished to the Issuer, the Underwriter, the Trustee and such other persons as the Issuer or the Trustee may request and to the Owners of the 2011 Bonds upon any Owner's written request to the Company:

(i) annually, within one hundred twenty (120) days after the end of the Company's Fiscal Year, (A) a copy of the annual audited financial statements of the Company for such Fiscal Year, including therein without limitation, a balance sheet as of the end of such Fiscal Year, a statement of changes in net assets and a statement of activities for such Fiscal Year or such other financial statements then required in accordance with generally accepted

accounting principles applicable to the Company, audited by a firm of independent public accountants of recognized standing, (B) a certificate or other instrument signed by the Company's auditors setting forth the Debt Service Coverage Ratio and detailing the calculation thereof and stating whether an Event of Default, or, to the best of the auditors' knowledge, an event that, with the giving of notice or the passage of time, or both, would constitute such an Event of Default, has occurred and is continuing, and, if such an Event of Default or such an event has occurred and is continuing, a statement as to the nature thereof, and (C) if such an Event of Default or such an event has occurred and is continuing, a certificate of an Authorized Officer of the Company setting forth the action that the Company proposes to take with respect thereto;

(ii) quarterly statements will be provided within forty-five (45) days of the end of the quarter or, if required by the Trustee, monthly statements upon the occurrence of a default by the Company under Section 8 or any other Section of the Loan Agreement (within thirty (30) days of the end of the month), together with a certificate of an Authorized Representative stating that the Company is not in default of any of its obligations or covenants under the Bond Documents;

(iii) promptly following approval by the Management Committee (as defined in the Facility Management Agreement), but at least ninety (90) days prior to the commencement of the academic year to which it applies, an Annual Budget for each academic year covering the operation of the Project;

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

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

(vi) such reports with respect to the condition of, and repairs, replacements, renovations, and maintenance, to the Project or the Mortgaged Property as the Issuer, the Underwriter or the Trustee may from time to time reasonably request;

(vii) copies of any detailed audit reports, management letters or recommendations submitted to the Company by independent accountants;

(viii) immediate notice of any failure by SUNY to license or make any payment required by the SUNY Agreement or Facility Management Agreement or notice of default thereunder; and

(ix) such other information respecting the business, Property or the condition or operations, financial or otherwise, of the Company as the Issuer or the Trustee may from time to time reasonably request (other than information the Company or College is required by law to keep confidential).

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

(Section 27)

Indemnity by Company

(a) The Company releases the Issuer and the Trustee, and their respective members, officers, directors, agents, officials, employees and any person who controls the Issuer or the Trustee within the meaning of the Securities Act of 1933, as amended, from, and covenants and agrees to indemnify, hold harmless and defend the Issuer and the Trustee and their respective members, officers, directors, employees, agents, officials, grantors, beneficiaries and any person who controls such party within the meaning of the Securities Act of 1933, as amended, and employees

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and each of them (each an “*Indemnified Party*”) from and against, any and all losses, claims, damages, demands, liabilities and expenses (including attorneys’ fees and expenses, whether incurred in a third party action or an action to enforce the Loan Agreement), taxes, causes of action, suits, claims, demands and judgments of any nature, joint or several, by or on behalf of any person arising out of:

- (i) the transactions provided for in the Bond Documents;
- (ii) the execution and delivery or amendment of any document entered into in connection with the transactions provided for in the Bond Documents, including any certifications or representations made by any person other than the party seeking indemnification;
- (iii) the approval of the financing for the Project;
- (iv) any and all claims arising in connection with the interpretation, performance, enforcement, breach, default or amendment of the Bond Documents or any other documents relating to the Project or the 2011 Bonds or in connection with any other matters relating to the 2011 Bonds or the Project, including, but not limited to, any federal or state tax audit, or any questions or other matters arising under such documents;
- (v) the Trustee’s acceptance or administration of the trusts created by the Indenture or the exercise of its powers or duties under the Indenture, the Loan Agreement, the Tax Compliance Agreement or any other agreements to which it is a party or otherwise in connection with the transactions provided for in the Bond Documents;
- (vi) any and all claims arising in connection with (A) the issuance or sale of any Bonds or any certifications or representations made by any person other than the party seeking indemnification, including, but not limited to, any (1) statement or information made by the Company with respect to the Company or the Project in any offering document or materials regarding the 2011 Bonds, the Project or the Company or in the Tax Compliance Agreement or in any other certificate executed by the Company which, at the time made, is misleading, untrue or incorrect in any material respect; (2) untrue statement or alleged untrue statement of a material fact relating to the Company or the Project contained in any offering material relating to the sale of the 2011 Bonds, as from time to time amended or supplemented, or arising out of or based upon the omission or alleged omission to state in such offering material a material fact relating to the Company or the Project required to be stated in such offering material or necessary in order to make the statements in such offering material not misleading; and (3) failure to properly register or otherwise qualify the sale of the 2011 Bonds or failure to comply with any licensing or other law or regulation which would affect the manner in which or to whom the 2011 Bonds could be sold; and (B) the carrying out by the Company of any of the transactions provided for in the Bond Documents;
- (vii) the Company’s failure to comply with any requirement of any Bond Document applicable to the Company;
- (viii) any act or omission of the Company or any of its agents, servants, employees or licensees in connection with the Loan Agreement or the Project, including violation of any law, ordinance, court order or regulation affecting the Project or any part of it or the ownership, occupancy or use of it;
- (ix) any damage or injury, actual or claimed, of whatsoever kind, cause or character, to Property (including loss of use of Property) or persons, occurring or allegedly occurring in, on or about the Project or arising out of any action or inaction of the Company, whether or not related to the Project, or resulting from or in any way connected with the acquisition, construction, reconstruction, renovation, equipping or management of the Project, the issuance of the 2011 Bonds or otherwise in connection with transactions provided for in the Bond Documents or otherwise in connection with the Project, the 2011 Bonds or the execution or amendment of any document relating to the Project or the 2011 Bonds;
- (x) any failure to comply with the Environmental Compliance and Indemnification Agreement applicable to, or the release of any toxic substance from, the Project; and

(xi) any and all claims arising in connection with the operation of the Project, or the conditions, environmental or otherwise, occupancy, use, possession, conduct or supervision of work done in or about, or from the planning, design, acquisition, construction, repair or equipping of, the Project or any part of it.

(b) This indemnification will extend to and include, without limitation, all reasonable costs, attorneys' fees (whether incurred in a third party action or an action to enforce the Loan Agreement), expenses or liabilities incurred in connection with any such claim, or proceeding brought with respect to such claim, except (a) in the case of the foregoing indemnification of the Trustee or any of its Indemnified Parties, to the extent such damages are caused solely by the gross negligence or willful misconduct of such Person, and (b) in the case of the foregoing indemnification of the Issuer or any of its Indemnified Parties, to the extent such damages are caused by the gross negligence or willful misconduct of such Person. To effectuate the purposes of Section 29 of the Loan Agreement, the Company will provide for and insure, in the liability policies required under Section 24 of the Loan Agreement, not only its own liability in respect of the matters therein mentioned but also liability pursuant to Section 29 of the Loan Agreement.

(c) An Indemnified Party will promptly notify the Company in writing of any claim or action brought against such Indemnified Party in which indemnity may be sought against the Company pursuant to Section 29 of the Loan Agreement. Such notice will be given in sufficient time to allow the Company to defend or participate in such claims or action, but the failure to give such notice in sufficient time will not constitute a defense under the Loan Agreement nor in any way impair the obligations of the Company under Section 29 of the Loan Agreement.

(d) The provisions of Section 29 of the Loan Agreement and the indemnification provided in the Loan Agreement will survive repayment of the 2011 Bonds. Notwithstanding anything to the contrary in the Loan Agreement, the covenants of the Company contained in Section 29 of the Loan Agreement will continue in full force and effect after the expiration or earlier termination of the Loan Agreement until the later of (i) the expiration of the period stated in the applicable statute of limitations during which a claim or cause of action may be brought, and (ii) payment in full or the satisfaction of such claim or cause of action and all expenses and charges incurred by the Indemnified Party relating to the enforcement of Section 29 of the Loan Agreement and the provisions in the Loan Agreement specified.

(e) In the event of any claim against the Issuer or its members, directors, officers, agents or employees by any employee or contractor of the Company or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the obligations of the Company under the Loan Agreement will not be limited in any way by any limitation on the amount or type of damages, compensation, disability benefits or other employee benefit acts.

(f) The Company and every assignee of the Company's interest in the Loan Agreement waives any and all of its rights against the Issuer (whether such rights currently exist or arise in the future by statute, common law or otherwise) as a mortgagee of the Project with respect to any and all environmental liabilities, however or whenever accruing.

(g) Should an insurance carrier provide for the defense of the Issuer in connection with any claim subject to indemnity under Section 29 of the Loan Agreement, the Company will cause such insurance carrier (and the attorneys retained by such insurance carrier) to promptly provide the Issuer with such information regarding the status of such claims as the Issuer may from time to time reasonably request, to immediately advise the Issuer of any monetary verdict against it, and in no event will the Company permit a judgment to be entered against the Issuer arising out of such claim without thirty (30) days' prior written notice to the Issuer. Should the Company provide the defense of any such claim directly, the attorneys selected by the Company will be subject to the prior approval of the Issuer, and the Company will cause such attorneys to promptly provide the Issuer with such information regarding the status of such claims as the Issuer may from time to time reasonably request, to immediately advise the Issuer of any monetary verdict against it, and in no event will the Company permit a judgment to be entered against the Issuer arising out of such claim without thirty (30) days' prior written notice to the Issuer.

(h) Should any lawsuit be commenced against the Issuer which is subject to indemnity pursuant to Section 29 of the Loan Agreement, and should such lawsuit result in a judgment being entered against the Issuer, the Company will not permit any Lien resulting from such judgment to encumber any asset of the Issuer. Should such judgment

result in a Lien encumbering any asset of the Issuer, the Company will immediately, upon demand by the Issuer, cause such judgment to be released from all assets of the Issuer, pursuant to documentation in form and content acceptable to the Issuer. The Company will be responsible for all damages suffered by the Issuer (including incidental and consequential damages) resulting from any such judgment Lien that may encumber any asset of the Issuer, including, but not limited to, all out-of-pocket expenses (including reasonable attorneys' fees) incurred by the Issuer to obtain releases of any such judgment Lien.

(Section 29)

Defaults and Remedies

(a) As used in the Loan Agreement the term "Event of Default" means:

(i) the Company defaults in the timely payment of any amount payable pursuant to Section 7 of the Loan Agreement or the payment of any other amounts required to be delivered or paid by or on behalf of the Company in accordance herewith, and such default continues for a period in excess of ten (10) days; or

(ii) the Company fails to satisfy the Debt Service Coverage Ratio covenant under Section 8 of the Loan Agreement; or

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

(iv) the occurrence of an Event of Default under the 2011 Bonds, the Indenture, the Mortgage or any other Bond Document; or

(v) an Event of Bankruptcy with respect to the Company; or

(vi) a final judgment for the payment of money which (A) in itself, exceeds \$500,000 or if combined with the aggregate amount of all outstanding final judgments for money exceeds \$500,000, and (B) is not covered by insurance or reserves set aside by the Company, which in the judgment of the Issuer will adversely affect the rights of the Holders of the 2011 Bonds will be rendered against the Company and at any time after forty-five (45) days from the entry thereof, (C) such judgment will not have been discharged or paid, or (D) the Company will not have taken and be diligently prosecuting an appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment will have been granted or entered, and will not have caused, within forty-five (45) days, the execution of or levy under such judgment, order, decree or process or the enforcement thereof to have been stayed pending determination of such appeal; or

(vii) the termination of (i) the Ground Lease, (ii) the Sublease Agreement, (iii) the SUNY Agreement, or (iv) the Facility Management Agreement; or

(viii) the occurrence of a default under any Indebtedness of the Company.

(b) Upon the occurrence of an Event of Default, the Issuer may take any one or more of the following actions:

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

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

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

(iv) realize upon any pledge of or security interest in the Gross Revenues and the rights to receive the same, all to the extent provided in Sections 10 and 11 of the Loan Agreement, by any one or more of the following actions: (A) enter the Company and examine and make copies of the financial books and records of the Company relating to the Gross Revenues and, to the extent of the assigned Gross Revenues, take possession of all checks or other orders for payment of money and moneys in the possession of the Company representing Gross Revenues or proceeds thereof; (B) notify any account debtors obligated on any Gross Revenues to make payment directly to the Issuer or to the Trustee, as the Issuer may direct, and of the amount to be so paid; *provided, however*, that (1) the Issuer may, in its discretion, immediately collect the entire amount of interest or principal coming due on Outstanding Bonds on the next interest payment date therefor, and may continue to do so commencing on each such interest payment date to the extent of amounts due on Outstanding Bonds on the next interest payment date therefor, with respect to the Gross Revenues, until such amounts are fully collected, (2) written notice of such notification will be mailed to the Company five (5) days prior to mailing or otherwise making such notification to account debtors, and (3) until the Company will receive such notice it will have full authority and responsibility to enforce and collect Gross Revenues owing from its account debtors; (C) following the above mentioned notification to account debtors, collect, compromise, settle, compound or extend amounts payable as Gross Revenues which are in the form of accounts receivable or contract rights from the Company's account debtors by suit or other means and give a full acquittance therefor and receipt therefor in the name of the Company whether or not the full amount of any such account receivable or contract right owing will be paid to the Issuer; (D) forbid the Company to extend, compromise, compound or settle any accounts receivable or contract rights which represent any unpaid assigned Gross Revenues, or release, wholly or partly, any person liable for the payment thereof (except upon receipt of the full amount due) or allow any credit or discount thereon; or (E) endorse in the name of the Company any checks or other orders for the payment of money representing any unpaid assigned Gross Revenues or the proceeds thereof;

(v) take any action necessary to enable the Issuer to realize on its Liens under the Loan Agreement or under the Mortgage or the other Security Documents or by law, and any other action or proceeding permitted by the terms of the Loan Agreement or by law.

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

At any time before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of any Event of Default or before the completion of the enforcement of any other remedies under the Loan Agreement, the Issuer may annul any declaration made pursuant to paragraph (b) of Section 30 of the Loan Agreement and its consequences if such Event of Default will be cured. No such annulment will extend to or affect any subsequent default or impair any right consequent thereto.

(Section 30)

Compliance with Indenture

The Company approves of and agrees to the provisions of the Indenture. The Company agrees to do all things within its power in order to enable the Issuer to comply with all requirements and to fulfill all covenants of the Indenture which require the Company to comply with requests or obligations so that the Issuer will not be in default in the performance of any covenant, condition, agreement or provision of the Indenture.

(Section 31)

Investment of Moneys

The Company may in its sole discretion direct the investment of certain moneys held under the Indenture as provided therein. Neither the Issuer nor the Trustee will have any liability arising out of or in connection with the making of any investment authorized by the provisions of Article IV of the Indenture in the manner provided therein, or for any loss, direct or indirect, resulting from any such investment.

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(Section 32)

Arbitrage; Tax Exemption

Each of the Company and the Issuer covenants that it will take no action, nor will it approve the Trustee's taking any action or making any investment or use of the proceeds of the 2011A Bonds, which would cause the 2011A Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code, and any proposed or final regulations thereunder as are applicable to the 2011 Bonds at the time of such action, investment or use. The Company (or any related person, as defined in Section 147(a)(2) of the Code) will not, pursuant to an arrangement, formal or informal, purchase 2011A Bonds in an amount related to the amount of any obligation to be acquired from the Company by the Issuer.

The Company covenants that it will not take any action or fail to take any action which would cause any representation or warranty of the Company contained in the Tax Compliance Agreement then to be untrue and will comply with all covenants and agreements of the Company contained in the Tax Compliance Agreement, in each case to the extent required by and otherwise in compliance with such Tax Compliance Agreement.

(Section 34)

Amendments to Loan Agreement

The Loan Agreement may be amended only in accordance with Article XI of the Indenture and each amendment will be made by an instrument in writing signed by the Company, the Trustee and the Issuer.

(Section 40)

Termination

The Loan Agreement will remain in full force and effect until no Bonds are Outstanding and until all other payments, expenses and fees payable under the Loan Agreement by the Company have been made or provision made for the payment thereof; *provided, however*, that the liabilities and the obligations of the Company under Section 7(a) of the Loan Agreement and to provide reimbursement for or indemnification against reasonable expenses, costs or liabilities made or incurred pursuant to Sections 24, 26 and 29 of the Loan Agreement will nevertheless survive any such termination. Upon such termination, the Issuer will promptly deliver such documents as may be reasonably requested by the Company to evidence such termination and the discharge of the Company's duties under the Loan Agreement and the release or surrender of any security interests granted by the Company to the Issuer.

(Section 41)

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

The following is a brief summary of certain provisions of the Indenture. This summary does not purport to be complete and reference is made to the Indenture for the full and complete description thereof. Certain provisions of the Indenture are also described in the Official Statement.

Trust Estate

The Issuer, in consideration of the covenants contained in the Indenture and as security for the Bonds and for the payment of all other sums required to be paid under the Indenture, assigns and grants to the Trustee, and its successors and assigns forever, for the benefit of the Owners and future Owners of the Bonds, the following described property:

(a) All right, title and interest of the Issuer in and to the Loan Agreement (except for the Unassigned Rights expressly retained by the Issuer), the present and continuing right to make claim for, collect, receive and receipt for any of the Pledged Revenues and other sums, amounts, income, revenues, issues and profits and any other sums of money payable or receivable thereunder or hereunder (except for amounts payable to the Issuer with respect to Unassigned Rights), the exclusive right to bring actions and proceedings thereunder or for the enforcement thereof (except as otherwise specifically provided with respect to Unassigned Rights), the right to grant consents and waivers, and to enter into amendments and to do any and all things which the Issuer is or may become entitled to do thereunder;

(b) All right, title and interest of the Issuer in and to all money and securities from time to time held by the Trustee under the terms of the Indenture or credited to any fund or account established hereunder (other than any moneys or securities in the Rebate Fund);

(c) Any and all other Property of every name and nature from time to time hereafter by delivery or by writing of any kind given, granted, sold, conveyed, mortgaged, pledged, assigned or transferred, or as to which a Lien is granted, as and for additional security hereunder by the Issuer or by anyone on its behalf or with its written consent or by the Company, subject to the Unassigned Rights, in favor of the Trustee, that is hereby authorized to receive any and all such Property at any and all times and to hold and apply the same subject to the terms of the Indenture; and

(d) Any and all proceeds (including real property) acquired by the Issuer or the Trustee as a result of its exercise of any remedies under the Security Documents or Loan Agreement.

(Granting Clauses)

Purpose for Which Bonds May Be Issued

The 2011 Bonds may be issued only for the purpose of providing funds to defease the Outstanding Prior Bonds and pay certain Costs of Issuance of the 2011 Bonds. Additional Bonds may be issued for the purposes specified in Section 2.12 of the Indenture.

(Section 2.2)

No Recourse, Special Obligations

(a) All covenants, stipulations, promises, agreements and obligations of the Issuer contained in the Indenture, in the 2011 Bonds, in the other Issuer Documents and in the other documents and instruments connected therewith will be deemed to be the covenants, stipulations, promises, agreements and obligations of the Issuer and not of any member, director, officer, agent or employee of the Issuer in his or her individual capacity, and no recourse under or upon any obligation, covenant or agreement contained in the Bond Documents and the 2011 Bonds or otherwise based upon or in respect to the Bond Documents and the 2011 Bonds or any documents supplemental thereto, or for any of the 2011 Bonds or for any claim based thereon or otherwise in respect thereof, will be had against any past,

present or future member, director, officer, agent or employee, as such, of the Issuer, or any successor local development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, or any person executing the Bond Documents and the 2011 Bonds either directly or through the Issuer or any successor local development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, it being expressly understood that the Bond Documents and the 2011 Bonds will not constitute or give rise to a general obligation of the Issuer, but rather will constitute special limited obligations of the Issuer, payable solely from the Loan Payments received by the Issuer (except for Loan Payments derived by the Issuer with respect to the Unassigned Rights) and other revenues pledged under the Indenture, and that no such personal liability whatsoever will attach to, or is or will be incurred by, any such member, director, officer, agent or employee of the Issuer or of any such successor local development corporation, the State of New York, or any municipality or political subdivision of the State of New York, including, without limitation, Erie County, New York, or any person executing the 2011 Bonds because of the creation of the Indebtedness authorized by the Indenture, or under or by reason of the obligations, covenants or agreements contained in the Bond Documents or in any of the 2011 Bonds or implied therefrom, and that any and all such personal liability of, and any and all such rights and claims against, every such member, director, officer, agent or employee because of the indebtedness authorized thereby, or under or by reason of the obligations, covenants or agreements contained in the Bond Documents or in any of the 2011 Bonds or implied therefrom are, to the extent permitted by law, expressly waived and released as a condition of and as a consideration for the execution of the Bond Documents and the issuance of the 2011 Bonds. The limitations on the obligations of the Issuer contained in Section 2.4 of the Indenture by virtue of any lack of assurance required by Section 2.4(b) will not be deemed to prevent the occurrence and full force and effect of any Event of Default pursuant to Section 8.1 of the Indenture.

(b) No order or decree of specific performance with respect to any of the obligations of the Issuer under the Indenture or under the 2011 Bonds or Bond Documents will be sought or enforced against the Issuer unless (i) the party seeking such order or decree will first have requested the Issuer in writing to take the action sought in such order or decree of specific performance, and ten (10) days will have elapsed from the date of receipt of such request, and the Issuer has refused to comply with such request (or, if compliance therewith would reasonably be expected to take longer than ten (10) days, has failed to institute and diligently pursue action to cause compliance with such request) or failed to respond within such notice period, and (ii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it will incur fees and expenses, the party seeking such order or decree has placed in an account with the Issuer an amount or undertaking which in the sole discretion of the Issuer is sufficient to cover such reasonable fees and expenses, and (iii) if the Issuer refuses to comply with such request and the Issuer's refusal to comply is based on its reasonable expectation that it or any of its members, directors, officers, agents or employees will be subject to potential liability, the party seeking such order or decree will (A) agree to indemnify and hold harmless the Issuer and its members, directors, officers, agents and employees against any liability incurred as a result of its compliance with such demand, and (B) if requested by the Issuer, furnish to the Issuer security which in the sole discretion of the Issuer is sufficient to protect the Issuer and its members, directors, officers, agents and employees against all liability expected to be incurred as a result of compliance with such request.

(c) The obligations and agreements of the Issuer contained in the Indenture do not constitute or give rise to an obligation of the State or any municipality or subdivision thereof (including Erie County, New York) and neither the State nor any municipality or political subdivision thereof (including Erie County, New York) will be liable thereon, and further such obligations and agreements will not constitute or give rise to a general obligation of the Issuer, but rather will constitute special limited obligations of the Issuer payable solely from the Loan Payments received by the Issuer (except for Unassigned Rights) and other revenues and Property pledged under the Indenture.

(Section 2.4)

Persons Deemed Owners

The Issuer, the Trustee and any Paying Agent may deem and treat the Person in whose name any Bond will be registered upon the books of the Issuer as the absolute owner thereof, whether such Bond will be overdue or not for the purpose of receiving payment of the principal or Redemption Price of and interest on such Bond and for all other purposes. All such payments so made to any such Owner or upon his order will be valid and effectual to

satisfy and discharge the liability of the Issuer upon such Bond to the extent of the sum or sums so paid. Neither the Issuer, the Trustee nor any Paying Agent will be affected by any notice to the contrary.

(Section 2.10(b))

Authority for Issuance of Additional Bonds

The Issuer may, upon the request of the Company, issue from time to time, and the Trustee will authenticate, (a) Additional Bonds for the purpose of providing all or a part of the funds necessary to refund all or any portion of the Outstanding Bonds of any one or more series (“*Refunding Bonds*”), including the costs of issuance of such Refunding Bonds and of financing, (b) Additional Bonds to finance improvements or repairs to the Project or the acquisition of furniture, fixtures, machinery or other tangible personal property for installation in the Project or use at the Project (“*Project Bonds*”) and the costs of issuance of such Project Bonds. Each series of Additional Bonds must be issued in compliance with the provisions of Section 2.13 of the Indenture and will mature no later than the latest date permitted by applicable law (if any).

(Section 2.12)

Conditions Precedent to Issuance of Additional Bonds

(a) Additional Bonds issued hereunder will be on a parity with the Parity Bonds unless the Supplemental Indenture with respect to such Additional Bonds provides otherwise. No Series of Additional Bonds will have a Lien on Pledged Revenues or the Trust Estate senior to the Lien of the Initial Bonds. Any Additional Bonds will be authorized and described in a Supplemental Indenture executed by the Issuer and the Trustee and which, when so issued, authorized and described, will be equally and ratably secured by the Indenture and the Trust Estate on parity with the 2011 Bonds then Outstanding under the Indenture, without distinction, preference or priority unless otherwise provided in the applicable Supplemental Indenture.

(b) **Refunding Bonds.** Prior to the issuance of Refunding Bonds, the Company will deliver or cause to be delivered to the Trustee:

(i) A Supplemental Indenture executed by the Issuer and approved by the Company providing for the issuance of the Refunding Bonds, containing such terms and provisions as may be necessary or proper to secure the Refunding Bonds and as will not, unless all Outstanding Bonds are to be paid or redeemed, be inconsistent with the Indenture;

(ii) An executed counterpart of an amendment to the Loan Agreement evidencing and securing the Company’s obligation to pay to the Issuer Loan Payments sufficient to pay Debt Service Payments on the Refunding Bonds to be issued, together with an assignment to the Trustee of said amendment to the Loan Agreement and of the amounts payable thereunder;

(iii) Certified copies of the resolution of the Issuer authorizing the execution of the Supplemental Indenture, the issuance of the Refunding Bonds and the payment or redemption of the 2011 Bonds to be refunded;

(iv) Evidence satisfactory to the Trustee that notice of redemption of any Bonds to be redeemed has been properly given or the Trustee has received irrevocable instructions to give such notice at the appropriate time;

(v) An Opinion or Opinions of Counsel in form and substance satisfactory to the Trustee and Bond Counsel to the effect that (A) the Additional Bonds have been duly issued for a permitted purpose under the Act and Article II of the Indenture, (B) all consents or approvals required to be obtained from any Governmental Authority for the issuance of the Additional Bonds have been obtained, (C) the issuance of the Additional Bonds and execution and delivery of related documents will not constitute a breach or default on the part of the Company under its certificate of incorporation, or on the part of the Issuer or the Company under any applicable laws or regulations, court orders or rulings of Governmental Authorities to which the Issuer or the Company is subject or any agreements to which the Issuer or the Company is a party or to which its Properties are subject, (D) all documents delivered by the Issuer and the Company in connection with the issuance of the Additional Bonds have been duly

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and validly authorized, executed and delivered and such execution and delivery and all other actions taken by the Issuer and the Company in connection with the issuance of the Additional Bonds have been duly authorized by all necessary corporate actions, (E) all conditions precedent to the issuance of the Additional Bonds pursuant to the Indenture and the applicable Supplemental Indenture have been satisfied, and (F) no litigation is pending or threatened to restrain or enjoin the issuance or delivery of the Additional Bonds;

(vi) Executed counterparts of such documents as are necessary or appropriate for the purposes of the refunding, including, if appropriate, an escrow agreement providing for the deposit and application of funds for the refunding and irrevocable instructions with respect to any required redemption of refunded Bonds;

(vii) A resolution of the Company finding that such refunding is in the best interests of the Company and stating the reasons for such refunding;

(viii) An Opinion of Bond Counsel to the effect that the issuance of Additional Bonds will not adversely affect the exclusion (if any) from gross income of the Owners of any Outstanding Bonds of the interest on such Outstanding Bonds for federal tax purposes;

(ix) In connection with a partial refunding, written evidence from a Rating Agency, if any, by which the Outstanding Bonds are then rated, to the effect that the Refunding Bonds are rated at least as high as the rating(s) assigned to the Outstanding Bonds immediately prior to the issuance of the Refunding Bonds;

(x) Unless the 2011 Bonds being refunded are Subordinate Bonds, the consent of SUNY to the issuance of such Refunding Bonds and the acknowledgment of SUNY that the SUNY Agreement is in full force and effect and the Project Bonds are subject thereto;

(xi) A Company Certificate that the Loan Agreement and the Bond Documents are in effect and no "event of default," as such term is defined in the Loan Agreement and the Bond Documents, exists thereunder;

(xii) A Company Certificate that the Debt Service Coverage Ratio of the Company for the Fiscal Year prior to the Fiscal Year in which such Refunding Bonds are to be issued is equal to or greater than 1.10:1.00 and a Company Certificate accompanied by a Certificate of a firm of independent accountants of recognized standing that the Debt Service Coverage Ratio of the Company for the Fiscal Year during which such Refunding Bonds are being issued (taking into account Debt Service Payments on such Refunding Bonds) will be equal to or greater than 1.10:1.00;

(xiii) Such other certificates, affidavits, documents or opinions as the Trustee or Bond Counsel may reasonably request; and

(xiv) Evidence that the Company has paid or caused to be paid all costs and expenses of the Issuer, the Holders of the 2011 Bonds and the Trustee with respect to the issuance of Refunding Bonds.

(c) **Project Bonds.** Prior to the issuance of Project Bonds, the Company will deliver, or cause to be delivered, to the Trustee:

(i) A Supplemental Indenture executed by the Issuer and approved by the Company providing for the issuance of the Project Bonds, containing such terms and provisions as may be necessary or proper to secure the Project Bonds and as will not, unless all Outstanding Bonds are to be paid or redeemed, be inconsistent with the Indenture;

(ii) An executed counterpart of an amendment to the Loan Agreement evidencing and securing the Company's obligation to pay to the Issuer Loan Payments sufficient to pay Debt Service Payments on the Project Bonds to be issued and to undertake and complete the improvements, repairs, acquisition and installation to be financed by the Project Bonds, together with an assignment to the Trustee of said amendment to the Loan Agreement and of the amounts payable thereunder;

(iii) Certified copies of the resolution of the Issuer authorizing the execution of the Supplemental Indenture, amendments or supplements to the Loan Agreement, the Mortgage and other Bond Documents, the issuance of the Project Bonds and the undertaking of the project to be financed thereby;

(iv) An Opinion or Opinions of Counsel in form and substance satisfactory to the Trustee and Bond Counsel to the effect that (A) the Additional Bonds have been duly issued for a permitted purpose under the Act and Article II of the Indenture, (B) all consents or approvals required to be obtained from any Governmental Authority for the issuance of the Additional Bonds have been obtained, (C) the issuance of the Additional Bonds and execution and delivery of related documents will not constitute a breach or default on the part of the Company under its certificate of incorporation, or on the part of the Issuer or the Company under any applicable laws or regulations, court orders or rulings of Governmental Authorities to which the Issuer or the Company is subject or any agreements to which the Issuer or the Company is a party or to which its Properties are subject, (D) all documents delivered by the Issuer and the Company in connection with the issuance of the Additional Bonds have been duly and validly authorized, executed and delivered and such execution and delivery and all other actions taken by the Issuer and the Company in connection with the issuance of the Additional Bonds have been duly authorized by all necessary corporate actions, (E) all conditions precedent to the issuance of the Additional Bonds pursuant to the Indenture and the applicable Supplemental Indenture have been satisfied, and (F) no litigation is pending or threatened to restrain or enjoin the issuance or delivery of the Additional Bonds;

(v) Executed counterparts of amendments or supplements to the Mortgage and other Bond Documents as are necessary or appropriate in the opinion of Bond Counsel for the purposes of evidencing the issuance of the Project Bonds and the pledge of the Trust Estate as security therefor;

(vi) An Opinion of Bond Counsel to the effect that the issuance of Additional Bonds will not adversely affect the exclusion (if any) from gross income of the Owners of any Outstanding Bonds of the interest on such Outstanding Bonds for federal tax purposes;

(vii) Written evidence from a Rating Agency, if any, by which the Outstanding Bonds are then rated, to the effect that the Project Bonds are rated at least as high as the rating(s) assigned to the Outstanding Bonds immediately prior to the issuance of the Project Bonds;

(viii) The consent of SUNY to the issuance of such Project Bonds and the acknowledgment of SUNY that the SUNY Agreement is in full force and effect and the Project Bonds are subject thereto;

(ix) A Company Certificate that the Loan Agreement and the Bond Documents are in effect, no “*event of default*,” as such term is defined in the Loan Agreement and the Bond Documents, exists thereunder and the proceeds of the Project Bonds, together with any additional funds supplied or to be supplied from any source, will be sufficient to complete the project for which such Project Bonds are issued and pay the cost thereof; and

(x) A Company Certificate that the Debt Service Coverage Ratio of the Company for the Fiscal Year prior to the Fiscal Year in which such Project Bonds are to be issued is equal to or greater than 1.10:1.00 and a Company Certificate accompanied by a Certificate of a firm of independent accountants of recognized standing that the Debt Service Coverage Ratio of the Company for the Fiscal Year during which such Project Bonds are being issued (taking into account Debt Service Payments on such Project Bonds) will be equal to or greater than 1.10:1.00;

(xi) Such other certificates, affidavits, documents or opinions as the Trustee or Bond Counsel may reasonably request; and

(xii) Evidence that the Company has paid or caused to be paid all costs and expenses of the Issuer, the Holders of the 2011 Bonds and the Trustee with respect to the issuance of Project Bonds.

(d) The consent of the Holders of Bonds will not be required prior to the issuance of Additional Bonds, or to the execution and delivery of any amendments to the Bond Documents required in connection therewith. The Trustee will, however, mail notice in writing (in the form provided to the Trustee by the Issuer) to the Holders of Bonds and each Rating Agency, if any, by which the 2011 Bonds are then rated of the proposed issuance of the

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Additional Bonds, detailing, at least, the aggregate principal amount of such Additional Bonds, and summarizing the nature of the amendments to the Bond Documents proposed to be executed in connection therewith.

(e) Upon compliance with the requirements of Section 2.13(a) or (b) of the Indenture, the Trustee will thereupon be authorized to execute the Supplemental Indenture, to authenticate the Additional Bonds and to deliver the same to or upon the order of the Issuer.

(Section 2.13)

Establishment of Funds

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

(a) Buffalo and Erie County Industrial Land Development Corporation – Costs of Issuance Fund – Buffalo State College Foundation Housing Corporation Project (the “*Costs of Issuance Fund*”);

(b) Buffalo and Erie County Industrial Land Development Corporation – Construction Fund – Buffalo State College Foundation Housing Corporation Project (the “*Construction Fund*”);

(c) Buffalo and Erie County Industrial Land Development Corporation – Bond Fund – Buffalo State College Foundation Housing Corporation Project (the “*Bond Fund*”) and within the Bond Fund, an Interest Account, a Principal Account and a Redemption Account;

(d) Buffalo and Erie County Industrial Land Development Corporation – Insurance and Condemnation Fund – Buffalo State College Foundation Housing Corporation Project (the “*Insurance and Condemnation Fund*”);

(e) Buffalo and Erie County Industrial Land Development Corporation – Repair and Replacement Fund – Buffalo State College Foundation Housing Corporation Project (the “*Repair and Replacement Fund*”);

(f) Buffalo and Erie County Industrial Land Development Corporation – Operation and Maintenance Fund – Buffalo State College Foundation Housing Corporation Project (the “*Operation and Maintenance Fund*”); and

(g) Buffalo and Erie County Industrial Land Development Corporation – Surplus Fund – Buffalo State College Foundation Housing Corporation Project (the “*Surplus Fund*”); and

(h) Buffalo and Erie County Industrial Land Development Corporation – Rebate Fund – Buffalo State College Foundation Housing Corporation (the “*Rebate Fund*”).

(Section 4.1)

Moneys to Be Held in Trust

(a) All moneys deposited with, paid to or received by the Trustee for the account of the Issuer (other than amounts deposited in the Rebate Fund) will be held by the Trustee in trust, and will be subject to the Lien of the Indenture and held for the security of the Owners of the 2011 Bonds until paid in full, *provided, however*, that moneys that have been deposited with, paid to or received by the Trustee for the redemption of a portion of the 2011 Bonds, notice of the redemption of which has been given, or (ii) for the payment of Bonds or interest thereon due and payable otherwise than upon acceleration by declaration, will be held in trust for and subject to a Lien in favor of only the Owners of such Bonds so called for redemption or so due and payable; and *provided further* that all moneys transferred to the Prior Trustee will be held by the Prior Trustee for the security of the owners of the Outstanding Prior Bonds.

(b) The Trustee will deposit moneys into the funds and accounts as follows:

- (i) *Pledged Revenue Fund.* The Trustee will deposit into the Pledged Revenue Fund:
 - A. the Gross Revenues (other than Net Proceeds of any insurance settlement or Condemnation award) immediately upon receipt;
 - B. investment earnings on the Pledged Revenue Fund; and
 - C. all amounts which are required by other provisions of the Indenture to be transferred to the Pledged Revenue Fund.

- (ii) *Rebate Fund.* The Trustee will deposit into the Rebate Fund amounts required to be paid to the United States under the provisions of Section 148 of the Code as certified to the Trustee in writing by an Authorized Representative of the Company.

- (iii) *Bond Fund.*
 - A. *Interest Account.* The Trustee will deposit into the Interest Account all moneys received by the Trustee under and pursuant to any of the provisions of the Indenture or of the Loan Agreement which are required to be or which are certified to the Trustee in writing by an Authorized Representative of the Company accompanied by directions that such moneys are to be paid into the Interest Account of the Bond Fund;
 - B. *Principal Account.* The Trustee will deposit into the Principal Account all moneys received by the Trustee under and pursuant to any of the provisions of the Indenture or of the Loan Agreement which are required to be or which are certified to the Trustee in writing by an Authorized Representative of the Company accompanied by directions that such moneys are to be paid into the Principal Account of the Bond Fund; and
 - C. *Redemption Account.* In the event of (i) receipt by the Trustee of Net Proceeds for purposes of redeeming Bonds; or (ii) deposit with the Trustee by the Issuer or the Company of moneys from any other source for redeeming Bonds (other than mandatory sinking fund redemptions), such moneys will be deposited in the Redemption Account.

- (iv) *Operation and Maintenance Fund.* In accordance with the priority of payments set forth in Section 4.6 of the Indenture, the Trustee will transfer from the Pledged Revenue Fund into the Operation and Maintenance Fund an amount equal to the budgeted Operating Expenses for the next succeeding two (2) months as certified to the Trustee in writing by an Authorized Representative of the Company. Amounts equal to actual Operating Expenses in excess of the budgeted Operating Expenses for the next succeeding two (2) months may be transferred from the Surplus Fund into the Operation and Maintenance Fund on any date as certified to the Trustee in writing by an Authorized Representative of the Company. All amounts in the Operation and Maintenance Fund at the end of each Fiscal Year will be transferred to the Surplus Fund promptly following receipt by the Trustee of a Certificate from an Authorized Officer of the Company that all Operating Expenses have been paid for such Fiscal Year.

- (v) *Repair and Replacement Fund.* In accordance with the priority of payments set forth in Section 4.6 of the Indenture, the Trustee will transfer an amount equal to one-half of the Repair and Replacement Fund Requirement from the Pledged Revenue Fund into the Repair and Replacement Fund for the current Fiscal Year (together with any amount withdrawn from the Repair and Replacement Fund and not previously replenished. All amounts in the Repair and Replacement Fund in excess of the cumulative Repair and Replacement Fund Requirement in effect for a Fiscal Year ended June 30, 2012 through 2017 and thereafter in excess of the Repair and Replacement Fund Requirement shall be transferred to the Surplus Fund on the last day of such Fiscal Year.

- (vi) *Surplus Fund.* In accordance with the priority of payments set forth in Section 4.6 of the Indenture, the Trustee will transfer all remaining amounts from the Pledged Revenue Fund into the Surplus Fund.

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(vii) *Insurance and Condemnation Funds.* The Net Proceeds of any insurance settlement or Condemnation award received by the Trustee will, upon receipt thereof, be deposited in the Insurance and Condemnation Fund.

(Section 4.3)

Cost of Issuance Fund

Moneys in the Costs of Issuance Fund will be applied and expended by the Trustee to pay costs of issuance of the 2011 Bonds in accordance with the requisition in the form of Exhibit C attached to the Indenture. Upon receipt by the Trustee of a certificate signed by an Authorized Representative of the Company stating that all expenses incurred in connection with the issuance of the 2011 Bonds have been paid, any moneys remaining in the Costs of Issuance Fund will be transferred to the Bond Fund.

(Section 4.4)

Deposits to Construction Fund; Payments from Construction Fund; Procedure Upon Completion; Excess Proceeds in the Construction Fund

(a) The Construction Fund will consist of the amounts deposited therein pursuant to the Indenture. The amounts in the Construction Fund will be held for the security of the Series 2011A Bonds Outstanding.

(b) The Trustee will pay the Costs of the Project as authorized by a requisition in the form of Exhibit D to the Indenture, numbered consecutively upwards from 1, signed by an Authorized Representative of the Company. Any requisition may authorize the making of payments to or on behalf of the Company for advances made in respect of Costs of the Project or work done in respect of the Project, but only to the extent that such amounts are properly chargeable against the Construction Fund in accordance with the Indenture and the Tax Compliance Agreement. In any such case, the requisition will relate (i) in the case of payments for work done, to the work so performed, and (ii) in the case of reimbursements for advances made, to the underlying obligation for which the Company is being reimbursed. Upon written request to the Trustee, the Trustee will provide to the Issuer a record of the requisitions and disbursements from the Construction Fund.

(c) Upon completion of the construction and equipping of the Project, pursuant to the Loan Agreement and receipt of the certificate of occupancy related thereto, the Company will furnish the Trustee with a Completion Certificate executed by an Authorized Officer of the Company and the Architect which may be given in reliance upon appropriate certifications of the Architect, certifying (i) that all required insurance has been obtained; (ii) that all construction and equipping of the Project has been substantially completed in accordance with the approved Plans and Specifications and approved changes, if any; (iii) that all Costs of the Project relating to the Project have been paid (other than the retainage) or stating the amounts to be reserved for the payment of any unpaid Costs of the Project relating to the Project and certifying that such amounts reserved are more than sufficient; (iv) that at least ninety-five percent (95%) of the net proceeds of the Series 2011A Bonds applied to payment of Costs of the Project have been applied to pay Qualified Costs of the Project as provided in the Tax Compliance Agreement; (v) the construction of the Project and the installation of the Equipment therein have been completed in a good and workmanlike manner in accordance with the Plans and Specifications and the Loan Agreement and in such manner as to conform with all applicable zoning, planning and building regulations of the Governmental Authorities, as of the date of such Completion Certificate and that no claim has been made calling into question such compliance; and (vi) that all work requiring inspection by Governmental Authorities has been duly inspected and approved by such Governmental Authorities and the certificate of occupancy and all other applicable certificates, licenses and approvals necessary for the use and operation of the Project have been issued and are in force and effect and copies are attached thereto, and there is no violation of any of the provisions thereof or of any Governmental Requirements of which such party has notice or knowledge as of the date thereof. The Architect will not approve the Completion Certificate and the retainage requisition until the Architect has completed a site inspection of the Project which supports a conclusion that the Project has been completed in accordance with the Plans and Specifications.

(d) To the extent that any Series 2011A Bond proceeds remain unexpended in the Construction Fund after receipt of Completion Certificate required in Section 6.3 of the Indenture, the Trustee will (i) retain in the Construction Fund such amount as the Company will specify in the Completion Certificate to be necessary to pay additional Costs of the Project not otherwise provided for; and (ii) transfer such excess funds in the Construction Fund to the Bond Fund for application to the payment of the principal of and interest on the Series 2011A Bonds as the same will become due.

(Section 4.5)

Pledged Revenue Fund

Except as otherwise provided in the Indenture, moneys in the Pledged Revenue Fund will be used as provided in Section 4.6 of the Indenture (or for payment of Debt Service Payments, when the other moneys in the Bond Fund are insufficient therefor). The Issuer authorizes and directs the Trustee on each Transfer Date during the Fiscal Year to withdraw funds from the Pledged Revenue Fund to effectuate all the transfers of funds contemplated by Section 4.6 of the Indenture in the following order of priority:

FIRST, amounts on deposit in the Pledged Revenue Fund will be transferred to the Rebate Fund to pay any Rebate Amount then owing;

SECOND, commencing with the Transfer Date on March 25, 2012 (there being no transfer to the Bond Fund on the first Transfer Date), amounts on deposit in the Pledged Revenue Fund will next be transferred (A) to the Interest Account of the Bond Fund, until there will be on deposit therein amounts sufficient to fund the next succeeding Debt Service Payment attributable to interest in accordance with Section 4.7 of the Indenture; and (B) to the Principal Account of the Bond Fund, until there will be on deposit therein amounts sufficient to fund one-half of the next succeeding Debt Service Payment attributable to principal in accordance with Section 4.7 of the Indenture;

THIRD, amounts on deposit in the Pledged Revenue Fund equal to one-half of the amount of the Repair and Replacement Fund Requirement allocable to such Fiscal Year (together with an amount equal to any amount withdrawn from the Repair and Replacement Fund and not previously replenished) shall next be transferred to the Repair and Replacement Fund in accordance with Section 4.3(b)(v) of the Indenture. Once an amount equal to the full Repair and Replacement Fund Requirement has been deposited into the Repair and Replacement Fund, no further funds will be transferred into the Repair and Replacement Fund pursuant to the THIRD clause of Section 4.6 of the Indenture;

FOURTH, amounts on deposit in the Pledged Revenue Fund shall next be applied to the Operation and Maintenance Fund until there shall be on deposit therein an amount equal to one-half of the budgeted Operating Expenses for the current Fiscal Year; and

FIFTH, after the Fiscal Year ended June 30, 2017, if the Repair and Replacement Fund is less than fully funded at the Repair and Replacement Fund Requirement, amounts on deposit in the Pledged Revenue Fund will next be applied to the Repair and Replacement Fund in an amount necessary to fully fund the Repair and Replacement Fund at the Repair and Replacement Fund Requirement.

The Trustee shall on April 15 of each Fiscal Year transfer all remaining amounts on deposit in the Pledged Revenue Fund to the Surplus Fund to be used in accordance with Section 4.11 of the Indenture.

On the second Business Day preceding a Transfer Date, the Company shall deliver to the Trustee, pursuant to Section 4.3(b)(iv) of the Indenture, a Certificate of an Authorized Representative of the Company setting forth the amount to be transferred to the Operation and Maintenance Account on such Transfer Date, including the proper account information and wiring instructions as necessary for the Trustee to make payment of amounts required under Section 4.6 of the Indenture to the Operating Account.

(Section 4.6)

Bond Fund

Moneys in the various accounts of the Bond Fund will be used solely for the payment of the Debt Service Payments on the 2011 Bonds and for the redemption of the 2011 Bonds prior to maturity.

(i) *Interest Account.* Moneys in the Interest Account from moneys transferred by the Trustee for such purpose will be used to pay Debt Service Payments attributable to interest on the 2011 Bonds, on each Interest Payment Date.

(ii) *Principal Account.* Moneys in the Principal Account from moneys transferred by the Trustee for such purpose will be used to pay Debt Service Payments attributable to principal, when due.

(iii) *Redemption Account.* Moneys on deposit in the Redemption Account will be used redemption (other than mandatory sinking fund redemptions) of Bonds in accordance with the provisions of Article III of the Indenture.

If on any Bond Payment Date or Redemption Date, there is not enough money in the Bond Fund to make all the required payments, the Trustee will transfer sufficient money for such purpose first from the available amounts in the Surplus Fund, second from the Pledged Revenue Fund, third from the Repair and Replacement Fund, fourth from the Operation and Maintenance Fund and fifth from the Insurance and Condemnation Fund.

(Section 4.7)

Insurance and Condemnation Fund

(a) The net proceeds of any insurance settlement or Condemnation award received by the Trustee pursuant to the Loan Agreement in connection with damage to or destruction of or the taking of part or all of the Project will be deposited into the Insurance and Condemnation Fund.

(b) If, pursuant and subject to the Loan Agreement, following damage to or condemnation of all or a portion of the Project Facility, (1) the Company exercised its option not to repair, rebuild or restore the Project and to require the redemption of the 2011 Bonds, or (2) if a taking in condemnation as described in the Loan Agreement occurs, the Trustee will, after any transfer to the Rebate Fund required by the Tax Compliance Agreement and the Indenture is made, transfer all moneys held in the Insurance and Condemnation Fund to the Bond Fund to be applied to the redemption of the 2011 Bonds then Outstanding pursuant to the Indenture.

(c) If, following damage to or condemnation of all or a portion of the Project, the Company elects to repair, rebuild or restore the Project, and provided no Event of Default under any Bond Document, the Sublease, the SUNY Agreement or the Facility Management Agreement has occurred and is continuing, moneys held in the Insurance and Condemnation Fund and attributable to the damage to or the destruction of or the taking of the Project Facility will, after any transfer to the Rebate Fund required by the Tax Compliance Agreement and the Indenture is made, be applied to pay the costs of such repairs, rebuilding or restoration in accordance with the terms and conditions set forth in the Indenture (or for the payment of Debt Service Payments when the moneys in the Bond Fund, the Surplus Fund, the Pledged Revenue Fund, the Repair and Replacement Fund and the Operation and Maintenance Fund in that order of priority are insufficient therefor).

(d) The Trustee is hereby authorized to and will make such disbursements, at the Company's request, either upon the completion of such repairs, rebuilding or restoration or periodically as such repairs, rebuilding or restoration programs, upon receipt by the Trustee of a Certificate of an Authorized Representative of the Company stating, with respect to each payment to be made: (1) the amount or amounts to be paid, the Person or Persons (which may include the Company for reimbursement of such costs) to whom an amount is to be paid and the total sum of all such amounts; (2) that the Company has expended, or is expending, concurrently with the delivery of such Certificate, such amount or amounts on account of costs incurred in connection with the repair, rebuilding or restoration of the Project; (3) that all contractors, workmen and suppliers have been or will be paid through the date of such certificate from the funds to be disbursed; (4) that there exists no Event of Default under the Indenture or under any other Bond Document and no condition, event or act which, with notice or the lapse of time or both,

would constitute an Event of Default under the Indenture or under any other Bond Document; (5) that such Authorized Representative of the Company has no knowledge, after diligent inquiry and after searching the records of the appropriate State and local filing offices, of any vendor's lien or mechanic's lien which should be satisfied, discharged or bonded before the payment as requisitioned is made or which will not be discharged by such payment; (6) that no Certificate with respect to such expenditure has previously been delivered to the Trustee; and (7) that there remains sufficient moneys in the Insurance and Condemnation Fund attributable to the damage to, destruction of, or taking of the Project to complete the repair, rebuilding or restoration of the Project. Each such requisition will be accompanied by bills, invoices or other evidences reasonably satisfactory to the Trustee. The Trustee will be entitled to rely on such requisition.

(e) Upon completion of the repair, rebuilding or restoration of the Project, an Authorized Representative of the Company will deliver to the Issuer and the Trustee a Certificate stating (1) the date of such completion; (2) that all labor, services, materials and supplies used therefor and all costs and expenses in connection therewith have been paid; (3) that the Project has been restored to substantially its condition immediately prior to the damage or Condemnation thereof, or to a condition of at least equivalent value, operating efficiency and function; (4) that the Issuer or the Company has good and valid leasehold title to all Property constituting part of the restored Project, and that the Project is subject to the Loan Agreement and the Liens of the Indenture and the Mortgage; (5) the applicable Rebate Amount with respect to the Net Proceeds of the insurance settlement or Condemnation awards and the earnings thereon (with a statement as to the determination of the Rebate Amount and a direction to the Trustee of any required transfer to the Rebate Fund); and (6) that the restored Project is ready for occupancy, use and operation for its intended purposes. Notwithstanding the forgoing, such certificate may state (a) that it is given without prejudice to any rights of the Company against third parties which exist at the date of such certificate or which may subsequently come into being, (b) that it is given only for the purposes of Section 4.7 of the Indenture, and (c) that no Person other than the Issuer or the Trustee may benefit therefrom. Such certificate will be accompanied by a certificate of occupancy, if required, and any and all permissions, licenses or consents required of Governmental Authorities for the occupancy, operation and use of the Project for its intended purposes.

(f) All earnings on amounts held in the Insurance and Condemnation Fund will be retained by the Trustee in the Insurance and Condemnation Fund and applied to repair, rebuilding or restoration of the Project, redemption of the 2011 Bonds or Debt Service Payments.

(g) If the cost of the repairs, rebuilding or restoration of the Project effected by the Company will be less than the amount in the Insurance and Condemnation Fund, then on the completion of such repairs, rebuilding or restoration, the Trustee will transfer such difference to the Bond Fund to be used to redeem the 2011 Bonds in accordance with the Indenture *provided that* such amounts may be transferred to the Company for its purposes if (1) the Company so requests, and (2) the Company furnishes to the Trustee and the Issuer an Opinion of Bond Counsel to the effect that payment of such moneys to the Company will not, in and of itself, adversely affect the exclusion (if any) of the interest paid or payable on the 2011 Bonds from gross income for federal income tax purposes.

(h) If the cost of the repair, rebuilding or restoration of the Project will be in excess of the moneys held in the Insurance and Condemnation Fund, the Company will deposit such additional moneys in the Insurance and Condemnation Fund as are necessary to pay the cost of completing such repair, rebuilding or restoration.

(Section 4.8)

Repair and Replacement Fund

Moneys in the Repair and Replacement Fund may be used (i) for the purpose of constructing or acquiring replacements of real or personal property that have become worn out, unusable or otherwise obsolete; (ii) for the purpose of making capital improvements to the Project; (iii) for the purpose of making renewals, betterments or other expenditures required to maintain the Project; (iv) for the purpose of reimbursing the Company for amounts theretofore expended by the Company for the foregoing purposes, in each case under the foregoing clauses (i) through (iv) upon presentation to the Trustee of a requisition, certified by an Authorized Representative of the Company accompanied by a Certificate of an Authorized Representative of the Company and a resolution of the

Appendix B

Company authorizing such expenditure; or (v) for the payment of Debt Service Payments when the moneys in the Bond Fund, the Surplus Fund and the Pledged Revenue Fund are insufficient therefor.

(Section 4.9)

Operation and Maintenance Fund

Moneys in the Operation and Maintenance Fund may be used to pay Operating Expenses (or for the payment of Debt Service Payments when the moneys in the Bond Fund, the Surplus Fund, the Pledged Revenue Fund and the Repair and Replacement Fund in that order of priority are insufficient therefor). Immediately after the Trustee makes transfers set forth in the Indenture, the Trustee will transfer an amount equal to the lesser of the next succeeding six (6) months' Operating Expenses as set forth in the Annual Budget for the Fiscal Year or the amount on deposit in the Operation and Maintenance Fund to the Operating Account. Moneys in the Operating Account will be used as provided in Section 10(c) of the Loan Agreement.

(Section 4.10)

Surplus Fund

Moneys in the Surplus Fund will be used in amounts as set forth in a Certificate of an Authorized Representative of the Company, in the following order of priority:

FIRST, amounts on deposit in the Surplus Fund will be used to make a deposit into the Rebate Fund;

SECOND, amounts on deposit in the Surplus Fund will be used to make up any deficiency in the Bond Fund;

THIRD, amounts on deposit in the Surplus Fund will be used to make a deposit into the Operation and Maintenance Fund or the Operating Account to pay Operating Expenses;

FOURTH, amounts on deposit in the Surplus Fund will be transferred to the Repair and Replacement Fund to replenish any withdrawal from the Repair and Replacement Fund or make up any deficiency therein and used for the purposes set forth in Section 4.9 of the Indenture;

FIFTH, amounts on deposit in the Surplus Fund will be transferred to the Redemption Account of the Bond Fund and used for the redemption of Bonds in accordance with the Indenture; and

SIXTH, amounts on deposit in the Surplus Fund in excess of \$10,000 may be withdrawn and used by the Company for any lawful purpose annually upon receipt by the Trustee of the annual audited financial statements of the Company and a Certificate of the Company required by Section 27(b)(i)(B) of the Loan Agreement provided that (i) no Event of Default has occurred and is continuing, (ii) the Company and its auditors have certified that the Debt Service Coverage Ratio has been met and will be maintained after such release, and (iii) the rating assigned to long term obligations issued or guaranteed by the State of New York is not lower than the third highest category by Moody's or Standard & Poor's or their successors.

(Section 4.11)

Rebate Fund; Determination, Notices and Records of Rebate Amount

(a) The Rebate Fund will be used for the deposit of the Rebate Amount and will not be subject to the Lien of the Indenture.

(b) The Loan Agreement and the Tax Compliance Agreement provide that the Company will make a periodic determination as to whether any Rebate Amount may be due, or cause the same to be determined, in the manner provided in Section 148(f) of the Code. The Company will provide the Trustee and the Issuer with a written copy of

each such determination as provided in the Tax Compliance Agreement. This covenant will survive the defeasance of any Bonds pursuant to the Indenture.

(c) The Trustee will retain records of each of the determinations required to be made until a date six (6) years after the retirement of the 2011 Bonds. The Trustee will make such records available for review by the Issuer and the Company upon reasonable notice.

(d) The Trustee will perform such other duties as are specified to be performed by the Trustee in the Tax Compliance Agreement; provided, however, that notwithstanding any other provision in the Indenture or any of the other Bond Documents, general or specific, to the contrary, the Trustee will have no obligations under the Indenture or thereunder relating to rebate requirements except to comply with specific written instructions received by the Trustee from an Authorized Representative of the Company with respect to deposits into the Rebate Fund and release of the moneys therefrom. The Trustee will not have any responsibility under the Indenture or under any of the Bond Documents to make any calculations relating to arbitrage restrictions or rebate requirements, or the excludability of the interest on the 2011 Bonds from gross income for Federal income tax purposes or to verify, confirm or review (and the Trustee will not verify, confirm or review) any such calculations or requirements, or the excludability, if any, of the interest on the 2011 Bonds from gross income for Federal income tax purposes or to take any other action with respect thereto under the Indenture or thereunder.

(Section 4.12)

Procedure When Funds Sufficient To Pay All Bonds

If, at any time, the moneys held by the Trustee in the funds established under the Indenture, other than the Rebate Fund, are sufficient to pay the principal or Redemption Price of and interest on all Bonds then Outstanding, together with any amounts due the Trustee and any amounts due to the Owners of the 2011 Bonds, the Issuer and the Trustee, the Company may elect to defease the 2011 Bonds pursuant to the Indenture and if the Company so elects and notifies the Trustee in writing of such election, the Trustee will apply the amounts in such funds to the payment of such principal (or Redemption Price) and interest and to the payment of any other amounts due to the Owners of the 2011 Bonds, and to the payment of any amounts due to the Issuer and the Trustee, all as is provided in the Indenture.

(Section 4.18)

Investments

(a) The Trustee will, at the request and written direction of an Authorized Representative of the Company (*provided that* upon the occurrence of any Event of Default, the Company may not make such investment directions), invest and reinvest moneys held in any fund or account established under the Indenture in Permitted Investments, except that moneys held in the Rebate Fund and moneys held for the defeasance of the 2011 Bonds pursuant to the Indenture will be invested only in Government Obligations and moneys held for payment of matured installments of principal or interest on Bonds will remain uninvested, *provided, however*, in the absence of such written direction of an Authorized Representative of the Company, or after the occurrence of an Event of Default, the Trustee will invest and reinvest moneys held in any such funds or accounts only in investments of the type described in clause (iv) under the definition of Permitted Investment below.

(b) All Permitted Investments will mature or be subject to redemption by the Trustee prior to the date or dates that moneys therefrom will be required.

(c) Unless otherwise provided in the Indenture, all interest, income and profits received with respect to Permitted Investments, or upon the sale or disposition thereof will be transferred to the Pledged Revenue Fund for application in accordance with Section 4.5 of the Indenture except that interest, income and profits received with respect to Permitted Investments in the Rebate Fund, or upon the sale or disposition thereof, will be retained in the Rebate Fund.

(d) The term “*Permitted Investments*” means:

(i) Government Obligations or Agency Obligations or the right to receive the principal of or interest on Government Obligations through the purchase of certificates or other instruments evidencing an undivided ownership interest in payments of the principal of or interest on Government Obligations; the Trustee, in purchasing Government Obligations or Agency Obligations, (a) may make any such purchase subject to agreement with the seller for repurchase by the seller at a later date, and in such connection may accept the seller's agreement for the payment of interest in lieu of the right to receive the interest payable by the issuer of the securities purchased, *provided that* title to the Government Obligations or Agency Obligations so purchased by the Trustee will vest in the Trustee, that the Trustee will have actual or constructive possession of such Government Obligations or Agency Obligations, and that the current market value of such Government Obligations or Agency Obligations (or of cash or additional Government Obligations or Agency Obligations pledged with the Trustee as collateral for the purpose) is at all times at least equal to the principal and accrued interest payable by the seller under said agreement, or (b) may make any such purchase pursuant to an investment agreement or other agreement providing for the sale of such Government Obligations or Agency Obligations to the Trustee, or (c) may purchase shares of a fund, including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent and/or custodian or subcustodian, notwithstanding that (1) the Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, (2) the Trustee charges and collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (3) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates, whose sole assets are of a type described in this clause (i) and such repurchase agreements thereof;

(ii) obligations issued or guaranteed by any state or political subdivision thereof and rated at the time of purchase in the highest category, if rated as short-term obligations, or not lower than the third highest category, if rated as long term obligations, by Moody's or Standard & Poor's or their successors; the Trustee, in purchasing obligations of the type described in this clause (ii), may purchase shares of a fund whose sole assets are such obligations or obligations of the type described in clause (i) above, including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (1) the Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, (2) the Trustee charges and collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (3) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates;

(iii) commercial or finance company paper which is rated at the time of purchase at least "P-1" by Moody's or "A-1" by Standard & Poor's;

(iv) deposit and trust accounts, money market accounts, time deposits, trust funds, interest bearing deposits, overnight bank deposits, investment agreements, bankers' acceptances, certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Company, or bearer deposit notes in any bank, trust company or savings and loan association (including, without limitation, the Trustee or any bank affiliated with the Trustee) organized under the laws of the United States of America or any state thereof having a rating of its unsecured senior long-term debt obligations within one of the three highest rating categories by either Moody's or Standard & Poor's;

(v) obligations evidencing indebtedness described in Section 103(a) of the Code, which obligations are not investment property as defined in Sections 148(b)(2) and (3) of the Code and are rated at the time of purchase within one of the three highest rating categories by Moody's or Standard & Poor's; the Trustee, in purchasing securities of the type described in this clause (v), may purchase shares of a fund, including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (1) the Trustee or an

affiliate of the Trustee receives fees from such funds for services rendered, (2) the Trustee charges and collects fees for services rendered pursuant to the Indenture, which fees are separate from the fees received from such funds, and (3) services performed for such funds and pursuant to the Indenture may at times duplicate those provided to such funds by the Trustee or its affiliates, at least ninety-eight percent (98%) of the weighted average value of the assets of which are of the type described in this clause (v) or which derives at least ninety-eight percent (98%) of its gross income from such assets; and

(vi) investment agreements with, or which are guaranteed by, a financial institution which has an unsecured, uninsured and unguaranteed obligation rated, at the time such agreement is entered into, in one of the three highest rating categories by Moody's or Standard & Poor's, or is the lead bank of a parent bank holding company with an uninsured, unsecured and unguaranteed obligation meeting such rating requirements, including any affiliate of the Trustee, *provided* (1) interest is paid at least semi-annually at a fixed rate during the entire term of the agreement, consistent with the Interest Payment Dates, (2) moneys invested thereunder may be withdrawn for any purpose required under the Indenture without any penalty, premium or charge upon not more than seven days' notice (*provided* such notice may be amended or cancelled at any time prior to the withdrawal date), (iii) the agreement is not subordinated to any other obligations of such financial institution or bank and provides that if the rating of such financial institution will be downgraded below the lowest rating of the lowest of the three highest rating categories of Moody's or Standard & Poor's, that the financial institution will either terminate such investment agreement with no penalty or collateralize such investment agreement with Governmental Obligations equal to 100% of the then outstanding amount of investments contained in the investment agreement until the rating of such financial institution is restored to one of the three highest rating categories by Moody's or Standard & Poor's, (iv) the same guaranteed interest rate will be paid on any future deposits permitted to be made under such investment agreement, and (v) the Trustee receives an Opinion of Counsel that such agreement is an enforceable obligation of such financial institution.

(Section 4.19)

Valuation of Funds

As of each Interest Payment Date for the 2011 Bonds, the Trustee will compute the value of the assets of each fund or account established under the Indenture. In computing the assets of any fund or account, investments and the accrued interest paid on the purchase thereof will be deemed a part of such fund or account. Investments of money in each such fund pursuant to the Indenture will be valued at the purchase price or the current market value thereof, whichever is lower, *provided that* any investment agreement will be valued at the maximum amount that can be withdrawn under the terms of such investment agreement.

(Section 4.20)

Performance of Covenants

The Issuer will covenant that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, in any and every Bond executed, authenticated and delivered under the Indenture and in all proceedings pertaining thereto.

(Section 5.2)

Discharge of Indenture

Any Outstanding Bond or installments of interest with respect thereto will, 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 has been deposited with the Trustee sufficient Government Obligations, that will, without further investment, be sufficient, together with the other amounts held for such payment, to pay the principal of the 2011 Bonds when due

or to redeem the 2011 Bonds on the earliest possible redemption date thereof at the Redemption Price specified in the Indenture, (ii) in the event such Bond is to be redeemed prior to maturity in accordance with the Indenture, all action required by the provisions of the Indenture to redeem the 2011 Bonds will have been taken or provided for to the satisfaction of the Trustee and notice thereof in accordance with the Indenture have been duly given or provision satisfactory to the Trustee will have been made for the giving of such notice, (iii) provision will have been made for the payment of all amounts due to the Trustee under the terms of the Bond Documents and all fees and expenses of any additional Paying Agent, (iv) the Issuer has been reimbursed for all of its expenses under the Loan Agreement and (v) all other payments required to be made under the Loan Agreement and the Indenture with respect to the 2011 Bonds have been made or provided for.

Upon the defeasance of all Outstanding Bonds in accordance with the Indenture, the Trustee will hold in trust, for the benefit of the Owners of such Bonds, all such Government Obligations, will make no other or different investment of such Government Obligations and will apply the proceeds thereof and the income therefrom only to the payment of such Bonds.

(Section 7.2)

Events of Default

The following will be “Events of Default” under the Indenture, and the term “*Event of Default*” means, when it is used in the Indenture, any one or more of the following events:

(a) A default in the due and punctual payment of any interest on or any principal of, Sinking Fund Installments on, or the Redemption Price of any Bond, whether at the Stated Maturity thereof, upon proceedings for redemption thereof or upon the maturity thereof by declaration; or

(b) A default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer in the Indenture or in the 2011 Bonds contained and the continuance thereof for a period of fifteen (15) days after written notice given to the Issuer and the Company by the Trustee, *provided, however,* that if such performance requires work to be done, actions to be taken or conditions to be remedied which by their nature cannot be reasonably done, taken or remedied, as the case may be, within such fifteen (15) day period, no Event of Default will be deemed to have occurred or exist if, and so long as, the Company will commence such performance within such fifteen (15) day period, and will diligently and continuously prosecute the same to completion within ninety (90) days after the initial notice and the Company will deliver a report to the Trustee and the Issuer at least once every thirty (30) days setting forth the status of its attempt to cure such default; or

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

(d) If the Issuer will have applied for or consented to the appointment of a receiver, trustee or liquidator of all or a substantial part of its assets; admitted in writing the inability to pay its debts as they mature; made a general assignment for the benefit of creditors; been the subject of an order for relief under the Bankruptcy Code, or been adjudicated a bankrupt, or filed a petition or an answer seeking reorganization, liquidation or any arrangement with creditors or taken advantage of any insolvency law, or submitted an answer admitting the material allegations of a petition in bankruptcy, reorganization, liquidation or insolvency proceedings; or an order, judgment or decree will have been entered, without the application, approval or consent of the Issuer by any court of competent jurisdiction approving a petition seeking reorganization of the Issuer or appointing a receiver, trustee or liquidator of a substantial part of its assets and such order, judgment or decree will continue unstayed and in effect for any period of sixty (60) consecutive days; or filed a voluntary petition in bankruptcy or failed to remove an involuntary petition in bankruptcy filed against it within sixty (60) days of the filing thereof.

At any time before an acceleration pursuant to the Indenture, the Trustee may, with the express written consent of a Majority of Owners, waive a default under Sections (b) or (c) above and the respective consequences thereof. No waiver under Section 8.1 of the Indenture will affect the rights of the Trustee or the Issuer under the Indenture. Except as otherwise provided in the Indenture, the Trustee will not waive any Event of Default under Section (a) above.

(Section 8.1)

Acceleration; Annulment of Acceleration.

(a) Upon the occurrence of an Event of Default under Section 8.1(a) or Section 8.1(c) (but only to the extent that the Event of Default under the Loan Agreement is one described in Section 30(a)(i) of such Loan Agreement), all Bonds Outstanding will become immediately due and payable without action or notice of any kind on the part of the Trustee or the Issuer. Upon the occurrence and continuance of any other Event of Default, the Trustee, upon the written request of a Majority of Owners, will, by notice in writing delivered to the Issuer and the Company, declare all Bonds immediately due and payable, and such Bonds will become and be immediately due and payable, anything in the 2011 Bonds or in the Indenture to the contrary notwithstanding. In either such event, there will be due and payable on the 2011 Bonds an amount equal to the total principal amount of all such Bonds, plus all interest accrued thereon and that will accrue thereon to the date of acceleration. If all of the 2011 Bonds Outstanding will become so immediately due and payable, the Issuer and the Trustee will as soon as possible declare by written notice to the Company all unpaid Loan Payments payable by the Company under the Loan Agreement to be immediately due and payable.

(b) At any time after the principal of the 2011 Bonds will have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Indenture, the Trustee may annul such declaration and its consequences with respect to any Bonds not then due by their terms by a notice in writing delivered to the Issuer and the Bondholders if (i) moneys will have been deposited in the Bond Fund sufficient to pay all matured installments of interest and principal or Redemption Price (other than principal then due only because of such declaration) of all Outstanding Bonds; (ii) moneys will be available sufficient to pay the amounts described in the Indenture; (iii) all other amounts then payable by the Issuer under the Indenture will have been paid or a sum sufficient to pay the same will have been deposited with the Trustee; and (iv) every other Event of Default known to the Trustee (other than a default in the payment of the principal of such Bonds then due only because of such declaration) will have been remedied to the satisfaction of the Trustee. No such annulment will extend to or affect any subsequent Event of Default or impair any right consequent thereon.

(Section 8.2)

Application of Moneys

(a) The Net Proceeds received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture will be deposited in the Bond Fund.

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

(i) Unless the principal of all the 2011 Bonds will have become due or will 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 will 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 2011 Bonds that will have become due (other than Bonds called for redemption for the payment of which moneys were 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 will not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, to the Persons entitled thereto without any discrimination or preference; and

THIRD – To the payment of the principal or Redemption Price of and interest on the 2011 Bonds as the same become due and payable.

(ii) If the principal of all the 2011 Bonds will have become due or will have been declared due and payable, to the payment of the principal and interest (at the rate or rates expressed thereon) then due and unpaid upon all of the 2011 Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably according to the amounts due respectively for principal and interest to the Persons entitled thereto without any discrimination or preference.

(iii) If the principal of all the 2011 Bonds will have been declared due and payable and if such declaration will thereafter have been annulled pursuant to provisions of Section 8.2(b) of the Indenture, the moneys will be applied in accordance with the provisions of paragraph (i) of Section 8.5(b) of the Indenture.

(c) Whenever moneys are to be applied by the Trustee pursuant to the provisions of Section 8.5 of the Indenture, such moneys will be applied at such time or times as the Trustee in its sole discretion will determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Interest on the amounts of principal to be paid on such date will cease to accrue on the date of declaration of acceleration in accordance with Section 8.2(a) of the Indenture. The Trustee will give such notice as it may deem appropriate of the application of any such moneys and of the fixing of any such date.

(Section 8.5)

Remedies Vested in Trustee

All rights of action (including the right to file proof of claim) under the Indenture or under any of the 2011 Bonds may be enforced by the Trustee without possession of any of the 2011 Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Trustee will be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the 2011 Bonds. Subject to the provisions of the Indenture, any recovery of judgment will be for the equal benefit of the Owners of the Outstanding Bonds.

(Section 8.6)

Majority Bondholders Control Proceedings

Subject to the Indenture and the rights of the Bank, if an Event of Default will have occurred and be continuing notwithstanding anything in the Indenture to the contrary, the Majority of Owners will have the right, at any time, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting any proceeding to be taken in connection with the enforcement of the terms and conditions of the Indenture or for the appointment of a receiver or any other proceedings under the Indenture, provided that such direction is in accordance with law and the provisions of the Indenture and, in the sole judgment of the Trustee (which in exercising such judgment the Trustee may rely upon an Opinion of Counsel), is not unduly prejudicial to the interests of Owners not joining in such direction, and provided further, that nothing will impair the right of the Trustee in its discretion to take any other action under the Indenture that it may deem proper and that is not inconsistent with such direction by Owners and, except as provided as otherwise provided in the Indenture with respect to certain Events of Default, upon receipt of adequate indemnification reasonably satisfactory to the Trustee.

(Section 8.8)

Supplemental Indentures Not Requiring Consent of Owners

(a) Without the consent of or notice to any of the Owners, but with the consent of the Issuer and the Company, 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:

- (i) To cure any ambiguity or formal defect or omission in the Indenture;
- (ii) To cure, correct or supplement any defective provision of the Indenture in such manner as will not be inconsistent with the Indenture and will not impair the security hereof nor adversely affect the Owners;
- (iii) To grant to or confer upon the Trustee for the benefit of the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners or the Trustee;
- (iv) To add to the covenants and agreements of the Issuer in the Indenture, other covenants and agreements to be observed by the Issuer;
- (v) To more precisely identify the Trust Estate;
- (vi) To subject to the Lien of the Indenture additional revenues, receipts, Property or collateral;
- (vii) To make any other changes in the Indenture that do not prejudice the interests of the Trustee or the Owners;
- (viii) To make any change which in the Opinion of Bond Counsel is reasonably necessary to protect the exclusion (if any) of interest on the 2011 Bonds from gross income for federal income tax purposes; or
- (ix) To issue Additional Bonds as provided in the Indenture.

(b) The Trustee may rely upon an opinion of Independent Counsel as conclusive evidence that any such Supplemental Indenture complies with the foregoing conditions and provisions.

(Section 10.1)

Supplemental Indentures Requiring Consent of Owners

(a) Except as provided in the Indenture, the Majority of Owners will 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 will 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 2011 Bonds, *provided, however*, that nothing contained in Section 10.2 of the Indenture will permit:

- (i) A change in the terms of redemption or maturity of the principal of or the time of payment of interest on any Outstanding Bond or a reduction in the principal amount or Redemption Price of any Outstanding Bond or the rate of interest thereon, without the consent of the Owner of such Bond, or
- (ii) the creation of a Lien upon the Trust Estate ranking prior to the Lien created by the Indenture, without the consent of the Owners of all Outstanding Bonds, or
- (iii) a preference or priority of any Parity Bond or Parity Bonds over any other Parity Bond or Parity Bonds without the consent of the Owners of all Outstanding Parity Bonds, or
- (iv) a reduction in the aggregate principal amount of the 2011 Bonds required for consent to such Supplemental Indenture, without the consent of the Owners of all Outstanding Bonds.

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(b) If at any time the Issuer will request the Trustee to enter into a Supplemental Indenture for any of the purposes of Section 10.1(a) of the Indenture, the Trustee, upon being satisfactorily indemnified with respect to expenses, will cause notice of the proposed execution of such Supplemental Indenture to be given, by first class mail, to each Owner of Bonds then Outstanding at their addresses as they appear on the registration books kept by the Trustee. Such notice will briefly summarize the contents of the proposed Supplemental Indenture and will state that copies thereof are on file at the Office of the Trustee for inspection by all Owners.

(c) The Trustee will not, however, be subject to any liability to any Owner by reason of the Trustee's failure to mail the notice required by Section 10.2(b) of the Indenture.

(d) If within such period after the mailing of the notice required by Section 10.2(b) of the Indenture, as the Issuer will prescribe with the approval of the Trustee, the Issuer will deliver to the Trustee an instrument or instruments executed by the Majority of Owners, referring to the proposed Supplemental Indenture as described in such notice and consenting to and approving the execution thereof, the Trustee will execute such Indenture.

(e) If the Majority of Owners at the time of the execution of any such Supplemental Indenture will have consented to and approved the execution thereof as provided in the Indenture, no Owner of any Bond will 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.

(f) The Trustee may rely upon an opinion of Independent Counsel as conclusive evidence that (i) any Supplemental Indenture entered into by the Issuer and the Trustee, and (ii) the evidence of the requisite Owner consents thereto comply with the provisions of Section 10.2 of the Indenture.

(Section 10.2)

Amendments to Loan Agreement Not Requiring Consent of Owners

Without the consent of or notice to any of the Owners, the Issuer 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) in connection with the description of the Project and the substitution, addition or removal of a portion of the Project as provided in the Loan Agreement and the Indenture, (iv) in connection with additional real estate that is to become part of the Project, (v) in connection with any other change therein that, in the sole judgment of the Trustee, does not adversely affect the interests of the Trustee or the Owners of the 2011 Bonds, and (vi) to make any change which in the opinion of Bond Counsel is reasonably necessary to protect the exclusion (if any) of interest on the 2011 Bonds from gross income for federal income tax purposes. The Trustee may rely upon an opinion of Independent Counsel as conclusive evidence that any such amendment, change or modification complies with the provisions of Section 11.1 of the Indenture.

(Section 11.1)

Amendments to Loan Agreement Requiring Consent

Except for amendments, changes or modifications as provided in Section 11.1 of the Indenture, neither the Issuer nor the Trustee will consent to any amendment, change or modification of the Loan Agreement without mailing of notice and the written approval or consent of the Majority of Owners procured and given in the manner set forth in Section 11.2 of the Indenture, *provided, however*, that no such amendment will be permitted that changes the terms of payment thereunder without the consent of the Owners of all the 2011 Bonds then Outstanding. The Trustee may rely on an opinion of Independent Counsel as conclusive evidence that any such amendment, change or modification and the evidence of the requisite Owner consents comply with the requirements of Section 11.2 of the Indenture.

(Section 11.2)

Consent of Owners

(a) Any consent, request, direction, approval, objection or other instrument required or permitted by the Indenture to be signed and executed by the Owners may be in any number of writings of similar tenor and may be signed or executed by such Owners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, will be sufficient for any of the purposes of the Indenture and may be conclusively relied on by the Trustee with regard to any action taken thereunder:

(i) The fact and date of the execution by any Owner or his attorney of such instrument may be proved by (A) the Certificate (which need not be acknowledged or verified) of an officer of a bank or trust company satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such instrument acknowledged to him the execution thereof on such date, or (B) by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer. The authority of the person or persons executing any such instrument on behalf of a corporate Owner may be established without further proof if such instrument is signed by a person purporting to be the president or a vice president of such corporation.

(ii) The ownership of the 2011 Bonds and the amount, numbers and other identification, and the date of holding the same will be proved by the registration books kept by the Trustee as Bond Registrar.

(b) Any request, consent or vote of the Owner of any Bond will bind all future Owners of such Bond with respect to anything done or suffered to be done or omitted to be done by the Issuer or the Trustee in accordance therewith, unless and until such request, consent or vote is revoked by the filing with the Trustee of a writing, signed and executed by the Owner of the Bond, in form and substance and within such time as will be satisfactory to the Trustee.

(Section 12.1)

SUMMARY OF CERTAIN PROVISIONS OF THE LEASEHOLD MORTGAGE AND SECURITY AGREEMENT

The following is a brief summary of certain provisions of the Leasehold Mortgage and Security Agreement (the “*Mortgage*”). This summary does not purport to be complete and reference is made to the Mortgage for the full and complete description of the terms thereof.

Granting Clauses

The Company, in consideration of the issuance of 2011 Bonds, the execution and delivery by the Issuer of the Loan Agreement and for other good and valuable consideration, receipt of which is hereby acknowledged, and in order to secure (1) the payment of \$44,285,000, being the aggregate principal amount of the 2011 Bonds, together with interest thereon, according to their tenor and effect, (2) the payment of all other sums required to be paid under the Mortgage and under the Loan Agreement and the other Bond Documents, and (3) the performance and observance by the Company of all of the covenants, agreements, representations and warranties herein and in the Loan Agreement and the other Bond Documents, (all of the above in (1) through (3) being collectively referred to in the Mortgage as the “*Mortgage Indebtedness*”), and in order to secure the Mortgage Indebtedness, hereby warrant, assign, mortgage, hypothecate, pledge, grant a Lien on and security interest in, set over and confirm unto the Issuer, and its respective successors and assigns forever, all of the estate, right, title and interest of the Company in, to and under any and all of the following described property (the “*Mortgaged Property*”), whether now owned or held or hereafter acquired:

- (a) (i) the entire right title, interest and estate of the Company in and to the Land including the interest of the Company arising under the Ground Lease and the Sublease, respectively, each of which encumbers the Land (as more fully described on Exhibit A attached to the Mortgage), and (ii) all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed, reconstructed or placed, upon the Land or any part thereof, including all right, title and interest of the Company in and to all building materials and fixtures of every kind and nature whatsoever on the Land or in any building now or hereafter standing on the Land or any part thereof, including, without limitation, the Improvements;
- (b) the Equipment (as more particularly described in Exhibit B attached to the Mortgage), together with all repairs, replacements, improvements, substitutions and renewals thereof and therefor, and all parts, accessories and additions incorporated therein or affixed thereon;
- (c) all leases, subleases, licenses, contract rights, general intangibles and other agreements affecting the use, operation or occupancy of all or any portion of the Improvements or the Land now or hereafter entered into, and the right to receive and apply the rents, issues and profits of the Mortgaged Property or the other real property described above to the payment of the Mortgage Indebtedness, *provided, however*, that so long as there exists no Event of Default or event which with the passage of time or giving of notice would constitute an Event of Default, the Company will have a revocable license to collect and receive rents, issues and profits and to retain, use and enjoy such rents, issues and profits;
- (d) all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property or the other real property described above, including, without limitation, the right to receive and apply the proceeds of any insurance or judgments, or settlements made in lieu thereof, for damage to any of the foregoing, subject to the Company’s right to use such insurance proceeds or condemnation award for restoration of the Mortgaged Property as provided in the Loan Agreement;
- (e) all right, title and interest of the Company in and to the Facility Management Agreement, the SUNY Agreement and all other contracts from time to time executed by the Company or any manager or agent on its behalf relating to the ownership, management, construction, equipping, reconstruction, maintenance, repair, operation, occupancy, sale or financing of the Mortgaged Property, or any part thereof, and all agreements relating to the purchase or lease of any portion of the Mortgaged Property, together with the right to exercise such options and all leases of Equipment, all consents, licenses, building permits, certificates of occupancy and other governmental approvals relating to construction, reconstruction, equipping, completion, occupancy, use or operation of the

Mortgaged Property or any part thereof, and all drawings, plans, specifications and similar or related items relating to the Mortgaged Property (all, collectively, the “*Contract Rights*”);

(f) all Gross Revenues;

(g) the respective leasehold estate as defined and more fully described in the Ground Lease and/or the Sublease, together with all credits, deposits, option(s) to extend or renew the initial term and/or any renewal term of the Ground Lease and/or the Sublease (and any extensions of the term resulting from the exercise of option(s)), privileges, rights (including rights of possession and occupancy and loss proceeds), benefits, estate, title, and interest of the Company as subtenant under the Sublease, claims of the Company against the Association under the Sublease, rights to give the landlord under the Ground Lease any notices under the Ground Lease, rights of the Company to give the Association any notices under the Sublease, and all rights, recognitions and benefits granted to or for the benefit of the Company under the Ground Lease, including, without limitation, any and all Company’s rights and remedies under any nondisturbance, attornment, or recognition agreements or provisions thereunder (all, collectively, the “*Leasehold Rights*”);

(h) to the exclusion of the Company, all of the Company’s rights and remedies arising at any time under, or pursuant to, Bankruptcy Code § 365(h), including the Company’s right to elect to treat the Sublease as terminated, and the Company’s right to remain in possession under the Sublease if the County rejects or disaffirms it under Bankruptcy Code § 365(h) or any other bankruptcy law, or any comparable right under any other bankruptcy law, together with all claims, suits, actions, proceedings, rights, remedies, and privileges related thereto or arising therefrom, including the Company’s right to claim any offsets against rent under the Sublease together with the right to file and prosecute, to the exclusion of the Company, any proofs of claim, complaints, motions, applications, notices, and other documents in any case relating to the Company under the Bankruptcy Code (collectively the “*Lease 365(h) Rights*”);

(i) all of the Company’s claims and rights to the payment of damages that may arise from the Association’s failure to perform under the Sublease, rejection or disaffirmance of the Sublease under any bankruptcy law, or violation or breach by the Association under the Sublease, and all damages and other sums payable pursuant thereto (collectively, the “*Lease Damage Claims*”);

(j) all extensions, additions, substitutions and accessions with respect to any of the foregoing; and

(k) all other proceeds of the conversion, whether voluntary or involuntary, of the Mortgaged Property or any other Property or rights encumbered or conveyed under the Mortgage into cash or liquidated claims, including, without limitation, all title insurance, hazard insurance, Condemnation and other awards.

The Company’s assignment of the Lease Damage Claims and of the Lease 365(h) Rights: (i) is a present, irrevocable, and unconditional assignment (not an assignment as security or in future); and (ii) will continue in effect until all the Mortgage Indebtedness has been satisfied and discharged in full.

The Unassigned Rights are excepted from the Mortgaged Property.

(Section 2.01)

Security Agreement

The Mortgaged Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of the Company in the Mortgaged Property, including personal property used by the Company in connection with the Mortgaged Property. The Mortgage will also constitute a security agreement under the UCC so that the Issuer will have and may enforce a security interest in any or all of the Mortgaged Property, in addition to (but not in limitation of) the Lien upon that portion of the Mortgaged Property constituting part of the realty imposed by the foregoing provisions hereof, such security interest to attach at the earliest moment permitted by law and also to include and attach to all additions and accessions thereto, all substitutions and replacements therefor, all proceeds thereof, including insurance and Condemnation proceeds, and all contract rights, rental or lease payments and general intangibles of the Company obtained in connection with or relating to the Mortgaged

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Property (except for the Unassigned Rights and moneys received pursuant thereto) as well as any and all items of property in the foregoing classifications which are acquired after the date of the Mortgage.

(Section 2.02)

Performance of Covenants

The Company covenants that it will faithfully observe and perform, or cause to be observed and performed, at all times, any and all covenants, undertakings, stipulations and provisions on its part to be observed or performed contained in the Mortgage, the Loan Agreement and the other Bond Documents executed by it.

(Section 2.04)

Priority of Lien of Mortgage; Discharge of Liens and Encumbrances

(a) The Company represents and warrants that, except for Permitted Encumbrances, the Company is lawfully seized of the subleasehold estate conveyed by the Mortgage, and the Company has the right to grant and convey the Mortgaged Property, and it will warrant and defend title to the Mortgaged Property against all claims and demands, excepting the Permitted Encumbrances.

(b) The Company will not create nor permit or suffer to be permitted or created any Lien, except for Permitted Encumbrances, upon the Mortgaged Property or any part thereof, without the prior written consent of the Issuer, which consent will not be unreasonably withheld, and the Trustee.

(c) Notwithstanding the provisions of Section 2.05(b) of the Mortgage, the Company may in good faith contest any such Lien, *provided that* the Company (1) first notifies the Issuer of such contest, (2) there is no default under any of the Bond Documents, (3) has set aside adequate reserves for the discharge of any such Lien and furnished evidence thereof satisfactory to the Issuer, (4) the contest of any such Lien is not an event of default under the Sublease, and (5) demonstrates to the reasonable satisfaction of the Issuer that the failure to discharge any such Lien will not impair or adversely affect the Lien of the Mortgage or the Mortgaged Property.

(Section 2.05)

Payment of Principal and Interest on the 2011 Bonds and Payment of Amounts Due under the Loan Agreement and other Bond Documents

The Company covenants that it will promptly pay, or cause to be paid, payments pursuant to the Loan Agreement in an amount sufficient to pay the principal of, and premium, if any, and interest on, the 2011 Bonds at the place, on the dates and in the manner provided therein, and will promptly pay all other amounts due under the Loan Agreement and other Bond Documents.

(Section 2.06)

Delegation to Issuer

The Company irrevocably delegates to the Issuer the nonexclusive authority from and after an Event of Default under the Mortgage to exercise any or all Leasehold Rights and Contract Rights, whether or not the Company has failed to exercise them. The Company irrevocably designates the Issuer as the Company's agent and attorney-in-fact, in accordance with the Mortgage, and irrevocably authorizes the Issuer to perform or observe on the Company's behalf from and after an Event of Default under the Mortgage any obligation that the Company fails to perform under the Sublease, the SUNY Agreement or the Facility Management Agreement and exercise any Leasehold Rights and Contract Rights. Such appointment of the Issuer as the Company's attorney-in-fact is coupled with an interest and hence irrevocable. The Company will reimburse the Issuer for any advances or expenditures that the Issuer makes or incurs in performing any such obligation or exercising any such right of the Company, with interest at the per annum rate of interest equal to the highest rate earned on any investment in the Bond Fund, plus four percent (4%), and such advances or expenditures and interest thereon be secured under the Mortgage. In

performing any such obligation or right, the Issuer may enter the Mortgaged Property. If the Issuer receives notice or obtains knowledge of any default under the Ground Lease, the Sublease, the SUNY Agreement or the Facility Management Agreement, the Issuer may rely on the same and take any action that the Mortgage (or the Ground Lease, the Sublease, the SUNY Agreement or the Facility Management Agreement or applicable law) allows to remedy such default even if the Company disputes its existence or nature. Nothing in Section 2.07 of the Mortgage imposes any obligation or duty on the Issuer.

(Section 2.07)

Representations, Warranties and Covenants of the Company

The Company represents, warrants and covenants to the Issuer as follows:

(a) The Sublease is a valid and subsisting sublease of the Land demised for the term set forth therein, is in full force and effect in accordance with its terms, and has not been modified. There are no existing or anticipated defaults by the Association under the Sublease and the Company has not received notice of any default or any event which with the passage of time will constitute an event of default under the Sublease. The Company is the subtenant under the Sublease and of the leasehold estate created thereby, all sub-sublease(s) in effect affecting the Land, if any, are subordinate to the Mortgage. The Company owns or will own all fixtures and articles of personal property now or hereafter constituting the Equipment, including any substitutions or replacements thereof, free and clear of all Liens and claims, and the Mortgage is and will remain a valid and enforceable Lien on the Mortgaged Property.

(b) The Company is a not-for-profit corporation organized and existing under the laws of the State and has the power to enter into and perform the Mortgage and the other Bond Documents executed by the Company and to mortgage and pledge the Mortgaged Property in the manner and to the extent set forth in the Mortgage.

(c) The Mortgage and the other Bond Documents executed by the Company constitute valid and enforceable obligations according to their respective terms.

(d) Neither the execution and delivery of the Mortgage or the other Bond Documents executed by the Company, the consummation of the transactions contemplated by the Mortgage or thereby, nor the fulfillment of or compliance with the provisions of the Mortgage or thereof will violate any provision of the Company's Certificate of Incorporation, or conflict with or result in a breach of or default under any of the terms, conditions or provisions of any order, judgment, Governmental Requirement, restriction, agreement or instrument to which the Company is a party to or by which the Company or any of its Property is or may be bound, or result in the creation or imposition of any Lien of any nature upon any of the Property of the Company under the terms of any such instrument or agreement.

(e) The execution and delivery of the Mortgage by the Company does not constitute a "fraudulent conveyance" within the meaning of Title 11 of the United States Code as now constituted or under any other applicable statute, and no bankruptcy or insolvency proceedings are pending or contemplated by or against the Company.

(f) The Mortgaged Property and the operation thereof currently complies and will continue to comply in all material respects with all Governmental Requirements.

(g) The Land is not located in an area identified by the Secretary of Housing and Urban Development as an area having special flood hazards pursuant to the terms of the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as same may have been amended to date.

(h) The Company has all necessary certificates, licenses, authorizations, registrations, permits and approvals necessary for the commencement of any construction on and the operation of the Mortgaged Property, including, but not limited to, all required environmental permits, all of which are (or prior to commencement of construction or operation thereof will be) in full force and effect and are not (and will not be), to the knowledge of the Company, subject to any revocation, amendment, release, suspension, forfeiture or the like; and the present and contemplated use and occupancy of the Land does not conflict with or violate any such certificate, license, authorization, registration, permit or approval.

(i) The representations and warranties of the Company set forth in the Loan Agreement are true and correct, and such representations and warranties are incorporated in the Mortgage by reference and made a part thereof.

(Section 3.01)

Maintenance of and Modifications to the Mortgaged Property by the Company

The Company will, at all times during the term of the Mortgage, (A) keep the Mortgaged Property or cause the Mortgaged Property to be kept in good condition and repair and preserve the same against waste, loss, damage, ordinary wear and tear excepted; (B) make or caused to be made all necessary repairs and replacements to the Mortgaged Property or any part thereof (whether ordinary or extraordinary, structural or nonstructural, foreseen or unforeseen); (C) not remove or demolish any portion of the Mortgaged Property or alter in any material respect the character of any improvement without the prior written consent of the Issuer, except as permitted in the Loan Agreement; (D) not permit the Mortgaged Property to become deserted or abandoned; and (E) operate the Mortgaged Property or cause the Mortgaged Property to be operated in a sound and economic manner.

(Section 4.01)

Events of Default Defined

The following will each be an “*Event of Default*” under the Mortgage and the terms “Event of Default” or “default” mean, whenever they are used in or with respect to the Mortgage, any one or more of the following events:

(a) a default in the due and punctual payment of principal of and premium, if any, and interest on, the 2011 Bonds;

(b) a default in any amount required to be paid by Company under the Loan Agreement, and the continuation of such default for a period in excess of ten (10) days;

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

(d) the occurrence of an Event of Default under any of the 2011 Bonds, the Loan Agreement or any other Bond Document;

(e) if any warranty, representation, certification, financial statement or other information made or furnished to induce the Issuer to issue the 2011 Bonds, or made or furnished, at any time, in or pursuant to the terms of the Mortgage or otherwise by the Company, proves to have been false or misleading in any material respect when made;

(f) an Event of Bankruptcy with respect to the Company;

(g) the Company conceals, removes or permits to be concealed or removed any part of its Property with intent to hinder, delay or defraud its creditors, or any one of them, or will make or suffer a transfer of any of its Property which is fraudulent under any bankruptcy, fraudulent conveyance or similar law, or make any transfer of its Property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid, or will suffer or permit, while insolvent, any creditor to obtain a Lien upon any of its Property through legal proceedings or distraint which is not vacated within thirty (30) days from the date thereof;

(h) except as permitted by the Mortgage or the Loan Agreement, the Mortgaged Property, or any part thereof, is in any manner, whether voluntarily or involuntarily, encumbered, assigned, leased, subleased, sold, transferred or conveyed, or the Company threatens to encumber, assign, lease, sublease, sell, transfer or convey, the Mortgaged Property, or any part thereof, to any person;

- (i) the imposition of a Lien on the Mortgaged Property other than a Lien being contested as provided in the Mortgage or a Permitted Encumbrance; of
- (j) the termination of the Ground Lease, the Sublease, the SUNY Agreement or the Facility Management Agreement.

(Section 6.01)

Acceleration; Annulment of Acceleration

(a) Upon the occurrence of an Event of Default under the Mortgage, the Issuer may, by notice in writing delivered to the Company, declare the whole of the Mortgage Indebtedness immediately due and payable, whereupon the same will become and be immediately due and payable, anything in the Mortgage or any other Bond Document to the contrary notwithstanding. In such event, there will be due and payable the total amount of the Mortgage Indebtedness plus all accrued but unpaid interest thereon and all interest which will accrue thereon to the date of payment, together with any premium payable thereon.

(b) At any time after the principal of the 2011 Bonds will have been so declared to be due and payable and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such default, or before the completion of the enforcement of any other remedy under the Mortgage, the Issuer may annul such declaration and its consequences. No such annulment will extend to or affect any subsequent default or impair any right consequent thereon.

(Section 6.02)

Enforcement of Remedies

(a) Upon the occurrence of any Event of Default, the Issuer may proceed forthwith to protect and enforce its rights under the Mortgage and the other Bond Documents by such suits, actions or proceedings as the Issuer will deem appropriate, including, without limitation, an action to foreclose the Lien of the Mortgage, in which case the Mortgaged Property or any interest therein may be sold for cash or credit in one or more interests and in any order or manner, including sale under Article 14 of the New York State Real Property Actions and Proceeding Law (or any successor statute).

(b) The Issuer may sue for, enforce payment of and receive any amounts due or becoming due from the Company for principal, premium, interest or otherwise under any of the provisions of the Mortgage, or the other Bond Documents, without prejudice to any other right or remedy of the Issuer. The Issuer may also declare the entire indebtedness secured by the Mortgage immediately due and payable without presentment, demand protect or notice of any kind and the Issuer may take any action permitted at law or in equity, without notice or demand, as it deems advisable to protect and enforce its rights against the Company and the Mortgaged Property.

(c) Regardless of the happening of an Event of Default, the Issuer may institute and maintain such suits and proceedings as the Issuer may be advised will be necessary or expedient to prevent any impairment of the security under the Mortgage by any acts which may be unlawful or in violation of the Mortgage, or to preserve or protect the interests of the Issuer.

(d) The Issuer has the right to appear in and defend any action or proceeding brought with respect to the Mortgaged Property and to bring any action or proceeding, in the name and on behalf of the Company, which the Issuer, in its discretion, feels should be brought to protect its interests in the Mortgaged Property.

(e) Upon the occurrence of any Event of Default under the Mortgage, the Company, upon demand of the Issuer, will forthwith surrender the possession of, and it will be lawful for the Issuer, by such officer or agent as it may appoint, to take possession of, all or any part of the Mortgaged Property, together with the books, papers and accounts of the Company pertaining thereto, and to hold, operate and manage the same, and from time to time to make all needed repairs and improvements as the Issuer will deem wise, the Issuer may sell the Company's interest

in the Mortgaged Property or any part thereof, or lease the Mortgaged Property or any part thereof in the name and for the account of the Company, collect, receive and sequester the rents, revenues, earnings, income, products and profits therefrom, and pay out of the same all proper costs and expenses of taking, holding, leasing, selling and managing the Mortgaged Property, including reasonable compensation to the Issuer and its agents and counsel, and any charges of the Issuer under the Mortgage, and any taxes and other charges prior to the Lien of the Mortgage which the Issuer may deem it wise to pay, and all expenses of such repairs and improvements, and apply the remainder of the moneys so received in accordance with the provisions of the Loan Agreement and Section 8.5 of the Indenture.

Upon the occurrence of an Event of Default, the Issuer may exercise any or all of the rights and remedies of a leasehold mortgagee under the Ground Lease and any or all of the rights and remedies of a secured party under the UCC. Nothing in Section 6.03 of the Mortgage will be construed to grant the Issuer any rights or remedies with respect to the Leased Premises (as defined in the Ground Lease) that are inconsistent with the rights and remedies of a leasehold mortgagee under the Ground Lease.

Whenever all that is due under the 2011 Bonds and the other Bond Documents, including any amounts which may have been accelerated pursuant to Section 6.02 of the Mortgage, will have been paid and all defaults made good, the Issuer will surrender possession to the Company, the same right of entry, however, to exist upon any subsequent Event of Default.

(f) Notwithstanding anything in the Mortgage contained to the contrary, to the extent permitted by law, the Company and anyone claiming through or under the Company (1) will not (i) at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any stay or extension or moratorium law, any exemption from execution or sale of the Mortgaged Property or any part thereof, wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of the Mortgage, (ii) claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property, or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision of the Mortgage, or pursuant to the decree, judgment or order of any court of competent jurisdiction, or (iii) after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the Property so sold or any part thereof; (2) expressly waives all benefit or advantage of any such law or laws; and (3) covenants not to hinder, delay or impede the execution of any power in the Mortgage granted or delegated to the Issuer, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. The Company, for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property marshaled upon any foreclosure of the Mortgage.

(Section 6.03)

Waiver and Non-Waiver of Event of Default

(a) The Issuer may, in its discretion, agree to waive any Event of Default under the Mortgage and its consequences and annul any acceleration in accordance with Section 6.02 of the Mortgage. No such waiver will extend to or affect any other existing or any subsequent Event of Default.

(b) The failure of the Issuer to insist upon strict performance of any term of the Mortgage will not be deemed to be a waiver of any term of the Mortgage. The Company will not be relieved of its obligations under the Mortgage by reason of (1) failure of the Issuer to comply with any request of the Company to take any action to foreclose the Mortgage or otherwise enforce any of the provisions of the Mortgage; (2) the release, regardless of consideration, of the whole or any part of the Mortgaged Property; or (3) any agreement or stipulation by the Issuer extending the time of payment or otherwise modifying or supplementing the terms of the Mortgage or any of the other Bond Documents. The Issuer may resort for the payment of the Mortgage Indebtedness to any other security held by the Issuer pursuant to the Security Documents in such order and manner as the Issuer, in its discretion, may elect. The Issuer may take action to recover the Mortgage Indebtedness, or any portion thereof, or to enforce any covenant of the Mortgage without prejudice to the right of the Issuer thereafter to foreclose the Mortgage. The rights of the Issuer under the Mortgage will be separate, distinct and cumulative and none will be given effect to the exclusion of the others. No act of the Issuer will be construed as an election to proceed under any one provision in the Mortgage

to the exclusion of any other provision. No waiver of any right of the Issuer will be effective unless it is in a writing signed by an Authorized Officer of the Issuer.

(Section 6.08)

Covenants Run with the Land

All of the grants, covenants, terms, provisions and conditions in the Mortgage will run with the Land and will apply to, bind and inure to the benefit of the parties to the Mortgage, the Trustee, the Owners of the 2011 Bonds and their successors and assigns.

(Section 7.07)

Tax Laws

If any law or ordinance is enacted or adopted which imposes a tax, either directly or indirectly, on the Mortgage, the Company will pay, or cause to be paid, such tax, with interest and penalties thereon, if any.

(Section 7.11)

SUMMARY OF CERTAIN PROVISIONS OF THE ASSIGNMENT OF RENTS

The Company grants, transfers, assigns, and sets over to the Trustee and grants a security interest in all of its right, title and interest (1) in and to all the rents, issues, fees, sums, amount, profits and, to the extent permitted by applicable law, security deposits (collectively the “Rents”) of and from the premises described in Exhibit “A” attached to the Assignment of Rents (the “Improvements”), and (2) in and to all residency agreements, leases, subleases, licenses, or occupancy agreements (collectively the “Leases”), now or hereafter existing, of all or any part of the Improvements.

Without limiting the generality of the foregoing, the Company agrees as follows:

(1) The Company grants, transfers and assigns to the Trustee all of its right, title and interest in and to the said Leases and in and to the right to use and possess the Improvements, including any and all of the Rents now due or which may hereafter become due under and by virtue of any Lease, whether written or oral, or any letting or any agreement for the use or occupancy of any part of the Improvements which may heretofore have been or which may hereafter be made or agreed to between the Company or any other present, prior or subsequent owner of the Improvements, or any interest therein, or which may be made or agreed to by the Trustee, its successors or assigns, under the powers herein granted and any tenant or occupant of all or any part of the Improvements for the purposes of securing the payment of the principal of, redemption premium, if any, and interest on the Indebtedness and the performance by the Company of each and all of the Company’s payments, obligations, covenants and agreements as set forth in the Loan Agreement and other Bond Documents

Upon or at any time after default in the payment of any Indebtedness or in the performance of any term, provision, condition, obligation, covenant or agreement contained in the Assignment of Rents or in the Mortgage, the Loan Agreement or any Bond Document and after the expiration of any period of grace, if any, with respect to any such default provided for in the Assignment of Rents or in the Mortgage, the Loan Agreement or any Bond Document, respectively, the Trustee may declare all sums secured hereby immediately due and payable and may, at the declaring party’s option, without notice, either in person or by agent and with or without bringing any action or proceeding, or by any receiver to be appointed by a court, enter upon, take possession of, and manage and operate the Improvements and each and every part thereof, and in connection therewith, the Trustee may make, cancel, enforce and modify Leases; fix or modify Rents; repair, maintain and improve the Improvements; employ contractors, subcontractors and workmen in and about the Improvements; obtain and evict tenants; in its own name, sue for or otherwise collect or reserve any and all Rents, including those past due and unpaid; employ leasing agents, managing agents, attorneys and accountants in connection with the enforcement of the rights of the Trustee under the terms of the Assignment of Rents and pay the reasonable fees and expenses thereof; and otherwise do and perform any and all acts which the Trustee may deem necessary and appropriate in and about the Improvements for the protection thereof and of the rights of the Trustee under the Assignment of Rents or under the Mortgage, the Loan Agreement or any other Bond Document, and any and all amounts reasonably expended by the Trustee in connection with the foregoing shall constitute so much additional Indebtedness secured by the Assignment of Rents. The Trustee shall apply any moneys collected, less costs and expenses incurred, upon any Indebtedness secured by the Assignment of Rents in such order and manner as the Trustee may determine. The entering upon and taking possession of the Improvements; the collection of Rents; the exercise of any rights in the Assignment of Rents; and the application of collections, shall not cure, waive, modify or otherwise affect any default under the Assignment of Rents or under the Mortgage, the Loan Agreement or any other Bond Document.

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APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

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APPENDIX C

[PROPOSED FORM OF OPINION OF BOND COUNSEL]

Upon delivery of the 2011 Bonds, Hiscock & Barclay, LLP, Bond Counsel to the Issuer, proposes to issue its legal opinion in substantially the following form:

June __, 2011

Buffalo and Erie County Industrial Land Development Corporation
143 Genesee Street
Buffalo, New York 14203

Re: Buffalo and Erie County Industrial Land Development Corporation
\$43,875,000 Revenue Bonds
(Buffalo State College Foundation Housing Corporation Project), Series 2011A

\$410,000 Taxable Revenue Bonds
(Buffalo State College Foundation Housing Corporation Project), Series 2011B

Ladies and Gentlemen:

We have acted as Bond Counsel to Buffalo and Erie County Industrial Land Development Corporation (the “*Issuer*”) in connection with the issuance on the date hereof of the Issuer’s Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the “*Series 2011A Bonds*”) and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the “*Series 2011B Bonds*” and with the Series 2011A Bonds, the “*Bonds*”).

The Bonds are authorized to be issued pursuant to (i) Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the “*State*”), as amended, and Resolution Nos. 218 and 295 of 2009 and 5-3(2010) of the Erie County Legislature, each as amended to date (collectively, the “*Act*”); (ii) a resolution adopted by the Issuer on March 14, 2011 (the “*Resolution*”); and (iii) a certain trust indenture dated as of June 1, 2011 (the “*Indenture*”), by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the “*Trustee*”). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

The Bonds are being issued in connection with a loan made by the Issuer to Buffalo State College Foundation Housing Corporation (the “*Company*”), a not-for-profit corporation

organized under the laws of the State, for the purpose of, among other purposes, refunding of the Outstanding Prior Bonds, payment or reimbursement of certain costs of the Project (as defined hereinbelow) and the payment of the costs of issuance of the Bonds. The Outstanding Prior Bonds were issued to finance the costs of a project consisting of: (i) the acquisition by the Company of leasehold title to certain parcels of land containing in the aggregate approximately 3.6 acres and located at the corner of Letchworth Street and Grant Street on the campus of Buffalo State College located at Rockwell and Grant Streets in the City of Buffalo, Erie County, New York (the "*Land*"); (ii) the acquisition, installation and construction on the Land by the Company of an approximately 225,000 square foot student housing complex consisting of approximately 507 beds, to serve students of Buffalo State College, together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements (collectively, the "*Improvements*"); and (iii) the acquisition and installation in and around the Improvements of certain items of furniture, furnishings, equipment, machinery and other tangible personal property (collectively, the "*Equipment*" and, collectively with the Land and the Improvements, the "*Project*").

The Bonds are dated the date hereof, are issued as fully registered bonds without coupons and mature and bear interest as set forth therein. The Bonds are subject to redemption prior to maturity in the manner and upon the terms and conditions set forth therein and in the Indenture. The principal and Redemption Price of and interest on the Bonds are payable from loan payments to be made by the Company under the Loan Agreement dated as of June 1, 2011 (the "*Loan Agreement*"), by and between the Issuer and the Company.

The Issuer has assigned its interest in the Loan Agreement (other than its Unassigned Rights) to the Trustee as provided in the Indenture pursuant to the Pledge and Assignment dated as of June 1, 2011 (the "*Pledge and Assignment*"), by the Issuer to the Trustee and acknowledged by the Company.

As security for the obligations of the Company under the Loan Agreement and for the Bonds, the Company has entered and delivered to the Issuer a Leasehold Mortgage and Security Agreement dated as of June 1, 2011 (the "*Mortgage*"), granting a first lien on, and security interest in (subject to certain Permitted Encumbrances), the interest of the Company in and to the Project and the other Mortgaged Property therein and thereon to secure the Loan Agreement and the Bonds. Pursuant to the Assignment of Mortgage dated the date hereof (the "*Assignment of Mortgage*"), the Issuer assigned the Mortgage to the Trustee for the benefit of the Owners of the Bonds.

We have examined a specimen of each of the Bonds and executed counterparts of the Indenture, the Loan Agreement, the Assignment of Mortgage, the Pledge and Assignment and a certain tax compliance agreement dated the date hereof (the "*Tax Compliance Agreement*") executed by the Company and the Issuer relating to the Bonds.

We have reviewed an opinion of even date herewith of Hodgson Russ LLP, counsel to the Company, upon which we are relying as to the status of the Company as a 501(c)(3) Organization (as defined in the Tax Compliance Agreement), the validity and enforceability with respect to the Company of the Loan Agreement, the Mortgage, the acknowledgement to the Pledge and Assignment, the Tax Compliance Agreement and the other Company Documents. No opinion as to such matters is expressed herein.

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

The Internal Revenue Code of 1986, as amended (the “Code”), imposes various requirements which must be met upon and subsequent to the issuance and delivery of the Series 2011A Bonds in order that interest on the Series 2011A Bonds will be and remain excludable from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Series 2011A Bonds and the rebate of certain earnings in respect of such investments to the United States. Failure to comply with the requirements of the Code may cause interest on the 2011A Bonds to be includable in gross income for purposes of federal income tax, possibly from the date of issuance of the 2011A Bonds. The Issuer and the Company have covenanted in the Tax Compliance Agreement to comply with certain procedures, and they have made certain representations and certifications designed to assure satisfaction of the requirements of the Code. Our opinion in paragraph (vii) hereinbelow assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certifications. We express no opinion with respect to the exclusion from gross income for federal income tax purposes of interest on the 2011A Bonds in the event that any such representations and certifications are materially inaccurate or that there occurs a failure to comply with such covenants.

Based upon the foregoing, it is our opinion that:

- (i) The Issuer is a duly created and validly existing not-for-profit corporation constituting a local development corporation under the laws of the State.
- (ii) The Issuer has the right and power under the Act (a) to issue, execute, sell and deliver the Bonds; (b) to enter into and perform its obligations under the Loan Agreement, the Indenture, the Pledge and Assignment, the Assignment of Mortgage and the Tax Compliance Agreement; (c) to assign its interest in the Loan Agreement to the Trustee as provided in the Indenture and the Pledge and Assignment; and (d) to assign its interest in the Mortgage to the Trustee for the benefit of the Owners of the Bonds as provided in the Assignment of Mortgage.
- (iii) The Resolution has been duly and lawfully adopted by the Issuer and is in full force and effect.
- (iv) The Loan Agreement, the Indenture, the Pledge and Assignment, the Assignment of Mortgage and the Tax Compliance Agreement have been duly authorized and lawfully executed and delivered by the Issuer and (assuming the authorization, execution and delivery by the other respective parties thereto) are valid and

legally binding obligations of the Issuer enforceable against it in accordance with their respective terms.

- (v) The Bonds have been duly authorized, executed, delivered and issued for value by the Issuer in conformity with all applicable laws and the provisions of the Indenture and the Resolution and constitute valid and legally binding special obligations of the Issuer enforceable against it in accordance with their terms. The Bonds are payable solely from the amounts payable by the Company pursuant to the Loan Agreement and the Security Documents. The Indenture creates a valid pledge of and a valid Lien upon the Pledged Revenues (as defined in the Indenture), except as set forth therein, and subject only to the provisions of the Indenture permitting the use and payment thereof for or to the purposes and on the terms and conditions set forth in the Indenture.
- (vi) The Bonds do not constitute a debt of the State of New York, the County of Erie, or any political subdivision thereof, and neither the State of New York, the County of Erie, nor any political subdivision thereof shall be liable thereon.
- (vii) Under existing law, interest on the 2011A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and is not treated as an item of tax preference for purposes of the alternative minimum tax imposed upon individuals and corporations pursuant to the provisions of the Code, provided, however, that such interest is taken into account in determining adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the alternative minimum tax imposed on such corporations. With respect to the 2011A Bonds maturing October 1, 2041 (the "*Discount Bonds*") having original issue discount ("*OID*"), *OID* that has accrued and is properly allocable to the owners of *Discount Bonds* under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the 2011A Bonds.
- (viii) The interest on the 2011A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including the City of New York and the City of Yonkers). The interest on the 2011B Bonds is not exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including the City of New York and the City of Yonkers).

In rendering our opinion, we wish to advise you that:

- (a) The enforceability against the Issuer of the Bonds, the Indenture, the Loan Agreement, the Pledge and Assignment, the Assignment of Mortgage and the Tax Compliance Agreement may be limited by any applicable bankruptcy, insolvency or other similar law or enactment now existing or hereafter enacted by the State or the federal government affecting the enforcement of creditors' rights generally.

(b) Equitable remedies with respect to any of the documents described in paragraph (a) above (and with respect to any other documents) lie in the discretion of a court and may not be available.

(c) We express no opinion as to the title to the Project, or the sufficiency (insofar as it relates to the title to the Project) of the description of the Project in the Loan Agreement or the Mortgage or the existence of any liens, security interest or encumbrances on or affecting the Project. We also express no opinion as to perfection of any interests in the Project.

(d) Certain requirements and procedures contained or referred to in the Indenture and certain other documents delivered in connection with the issuance of the Bonds may be changed, and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice, or with the approving opinion of Bond Counsel. We express no opinion as to any Bond or the interest thereon if any such change occurs or action is taken upon the advice or approval of bond counsel other than Hiscock & Barclay, LLP.

(e) We have not been requested to examine and have not examined any documents or information relating to the Issuer or the Company, other than documents contained in 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 initial purchaser of the Bonds or any other person.

(f) This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

(g) This opinion is rendered to the addressee named above, and may not be relied upon by any other person without our prior express written consent.

We have examined the executed Bonds numbered RA-1 and RB-1, in fully registered form and, in our opinion, the respective form of Bond and the execution thereof are regular and proper.

Very truly yours,

HISCOCK & BARCLAY, LLP

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APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this “Agreement”), dated as of June 1, 2011, by and between **BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION**, a New York not-for-profit corporation (the “Company”), and **MANUFACTURERS AND TRADERS TRUST COMPANY**, a banking corporation duly organized and existing under the laws of the State of New York, as trustee (in such capacity, the “Trustee”) under the Trust Indenture, dated as of June 1, 2011 (the “Indenture”), between the Buffalo and Erie County Industrial Land Development Corporation, a not-for-profit local development corporation organized under the laws of the State of New York (the “Issuer”), and the Trustee, is executed and delivered in connection with the issuance by the Issuer of \$43,875,000 aggregate principal amount of its Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A (the “Series A Bonds”), and \$410,000 aggregate principal amount of its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B (together with the Series A Bonds, the “Bonds”). The proceeds of the Bonds are being loaned by the Issuer to the Company pursuant to the Loan Agreement, dated as of June 1, 2011 (the “Loan Agreement”), between the Issuer and the Company. Capitalized terms used in this Agreement which are not otherwise defined herein shall have the respective meanings given to those terms in Article IV hereof.

ARTICLE I **The Undertaking**

Section 1.1. Purpose; No Issuer Responsibility or Liability. This Agreement shall constitute a written undertaking for the benefit of the holders of the Bonds and is being executed and delivered solely to assist the Participating Underwriter in complying with subsection (b)(5) of the Rule. The Company and the Trustee acknowledge that the Issuer has undertaken no responsibility, and shall not be required to undertake any responsibility, and shall have no liability to any person, including any holder of the Bonds, with respect to any reports, notices or disclosures that are part of such undertaking.

Section 1.2. Annual Financial Information. (a) The Company shall provide to the Trustee Annual Financial Information with respect to each fiscal year of the Company, commencing with its fiscal year ending June 30, 2011, by no later than the 150th day after the end of each such fiscal year. The Trustee shall provide notice in writing to the Company that such Annual Financial Information is required to be provided by such 150th day, at least 30 days but not more than 60 days in advance of such 150th day. The Trustee shall provide such Annual Financial Information to the MSRB through the EMMA System within five business days after receipt by the Trustee.

(b) The Trustee shall provide, in a timely manner, notice of any failure of the Company or the Trustee to provide the Annual Financial Information by the date specified in subsection (a) above, in each case to the MSRB through the EMMA System and, if such failure is of the Company, to the Company.

Section 1.3. Quarterly Financial Information. (a) The Company shall provide to the Trustee Quarterly Financial Information with respect to each fiscal quarter of the Company, commencing with its fiscal quarter ending September 30, 2011, by no later than the 45th day after the end of each such fiscal quarter. The Trustee shall provide such Quarterly Financial Information to the MSRB through the EMMA System within five business days after receipt by the Trustee.

(b) The Trustee shall provide, in a timely manner, notice of any failure of the Company or the Trustee to provide the Quarterly Financial Information by the date specified in subsection (a) above, in each case to the MSRB through the EMMA System and, if such failure is of the Company, to the Company.

Section 1.4. Notice Events. (a) If a Notice Event occurs, the Company shall provide, in a timely manner (but in all cases in sufficient time for the Trustee to send notice thereof to the MSRB through the EMMA System within ten business days after the occurrence of such Notice Event pursuant to the next following sentence), written notice of such Notice Event to the Trustee. The Trustee shall send notice of such Notice Event to the MSRB

through the EMMA System not later than three business days after receipt of notice of such Notice Event from the Company.

(b) The Trustee shall promptly advise the Company whenever, in the course of performing its duties as Trustee under the Indenture, the Trustee has actual knowledge of the occurrence of any event which would require the Company to provide notice of a Notice Event hereunder; *provided, however*, that the failure of the Trustee so to advise the Company shall not constitute a breach by the Trustee of any of its duties and responsibilities under this Agreement or the Indenture or relieve the Company of any of its responsibilities or obligations hereunder or under any other instrument or agreement relating to the Bonds.

Section 1.5. Additional Disclosure Obligations. The Company acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to the Company, and that under some circumstances compliance with this Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Company under such other laws.

Section 1.6. Additional Information. Nothing in this Agreement shall be deemed to prevent the Company from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any information in any Annual Financial Information, Quarterly Financial Information or notice of a Notice Event in addition to that which is required by this Agreement. If the Company chooses to include any information in any Annual Financial Information, Quarterly Financial Information or notice of a Notice Event in addition to that which is specifically required by this Agreement, the Company shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information, Quarterly Financial Information or notice of a Notice Event.

Section 1.7. No Previous Non-Compliance. The Company represents that it has not failed to comply in any material respect with any previous undertaking in a written contract or agreement specified in paragraph (b)(5)(i) of the Rule.

ARTICLE II

Operating Rules

Section 2.1. Reference to Other Agreements. It shall be sufficient for purposes of Section 1.2 hereof if the Company provides Annual Financial Information or Quarterly Financial Information by specific reference to documents (a) either (i) provided to the MSRB through the EMMA System or (ii) filed with the SEC, or (b) if such document is a “final official statement” (as defined in the Rule), available from the MSRB.

Section 2.2. Submission of Information. Annual Financial Information and Quarterly Financial Information may be provided in one document or multiple documents, and at one time or in part from time to time.

Section 2.3. Event Notices. Each notice of a Notice Event given by the Company to the Trustee shall be so captioned and shall prominently state the title, date and CUSIP numbers of the Bonds.

Section 2.4. Fiscal Year. Annual Financial Information shall be provided at least annually notwithstanding any fiscal year longer than twelve calendar months. The Company’s current fiscal year consists of the period from and including July 1 of one calendar year to and including June 30 of the next following calendar year, and the Company shall promptly notify the Trustee in writing of each change in its fiscal year. The Trustee shall provide such notice to the MSRB through the EMMA System within ten business days after receipt by the Trustee.

ARTICLE III
Termination, Amendment and Enforcement

Section 3.1. Termination. (a) If the Company's obligations under the Loan Agreement are assumed in full by some other entity, such person shall be responsible for compliance with this Agreement in the same manner as if it were the Company, and thereupon the Company shall have no further responsibility hereunder.

(b) The Company's and the Trustee's obligation under this Agreement shall terminate upon a legal defeasance of all of the Bonds pursuant to Article VII of the Indenture or upon the prior redemption or payment in full of all of the Bonds.

(c) This Agreement, or any provision hereof, shall be null and void and of no further force and effect in the event that (i) the Company delivers to the Trustee an opinion of Counsel, addressed to the Company and the Trustee, to the effect that those portions of the Rule which require this Agreement, or any specific provisions hereof (as appropriate), do not or no longer apply to the Bonds, whether because such portions of the Rule are invalid, have been repealed, or otherwise, all as shall be specified in such opinion, and (ii) the Trustee delivers copies of such opinion to the MSRB through the EMMA System and to the Issuer. The Trustee shall so deliver such opinion within three business days after receipt by the Trustee.

Section 3.2. Amendment. (a) This Agreement may be amended, by written agreement of the parties, without the consent of the holders of the Bonds (except to the extent required under clause (4)(ii) below), if all of the following conditions are satisfied: (1) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of the Company or the type of business conducted thereby, (2) this Agreement as so amended would have complied with the requirements of the Rule as of the date of this Agreement, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, (3) the Company shall have delivered to the Trustee an opinion of Counsel, addressed to the Company and the Trustee, to the same effect as set forth in clause (2) above, (4) either (i) the Company shall have delivered to the Trustee an opinion of Counsel or a determination by a person, in each case unaffiliated with the Issuer or the Company (such as bond counsel or the Trustee) and acceptable to the Company, addressed to the Company and the Trustee, to the effect that the amendment does not materially impair the interests of the holders of the Bonds or (ii) the holders of the Bonds consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Indenture with consent of holders of Bonds pursuant to Section 13.2 of the Indenture as in effect on the date of this Agreement, and (5) the Trustee shall have delivered copies of such opinion(s) and amendment to the MSRB through the EMMA System and to the Issuer. The Trustee shall so deliver such opinion(s) and amendment with three business days after receipt by the Trustee.

(b) In addition to subsection (a) above, this Agreement may be amended and any provision of this Agreement may be waived, by written agreement of the parties, without the consent of the holders of the Bonds, if all of the following conditions are satisfied: (1) an amendment to the Rule is adopted, or a new or modified official interpretation of the Rule is issued, after the effective date of this Agreement which is applicable to this Agreement, (2) the Company shall have delivered to the Trustee an opinion of Counsel, addressed to the Company and the Trustee, to the effect that performance by the Company and the Trustee under this Agreement as so amended or giving effect to such waiver, as the case may be, will not result in a violation of the Rule and (3) the Trustee shall have delivered copies of such opinion and amendment to the MSRB through the EMMA System and to the Issuer. The Trustee shall so deliver such opinion and amendment within three business days after receipt by the Trustee.

(c) To the extent any amendment to this Agreement results in a change in the type of financial information or operating data provided pursuant to this Agreement, the first Annual Financial Information or Quarterly Financial Information provided thereafter shall include a narrative explanation of the reasons for the amendment and the impact of the change.

(d) If an amendment is made to the accounting principles to be followed in preparing financial statements, the Annual Financial Information and Quarterly Financial Information for the year in which the change

is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative and, to the extent reasonably feasible, quantitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. Notice of such amendment shall be provided by the Company to the Trustee, and the Trustee shall provide such notice to the MSRB through the EMMA System and to the Issuer, in each case within three business days after receipt by the Trustee.

Section 3.3. Benefit; Third-Party Beneficiaries; Enforcement. (a) The provisions of this Agreement shall inure solely to the benefit of the parties hereto, the Issuer, the Participating Underwriter and the holders from time to time of the Bonds. In addition, beneficial owners of Bonds held in a book-entry system by a securities depository shall also be third-party beneficiaries of this Agreement.

(b) Except as provided in this subsection (b), the provisions of this Agreement shall create no rights in any other person or entity. The obligations of the Company to comply with the provisions of this Agreement shall be enforceable (i) in the case of enforcement of obligations to provide financial statements, financial information, operating data and notices, by any holder of Outstanding Bonds, or by the Trustee on behalf of the holders of Outstanding Bonds, or by the Participating Underwriter, or (ii) in the case of challenges to the adequacy of the financial statements, financial information and operating data so provided, by the Trustee on behalf of the holders of Outstanding Bonds or by the Participating Underwriter; *provided, however*, that the Trustee shall not be required to take any enforcement action except at the direction of the holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, who shall have provided the Trustee with adequate security and indemnity. The holders' and Trustee's rights to enforce the provisions of this Agreement shall be limited solely to a right, by action for specific performance, to compel performance of the Company's obligations under this Agreement. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to subsection (a) of this Section, beneficial owners shall be deemed to be holders of Bonds for purposes of this subsection (b).

(c) Any failure by the Company or the Trustee to perform in accordance with this Agreement shall not constitute a default or an Event of Default under the Indenture or the Loan Agreement, and the rights and remedies provided by the Indenture or the Loan Agreement upon the occurrence of a default or an Event of Default shall not apply to any such failure.

(d) This Agreement shall be construed and interpreted in accordance with the laws of the State of New York; *provided, however*, that to the extent this Agreement addresses matters of federal securities laws, including the Rule, this Agreement shall be construed in accordance with such federal securities laws and official interpretations thereof.

ARTICLE IV **Definitions**

Section 4.1. Definitions. The following terms used in this Agreement shall have the following respective meanings:

(1) "Annual Financial Information" means, collectively, (i) Audited Financial Statements, (ii) the computation of the Debt Service Coverage Ratio for the fiscal year of the Company covered by the relevant Audited Financial Statements as described in the section of the Official Statement captioned "SECURITY FOR THE 2011 BONDS – Financial Covenants", (iii) information detailing the occupancy of the Student Housing Facility (as defined in the Official Statement) for the fiscal year of the Company covered by the relevant Audited Financial Statements, (iv) an annual update of the information in the sections captioned "BUFFALO STATE COLLEGE – Enrollment" and -- "Demand" in APPENDIX A to the Official Statement, and (v) the information regarding amendments to this Agreement pursuant to Sections 3.2(c) and (d) of this Agreement.

(2) “Audited Financial Statements” means the annual financial statements, if any, of the Company, as audited by a firm of independent certified public accountants. Audited Financial Statements shall be prepared in accordance with GAAP; *provided, however*, that the Company may from time to time, if required by federal or state legal requirements, modify the accounting principles to be following in preparing its financial statements. The written notice of any such modification required by Section 3.2(d) hereof shall include a reference to the specific federal or state law or regulation describing such accounting principles.

(3) “Counsel” means any attorney or firm of attorneys nationally recognized as expert in federal securities laws.

(4) “EMMA System” means the Electronic Municipal Market Access online municipal securities disclosure system operated by the MSRB.

(5) “GAAP” means generally accepted accounting principles applicable to the preparation of financial statements of not-for-profit corporations similar to the Company.

(6) “MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15(B)(b)(1) of the Securities Exchange Act of 1934, as amended.

(7) “Notice Event” means any of the following events with respect to the Bonds, whether relating to the Company or otherwise:

- (i) principal and interest payment delinquencies;
- (ii) non-payment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) adverse tax opinions, or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) modifications to rights of security holders, if material;
- (viii) bond calls, if material, and tender offers;
- (ix) defeasances;
- (x) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) rating changes;
- (xii) bankruptcy, insolvency, receivership or a similar event of the obligated person;
- (xiii) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material.

(8) “Official Statement” means the Official Statement, dated May 26, 2011, of the Issuer and the Company with respect to the Bonds.

(9) “Participating Underwriter” means M&T Securities, Inc.

(10) “Quarterly Financial Information” means Unaudited Financial Statements and information detailing the occupancy of the Student Housing Facility for the fiscal quarter covered by the Unaudited

Financial Statements, including without limitation the number of units, if any, licensed by SUNY (as defined in the Official Statement) pursuant to the SUNY Agreement (as defined in the Official Statement).

(11) “Rule” means Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934, as amended and in effect on and as of the date of this Agreement, including any official interpretations thereof issued either before or after the effective date of this Agreement which are applicable to this Agreement.

(12) “SEC” means the United States Securities and Exchange Commission.

(13) “Unaudited Financial Statements” means the unaudited quarterly financial statements of the Company.

ARTICLE V
Miscellaneous

Section 5.1. Duties, Immunities and Liabilities of Trustee. Article IX of the Indenture is hereby made applicable to this Agreement as if this Agreement were (solely for this purpose) contained in the Indenture. The Trustee shall have only such duties under this Agreement as are specifically set forth in this Agreement.

Section 5.2. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have each caused this Agreement to be executed by their duly authorized representatives as of the date first above written.

**BUFFALO STATE COLLEGE FOUNDATION
HOUSING CORPORATION**

By: _____
Name:
Title:

**MANUFACTURERS AND TRADERS
TRUST COMPANY, AS TRUSTEE**

By: _____
Name:
Title:

Signature Page to Continuing Disclosure Agreement

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Buffalo State

State University of New York

Policy Statement 103 Application

ISSUE NAME: Buffalo and Erie County Industrial Land Development Corporation Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A (the "Series A Bonds") and Buffalo and Erie County Industrial Land Development Corporation Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project) Series 2011B (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds")

OFFERING AMOUNT: Series A Bonds – \$43,875,000
Series B Bonds – \$410,000

NAME AND ADDRESS OF RESPONSIBLE PERSON: S. William Richter, Esquire
Reed Smith LLP
2500 One Liberty Place
1650 Market Street
Philadelphia, PA 19103-7301

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT: S. William Richter, Esquire
215-851-8174

PRINCIPALS: See Attached Exhibit A.

CLOSING DATE: June 16, 2011

STATE OF NEW YORK

DEPARTMENT OF LAW

In the Matter of

Application of the Buffalo and Erie County Industrial Land Development Corporation under Section 359-f Subdivision 2(c) of Article 23-A of the General Business Law of the State of New York:

For Exemption

From Subdivisions 2, 3, 4, 5 and 6, of Section 359-e and from Section 352-e for the purpose of issuing its Revenue Bonds (Buffalo State College Foundation Housing Corporation Project) Series 2011A and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project) Series 2011B in the original aggregate principal amount of \$44,285,000.

To the Department of Law of the State of New York:

This Application for Exemption from the provisions of Subdivisions 2, 3, 4, 5 and 6 of Section 359-e and from Section 352-e of the General Business Law of the State of New York is made pursuant to Policy Statement 103 by the Buffalo and Erie County Industrial Land Development Corporation (the "Issuer"), through David W. Kerchoff, the Assistant Treasurer of the Issuer, and the following facts are set forth:

1. The Issuer was established as a not-for-profit local development corporation of the State of New York pursuant to the purposes and powers contained within Section 1411 of the Not-for-Profit Corporation Law of the State of New York, and Resolutions Nos. 218 and 295 of 2009 and 5-3 (2010) of the Erie County Legislature, as amended, and pursuant to its certificate of incorporation filed on January 13, 1982, as amended, with 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 and to issue its revenue bonds in furtherance of the foregoing. The address of the Issuer is 143 Genesee Street, Buffalo, NY 14203.

2. The affiant is David W. Kerchoff, the Assistant Treasurer of the Issuer. His official address is 143 Genesee Street, Buffalo, NY 14203.

3. The names and titles of all officers, directors, trustees, appointees, elected officials or other principals of the Issuer are attached hereto as Exhibit A.

Other than the persons listed on said Exhibit A, there are no other persons who are principals or controlling persons of the Issuer.

4. The Issuer is an instrumentality of a political subdivision of the State of New York and therefore the Bonds constitute securities of a state or political subdivision or agency thereof within the meaning of GBL Section 359-f(1)(a).

5. The purpose of this bond offering is to make a mortgage-secured loan to Buffalo State College Foundation Housing Corporation, a New York not-for-profit corporation (the "Company"), to (i) pay or reimburse certain costs of, and to refinance certain indebtedness of the Company previously incurred in connection with, a project consisting of the acquisition, construction, equipping and furnishing of an approximately 225,000 square foot student housing complex consisting of three wings of varying heights with approximately 507 beds, together with related infrastructure improvements, located on 3.9 acres of land situated at the corner of

Letchworth Street and Grant Street in the City of Buffalo, Erie County, New York and serving students of Buffalo State College, a part of the State University of New York system of higher education, and (ii) pay the costs of issuance of the Bonds.

The Bonds will be issued in two series – the Series A Bonds, in the original aggregate principal amount of \$43,875,000, and the Series B Bonds, in the original aggregate principal amount of \$410,000. The Bonds will be issued as fully registered bonds in denominations of \$5,000, or any integral multiple of \$5,000 in excess thereof.

6. The Bonds will be sold by a registered broker-dealer on a guaranteed underwriting basis. The name of the registered broker-dealer is M&T Securities, Inc.

7. The closing date for the issuance of the Bonds is June 16, 2011. Two copies of the final offering material for the Bonds are attached to this Application.

8. Two copies of any amendments or supplemental materials used in connection with the Bonds will be filed with the Attorney General.

WHEREFORE, it is hereby requested that the offering for sale of the securities of the Issuer be exempted under General Business Law Section 359-f(1)(a) and Section 359-f(2)(c) from the filing provisions of Section 352-e and subdivisions two through six of Section 359-e).


Dated: June 15, 2011

BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION

By:  _____
Assistant Treasurer

STATE OF NEW YORK)
)
COUNTY OF ERIE) ss:

David W. Kerchoff, being duly sworn, deposes and says that he is the Assistant Treasurer of the Buffalo and Erie County Industrial Land Development Corporation, the Issuer described in the foregoing Affidavit and Petition for Exemption; that he executed the foregoing Affidavit and Petition for Exemption for and on behalf of said Issuer; that he is fully authorized to execute and file such Affidavit and Petition for Exemption; and that to the best of his knowledge, information and belief, the statements made in such Affidavit and Petition for Exemption are true.

By: 
David W. Kerchoff,
Assistant Treasurer

Subscribed and sworn to before me
this 15th day of June 2011.


Notary

[SEAL]

My Commission Expires:

LORI L. McROBBIE
Notary Public, State of New York
Qualified in Onondaga Co. No. 01MC5055591
Commission Expires on Feb. 12, 20 14

EXHIBIT A

Officers, Directors, Trustees, Appointees, Elected Officials or
Other Principals of Buffalo and Erie County Industrial Land Development Corporation

NAME AND POSITION

<u>Name</u>	<u>Office</u>
Hon. Chris Collins	Chairperson
Philip C. Ackerman	Director
Philip Corwin	Director
Hon. Byron W. Brown	Director
Hon. Barbara Miller-Williams	Director
Hon. Timothy M. Kennedy	Director
Michael Hoffert	Director
Al Culliton	Chief Operating Officer
John Cappellino	Executive Vice President
Andrew Schoepich	Treasurer
David Kerchoff	Assistant Treasurer
Karen Fiala	Assistant Treasurer
Shawn M. Griffin	Secretary
Robert G. Murray	Assistant Secretary



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL

ERIC T. SCHNEIDERMAN
ATTORNEY GENERAL

(212)-416-8111

DIVISION OF ECONOMIC JUSTICE
REAL ESTATE FINANCE BUREAU

S. William Richter, Esq.
Reed Smith, LLP
2500 One Liberty Place, 1650 Market Street
Philadelphia, PA 19103-7301

Re: Issuer: Buffalo and Erie County Industrial Land Development Corporation
Offering: (Buffalo State College Foundation Housing Corporation Project), Series
2011A & Series 2011B
Amount: \$44,285,000
Submission Date: 6/17/2011 Exemption Date: 6/22/2011
File #: B11-4582 Fee: \$300

Dear Mr. Richter:

By virtue of the authority under New York General Business Law ("GBL") §352-e(1)(a) and §359-f(2), and based upon the sworn affidavit and supporting documents (collectively, the "Application"), the Attorney General hereby grants an exemption for the Offering from the obligation to effect a filing under GBL §352-e and to comply with GBL §359-e (2),(3) and (4) (the "Exemption"). The action of the Attorney General shall not constitute approval of the terms or merits of the Offering. The Exemption is contingent upon the performance by Issuer of the undertakings set forth in the Application or submitted separately, and failure to comply with any such undertaking may, at the discretion of the Attorney General, render the Exemption void. This exemption does not cover any successive "takedowns" or portions of series of securities by any trust, fund or other issuer entity other than the applicant that is named hereinabove.

The Attorney General has relied on the truthfulness of the information contained in the Application and has made no investigation of the facts presented therein. Any misstatement, misrepresentation, concealment, or omission of a material fact, or any use of offering literature not exactly as submitted, may render the Exemption void.

It is required that prompt notice of any change in a fact represented to the Department of Law, or any problem or impediment as to fulfillment of an undertaking, be given to the Department at the address listed below. The Exemption will be ineffective without further notice as of the date of any change which renders the offering ineligible therefore.

Very truly yours,

Susan Scharbach
Deputy Bureau Chief

Terrence M. Gilbride
Partner
Direct Dial: 716.848.1236
Direct Facsimile: 716.819.4625
terry_gilbride@hodgsonruss.com



June 16, 2011

Buffalo and Erie County Industrial
Land Development Corporation
275 Oak Street
Buffalo, New York 14203

Manufacturers and Traders Trust Company, as Trustee
One M&T Plaza
Buffalo, New York 14203

M&T Securities, Inc.
160 Technology Drive
Canonsburg, Pennsylvania 15317

Ladies and Gentlemen:

We have acted as counsel to Buffalo State College Foundation Housing Corporation (the "Company") in connection with the execution and delivery by the Company of the documents identified on Exhibit A attached to this letter (collectively the "Transaction Documents" and individually a "Transaction Document").

This letter is being delivered to you pursuant to item (c) in Section 6 of the Bond Purchase Agreement included in the Transaction Documents.

The opinions and confirmations set forth in this letter, whether or not qualified by the phrase "to our knowledge," are subject to the following qualifications:

1. The opinions and confirmations set forth in this letter are based solely upon (a) our review of, as submitted to us, (i) the Transaction Documents, (ii) a UCC Financing Statement naming "Buffalo State College Foundation Housing Corporation" as debtor and "Buffalo and Erie County Industrial Land Development Corporation" as secured party and intended to be filed in the office of the Secretary of State of the State of New York (the "Financing Statement"), (iii) a Trust Indenture, dated as of June 1, 2011, between Buffalo and Erie County Industrial Land Development Corporation and Manufacturers and Traders Trust Company, as trustee, (the "Indenture"), (iv) a General Certificate of the Company, dated June 16, 2011, executed by Stanley Kardonsky, the Vice President of the Company, and Gerald Cornish, the Secretary of the Company, (the "Company Certificate"), (v) the Certificate of Incorporation of the Company as attached to the Company Certificate (the "Company Certificate of Incorporation"), (vi) the By-Laws of the Company as attached to the Company Certificate (the

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“Company By-Laws”), (vii) evidence of the corporate proceedings of the Company, (viii) a certificate, dated May 23, 2011, from the First Deputy Secretary of State of the State of New York as to the Company (the “Governmental Certificate”), (ix) a letter, dated April 11, 2009, from the Internal Revenue Service as to the Company’s qualification as an exempt organization under Section 501(c)(3) of the Internal Revenue Code (the “Code”) (the “Company Determination Letter”), (x) a Full Environmental Assessment Form, incorrectly dated December 11, 2010, executed by Stanley Kardonsky, the Vice President of Finance and Management of SUNY College at Buffalo, and relating to the Project (as such term is defined in the Indenture) (the “Project”), (xi) a State Environmental Quality Review Act Negative Declaration--Notice of Determination of Non-Significance relating to the Project, (xii) two Search Reports, each dated May 27, 2011, from CT Corporation System as to litigation in which the Company is named as a defendant and (xiii) an Official Statement, dated May 26, 2011, relating to Buffalo and Erie County Industrial Land Development Corporation \$43,875,000 Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A and \$410,000 Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B (the “Official Statement”) (items (a)(i) through (a)(xiii) being collectively the “Reviewed Documents”), (b) as to factual matters, the conscious awareness of information by those of our present attorneys who have had primary responsibility for reviewing and negotiating the Transaction Documents on behalf of the Company and reviewing the rest of the Reviewed Documents or who are primarily responsible for our representation of the Company (collectively the “Attorney Information”) and (c) as to legal matters, our review of such published sources of law as we have deemed necessary based solely upon our review of the Reviewed Documents and the Attorney Information. Other than our review and negotiation of the Transaction Documents and our review of the rest of the Reviewed Documents, we have made no inquiry or other investigation as to any factual matter (including, but not limited to, any review of (a) any of the files and other records of the Company or any court or other governmental authority or (b) any of our files and other records).

2. We do not express any opinion concerning any law other than the law of the State of New York and the federal law of the United States (collectively the “Covered Law”).

3. We have assumed without any inquiry or other investigation (a) the legal capacity of each natural person, (b) the genuineness of each signature on any of the Reviewed Documents other than the signature on any Transaction Document of any individual executing such Transaction Document on behalf of the Company, the accuracy and completeness of each of the Reviewed Documents, the authenticity of each of the Reviewed Documents submitted to us as an original, the conformity to the original of each of the Reviewed Documents submitted to us as a copy and the authenticity of the original of each of the Reviewed Documents submitted to us as a copy, (c) the accuracy on the date of this letter as well as on the date stated in the Company Certificate or any Governmental Certificate of each statement contained therein and

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the accuracy on the date of this letter as well as on the date made of each statement as to any factual matter contained in any other of the Reviewed Documents other than any statement as to any factual matter within the scope of the Attorney Information, (d) the accuracy and completeness for all purposes of any description of any real or personal property or fixture in any of the Reviewed Documents, (e) the payment of all required recording or filing fees, taxes and similar charges, (f) the holding by the Company of any right, title or interest that the Company purportedly holds in or to any property, (g) there not existing outside of the Reviewed Documents, the Attorney Information and the Covered Law anything that would render any opinion set forth in this letter incorrect, (h) the constitutionality or validity of any statute, rule, regulation or other law not being at issue, (i) no violation of any fiduciary duty having occurred with respect to the authorization of the execution, delivery and performance of the Transaction Documents by the Company, (j) each Transaction Document being governed by the law of the State of New York even if such Transaction Document does not explicitly provide that it is governed by such law, (k) the satisfaction of each legal requirement applicable to any party to any Transaction Document other than the Company to the extent necessary to make such Transaction Document a legally valid and binding obligation of such party enforceable against such party in accordance with its terms, (l) the satisfaction of each legal requirement applicable to the status of any party to any Transaction Document other than the Company to the extent that such status relates to any right of such party to enforce such Transaction Document against the Company, (m) there not having occurred with respect to any transaction contemplated by any Transaction Document any mutual mistake of fact or misunderstanding, fraud, duress or undue influence or any conduct that does not comply with any applicable requirement of good faith, fair dealing or conscionability, (n) each party to any Transaction Document other than the Company having acted in good faith and without any notice of any defense against the enforcement of any right granted to such party by such Transaction Document or any adverse claim to any property on which any lien (including, but not limited to, any mortgage lien or security interest) is created, or any property that or any interest in which is transferred, by such Transaction Document, (o) there existing no agreement or understanding, whether written or oral, and there existing no usage of trade or course of conduct, that would limit, define, supplement or qualify any provision of any Transaction Document, (p) for purposes of the opinion numbered 6 set forth in this letter, that each party to any Transaction Document will make, give or obtain each filing and registration with, notice to and consent, approval and authorization of any court or other governmental authority required to be made, given or obtained by such party in the future as a condition of the performance of such Transaction Document by such party, will in the future take each action required by such Transaction Document to be taken by such party, will in the future refrain from taking any action prohibited by such Transaction Document from being taken by such party and will not in the future take any discretionary action permitted by such Transaction Document to be taken by such party that would result in any violation of applicable law, (q) for purposes of the opinion numbered 6 set forth in this letter, there existing no judgment, decree or

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order of any court or other governmental authority the existence of which is outside the scope of the Attorney Information and is not indicated in any of the Reviewed Documents and that either would be violated by the execution, delivery and performance of the Transaction Documents by the Company or requires as a condition of such execution, delivery and performance any filing or registration with, notice to or consent, approval or authorization of any court or other governmental authority, (r) that “value has been given” to the Company by Buffalo and Erie County Industrial Land Development Corporation within the meaning of Section 9-203(b)(1) of the Uniform Commercial Code of the State of New York with respect to the Loan Agreement included in the Transaction Documents (the “Loan Agreement”) and the Leasehold Mortgage and Security Agreement included in the Transaction Documents (the “Mortgage”) and (s) that the Company “has rights in the collateral or the power to transfer rights in the collateral to a secured party” within the meaning of Section 9-203(b)(2) of the Uniform Commercial Code of the State of New York with respect to the Gross Revenues (as such term is defined in the Indenture) (collectively the “Gross Revenues”) and the Mortgaged Property (as such term is defined in the Mortgage) (the “Mortgaged Property”).

4. The qualification of any confirmation set forth in this letter by the phrase “to our knowledge” signifies that, in the course of our representation of the Company in connection with the execution and delivery of the Transaction Documents by the Company, no information has come to the attention of those of our present attorneys who have had primary responsibility for reviewing and negotiating the Transaction Documents on behalf of the Company and reviewing the rest of the Reviewed Documents or who are primarily responsible for our representation of the Company that would give such attorneys conscious awareness of the inaccuracy of such confirmation.

5. Any opinion set forth in this letter concerning the status of any Transaction Document under the law of the State of New York as a legally valid and binding obligation of the Company enforceable against the Company in accordance with its terms means that, while, as to the Company, no particular remedy (including, but not limited to, specific performance) will necessarily be available under such law or such Transaction Document and no particular provision of such Transaction Document (including, but not limited to, any provision giving a consent or waiver, granting any power of attorney, providing for indemnification, exculpation, liquidated damages, attorneys’ fees or arbitration or imposing any penalty or similar charge) will necessarily be upheld or enforced in any or each circumstance by a court of the State of New York applying such law, such unavailability of a particular remedy and such failure of a particular provision to be upheld or enforced will not preclude (a) if such Transaction Document is the Loan Agreement, the judicial enforcement under such law of any obligation of the Company to pay as scheduled (after giving effect to any applicable grace period) principal and (to the extent not deemed a penalty) interest payable by the Company under such Transaction Document, the acceleration of the maturity of such principal and (to the extent not deemed a



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penalty) interest upon a material default in such payment (after giving effect to any applicable grace period) by the Company, the judicial enforcement under such law of any obligation of the Company to pay such principal and (to the extent not deemed a penalty) interest upon such maturity as scheduled or as so accelerated and the judicial enforcement, upon such maturity as scheduled or as so accelerated, of any security interest created by such Transaction Document and subject to enforcement under Article 9 of the Uniform Commercial Code of the State of New York, (b) if such Transaction Document is the Mortgage, the judicial foreclosure or non-judicial sale under such law in accordance with such Transaction Document, upon such maturity as scheduled or as so accelerated, of any mortgage lien created by such Transaction Document and any security interest created by such Transaction Document and subject to enforcement under Article 9 of the Uniform Commercial Code of the State of New York, (c) if such Transaction Document is the Assignment of Rents and Leases included in the Transaction Documents, the judicial enforcement under such law of any assignment of rents made by such Transaction Document that is sought to be enforced for the purpose of collecting rents accruing after the appointment of a receiver in an action for such judicial foreclosure, (d) if such Transaction Document is the Assignment of Agreements included in the Transaction Documents, the judicial enforcement under such law, upon such maturity as scheduled or as so accelerated, of any security interest created by such Transaction Document and subject to enforcement under Article 9 of the Uniform Commercial Code of the State of New York, (e) if such Transaction Document is the Guaranty Agreement included in the Transaction Documents, the judicial enforcement under such law, upon a material default in the payment (after giving effect to any applicable grace period) by the Company of principal and (to the extent not deemed a penalty) interest payable by the Company under such Transaction Document, of any obligation of the Company to pay such principal and (to the extent not deemed a penalty) interest and (f) if such Transaction Document is any other Transaction Document, the availability under such law, upon a breach by the Company of any material obligation of the Company under such Transaction Document, of a legally adequate remedy for pursuing a claim against the Company for damages for such breach.

6. The status of any Transaction Document under the law of the State of New York as a legally valid and binding obligation of the Company enforceable against the Company in accordance with its terms may be limited or otherwise affected by (a) any bankruptcy, insolvency, liquidation, reorganization, conservatorship, receivership, moratorium, marshaling, arrangement, assignment for benefit of creditors, fraudulent transfer, fraudulent conveyance or other statute, rule, regulation or other law affecting the rights and remedies of creditors generally or creditors of specific types of debtors, (b) any general principle of equity, whether applied by a court of law or equity, (including, but not limited to, any principle (i) governing the availability of specific performance, injunctive relief or any other equitable remedy that is subject to the discretion of a court, (ii) affording any equitable defense, (iii) requiring good faith, fair dealing or reasonableness in the performance or enforcement of a contract by a party seeking the

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enforcement of such contract, (iv) requiring consideration of the materiality of a breach of a contract by a party against whom or which the enforcement of such contract is sought or consideration of the materiality of the consequences of such breach to a party seeking such enforcement, (v) requiring consideration at the time the enforcement of a contract is attempted of the impracticality or impossibility of the performance of such contract or (vi) affording any defense to the enforcement of a contract based upon the unconscionability of the conduct after such contract has been entered into of a party seeking such enforcement) and (c) the illegality of such Transaction Document under any law other than the Covered Law.

7. Any opinion set forth in this letter concerning the creation or perfection of any security interest does not address (a) the effect on such opinion of any event or action occurring or not occurring or taken or not taken after the date of this letter (including, but not limited to, any change in the name, structure, identity or location of the Company and the failure to file a UCC Financing Statement Amendment continuing the effectiveness of such security interest), (b) the creation of such security interest with respect to (i) any property of a type in which a security interest may not be created under Article 9 of the Uniform Commercial Code of the State of New York, (ii) any timber to be cut, (iii) any cooperative interest (as such term is defined in Section 9-102(a)(27-b) of the Uniform Commercial Code of the State of New York), (iv) any commercial tort claim (as such term is defined in Section 9-102(a)(13) of the Uniform Commercial Code of the State of New York), (v) any commingled goods (as such term is defined in Section 9-336(a) of the Uniform Commercial Code of the State of New York) except to the extent provided in Sections 9-336(b) and (c) of the Uniform Commercial Code of the State of New York, (vi) any property that is subject to any prohibition of, restriction on or requirement of consent to the creation of such security interest (including, but not limited to, any property that is subject to any term of the type referred to in Section 9-406(d), 9-407(a), 9-408(a) or 9-409(a) of the Uniform Commercial Code of the State of New York that is not rendered ineffective by such Section 9-406(d), 9-407(a), 9-408(a) or 9-409(a)) or (vii) any proceeds (as such term is defined in Section 9-102(a)(64) of the Uniform Commercial Code of the State of New York) except to the extent provided in Sections 9-203(f) and 9-315 of the Uniform Commercial Code of the State of New York, (c) the perfection of such security interest with respect to (i) any property as to which no opinion with respect to the creation of a security interest therein is given in this letter, (ii) any property of a type in which a security interest may not be perfected under Article 9 of the Uniform Commercial Code of the State of New York, (iii) any as-extracted collateral (as such term is defined in Section 9-102(a)(6) of the Uniform Commercial Code of the State of New York), (iv) any accession (as such term is defined in Section 9-102(a)(1) of the Uniform Commercial Code of the State of New York) except to the extent provided in Section 9-335(b) of the Uniform Commercial Code of the State of New York, (v) any commingled goods (as such term is defined in Section 9-336(a) of the Uniform Commercial Code of the State of New York) except to the extent provided in Section 9-336(d) of the Uniform Commercial Code of the State of New York, (vi) any proceeds (as such term is defined in Section 9-102(a)(64) of the Uniform

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Commercial Code of the State of New York) except to the extent provided in Section 9-315 of the Uniform Commercial Code of the State of New York or (vii) to the extent that perfection of such security interest would require a fixture filing (as such term is defined in Section 9-102(a)(40) of the Uniform Commercial Code of the State of New York) to achieve priority over certain interests in fixtures (as such term is defined in Section 9-102(a)(41) of the Uniform Commercial Code of the State of New York), any fixtures (as such term is defined in Section 9-102(a)(41) of the Uniform Commercial Code of the State of New York) or (d) any law governing the perfection of such security interest other than Article 9 of the Uniform Commercial Code of the State of New York.

8. Any opinion set forth in this letter (a) deals only with the specific legal issue or issues it explicitly addresses and does not address any other matter, (b) addresses only law that a lawyer admitted to practice in the State of New York, exercising customary professional diligence, would reasonably be expected to recognize as being applicable to transactions of the type contemplated by the Transaction Documents engaged in by not-for-profit corporations that are not engaged in regulated business activities such as banking and insurance, (c) except as expressly set forth in such opinion, does not address any legal issue arising under (i) any statute, rule, regulation or other law relating to any security, commodity or other future, pension, employee benefit, antitrust, unfair competition, communication, fraudulent transfer, fraudulent conveyance, consumer protection, environmental, land use, subdivision, tax, copyright, patent, trademark or other intellectual property, gambling, racketeering, terrorism, money laundering, emergency, health, safety, labor, health or other insurance, forfeiture or criminal matter or any filing, notice, margin or fiduciary requirement or (ii) any statute, ordinance, rule, regulation or other law of any political subdivision of the State of New York, (d) does not address the effect on such opinion of any law (including, but not limited to, public policy reflected therein) other than the Covered Law, (e) does not address any matter relating to (i) the nature, extent or validity of any title to or right in any property, (ii) the priority of any lien (including, but not limited to, any mortgage lien or security interest), (iii) the compliance or noncompliance by any party with any financial covenant or ratio or (iv) any sale or other transfer of any Transaction Document or any interest therein, (f) does not address any matter requiring any mathematical computation or financial or accounting determination and (g) except as expressly set forth in such opinion, does not address any matter relating to (i) the legal or regulatory status, or the nature or conduct of any business, of any party, (ii) the compliance or non-compliance by any party with any statute, rule, regulation or other law or (iii) the existence, nonexistence, creation or perfection of any lien (including, but not limited to, any mortgage lien or security interest).

9. The confirmation numbered 10 set forth in this letter does not address the accuracy of any financial or statistical information contained in the portions of the Official Statement addressed by such confirmation.

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M&T Securities, Inc.
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10. This letter is given without regard to any change after the date of this letter with respect to any factual or legal matter, and we disclaim any obligation to notify either of you of any such change or any effect of any such change on any opinion or confirmation set forth in this letter.

11. This letter is to be interpreted in accordance with customary practice in the United States with respect to legal opinions rendered by lawyers to non-clients in business transactions except to the extent that such customary practice is incompatible with any qualification set forth in this letter.

Subject to the qualifications set forth in this letter, it is our opinion that:

1. The Company is duly incorporated under the Not-for-Profit Corporation Law of the State of New York, and, based solely upon the Governmental Certificate, the Company is validly existing under the Not-for-Profit Corporation Law of the State of New York and is in good standing in the State of New York.

2. The Company has the corporate power under the Not-for-Profit Corporation Law of the State of New York, the Company Certificate of Incorporation and the Company By-Laws to execute, deliver and perform the Transaction Documents (including, but not limited to, granting a security interest in the Gross Revenues and a mortgage lien on and security interest in the Mortgaged Property).

3. The execution, delivery and performance of the Transaction Documents by the Company (including, but not limited to, granting a security interest in the Gross Revenues and a mortgage lien on and security interest in the Mortgaged Property) have been duly authorized by all corporate action of the Company necessary under the Not-for-Profit Corporation Law of the State of New York, the Company Certificate of Incorporation and the Company By-Laws.

4. The Transaction Documents have been duly executed and delivered by the Company under the law of the State of New York, the Company Certificate of Incorporation and the Company By-Laws.

5. Each of the Transaction Documents is under the law of the State of New York a legally valid and binding obligation of the Company enforceable against the Company in accordance with its terms.

6. The execution, delivery and performance of the Transaction Documents by the Company (including, but not limited to, granting a security interest in the Gross Revenues and a mortgage lien on and security interest in the Mortgaged Property) do not (a) violate the

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Company Certificate of Incorporation or the Company By-Laws, (b) violate any statute, rule or regulation of the State of New York or any United States federal statute, rule or regulation or (c) require under any statute, rule or regulation of the State of New York or any United States federal statute, rule or regulation as a condition of such execution, delivery and performance any filing or registration with, notice to or consent, approval or authorization of any court or other governmental authority of the State of New York or any United States federal court or other United States federal governmental authority.

7. Based solely upon the Company Determination Letter, the Company (a) is an exempt organization described in Section 501(c) of the Code, (b) is not a private foundation (as such term is defined in Section 509(a) of the Code) and (c) is exempt from federal income taxes under Section 501(a) of the Code.

8. The consummation of the transactions contemplated by the Transaction Documents will not impair the status of the Company as an exempt organization described in Section 501(c)(3) of the Code exempt from federal income taxes under Section 501(a) of the Code.

9. The acquisition and operation of the Project and the Mortgaged Property by the Company will be in furtherance of the purposes of the Company as set forth in the Company Certificate of Incorporation.

10. The use of the Project and the Mortgaged Property by the Company as contemplated by the Transaction Documents will not constitute use in any unrelated trade or business (as such term is defined in Section 513(a) of the Code).

11. The operation of the Project and the Mortgaged Property is not subject to any zoning ordinance of the City of Buffalo, New York.

12. Under Article 9 of the Uniform Commercial Code of the State of New York, the Loan Agreement is sufficient to create in favor of Buffalo and Erie County Industrial Land Development Corporation, as security for the payment of all obligations of the Company pursuant to the Loan Agreement, a valid security interest in the Gross Revenues.

13. Under Article 9 of the Uniform Commercial Code of the State of New York, the Mortgage is sufficient to create in favor of Buffalo and Erie County Industrial Land Development Corporation, as security for the payment of the Mortgage Indebtedness (as such term is defined in the Mortgage), a valid security interest in the Mortgaged Property.

14. Under Article 9 of the Uniform Commercial Code of the State of New York, Article 9 of the Uniform Commercial Code of the State of New York governs the

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perfection by the filing of a UCC Financing Statement of any security interest in the Gross Revenues created by the Loan Agreement and any security interest in the Mortgaged Property created by the Mortgage.

15. Under Article 9 of the Uniform Commercial Code of the State of New York, the office of the Secretary of State of the State of New York is the proper office in the State of New York in which to file a UCC Financing Statement to perfect any security interest in the Gross Revenues created by the Loan Agreement and any security interest in the Mortgaged Property created by the Mortgage.

16. Under Article 9 of the Uniform Commercial Code of the State of New York, the Financing Statement is in proper form for filing in the office of the Secretary of State of the State of New York, contains the types of information required by Section 9-502(a) of the Uniform Commercial Code of the State of New York to be contained in the Financing Statement and contains the types of information without which such office may refuse to accept the Financing Statement pursuant to Section 9-516 of the Uniform Commercial Code of the State of New York.

17. Under Article 9 of the Uniform Commercial Code of the State of New York, upon the filing of the Financing Statement in the office of the Secretary of State of the State of New York, any security interest in the Gross Revenues created by the Loan Agreement and any security interest in the Mortgaged Property created by the Mortgage will be perfected to the extent that such security interests may be perfected by the filing of a UCC Financing Statement in such office.

18. Under the Real Property Law of the State of New York, the Mortgage is in proper form for recording in the office of the Clerk of Erie County, New York, which is the proper office in the State of New York in which to record the Mortgage. No additional recording or filing in any public office in the State of New York is required to provide constructive notice of the mortgage lien created by the Mortgage.

19. Under the Real Property Law of the State of New York, the Mortgage is sufficient in form to create in favor of Buffalo and Erie County Industrial Land Development Corporation, as security for the payment of the Mortgage Indebtedness (as such term is defined in the Mortgage), a valid mortgage lien on the portion of the Mortgaged Property that constitutes real property.

Subject to the qualifications set forth in this letter, we confirm to you that:

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1. To our knowledge, there is not pending against the Company before any court or other governmental authority or arbitrator or overtly threatened in writing against the Company any action or other legal proceeding that seeks to (a) render any Transaction Document invalid or unenforceable as to or against the Company, (b) challenge the status of the Company as an exempt organization described in Section 501(c)(3) of the Code exempt from federal income taxes under Section 501(a) of the Code or (c) challenge the transactions contemplated by the Official Statement.

2. To our knowledge, there is no judgment, decree or order of any court or other governmental authority that names the Company and (a) renders any Transaction Document invalid or unenforceable as to or against the Company, (b) would be violated by the execution, delivery and performance of the Transaction Documents by the Company (including, but not limited to, granting a security interest in the Gross Revenues and a mortgage lien on and security interest in the Mortgaged Property) or (c) requires as a condition of such execution, delivery and performance any filing or registration with, notice to or consent, approval or authorization of any court or other governmental authority.

3. To our knowledge, the Company Determination Letter has not been modified, limited or revoked.

4. To our knowledge, no part of the net earnings of the Company inures to the benefit of any person, private stockholder or individual (as such terms are defined for purposes of Section 3(a)(4) of the Securities Act of 1933, as amended) or any private shareholder or individual (as such terms are defined for purposes of Section 12(g)(2)(D) of the Securities Act of 1934, as amended).

5. To our knowledge, the Company is organized and operated exclusively for educational or charitable purposes and not for pecuniary profit.

6. To our knowledge, SUNY College at Buffalo has materially complied with the procedural requirements of Article 8 of the Environmental Conservation Law of the State of New York applicable to the Project.

7. To our knowledge, except as otherwise specifically set forth in the Loan Agreement, the Gross Revenues are not subject to any statutory, contractual or other restriction that would invalidate or render unenforceable any security interest in the Gross Revenues created by the Loan Agreement.

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8. To our knowledge, there is no consent, approval or authorization of any court or other governmental authority required as a condition of the acquisition or construction of the Project that has not been obtained.

9. To our knowledge, there is no factual basis for a determination that the Company (a) is not an exempt organization described in Section 501(c) of the Code, (b) is a private foundation (as such term is defined in Section 509(a) of the Code) or (c) is not exempt from federal income taxes under Section 501(a) of the Code.

10. Although we are not passing upon, have not taken to verify independently, and do not assume any responsibility for, the accuracy, completeness or fairness of any statement contained in the Official Statement, nothing has come to our attention that would cause us to believe that the sections of the Official Statement entitled "Introductory Statement," "The Ground Lease and the Sublease," "Certain Relationships among Financing Participants," "The Issuer," "The Student Housing Facility," "The College," "State University of New York," "The Management Agreement," "The SUNY Agreement," "Plan of Finance," "Litigation" and "State University of New York" and Appendix A to the Official Statement, as of the date of this letter, contain any untrue statement of any material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

This letter is solely for your benefit with respect to the Transaction Documents and, without our express written consent, may not be furnished to or relied upon, referred to or otherwise used by any other party or relied upon, referred to or otherwise used other than in connection with the Transaction Documents, except that in connection with the Transaction Documents this letter may be furnished to bond counsel to Buffalo and Erie County Industrial Land Development Corporation, Hiscock & Barclay, LLP, and, subject to the qualifications set forth in this letter, may be relied upon by such bond counsel in giving and referred to in any opinion letter given to any of you by such bond counsel in connection with the Transaction Documents.

Very truly yours,

HODGSON RUSS LLP

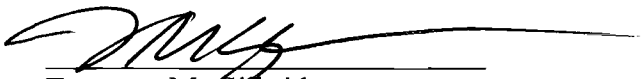
By: 
Terrence M. Gilbride

Exhibit A



Transaction Documents

1. Loan Agreement, dated as of June 1, 2011, between Buffalo and Erie County Industrial Land Development Corporation and the Company
2. Leasehold Mortgage and Security Agreement, dated as of June 1, 2011, from the Company to Buffalo and Erie County Industrial Land Development Corporation
3. Assignment of Rents and Leases, dated as of June 1, 2011, from the Company to Buffalo and Manufacturers and Traders Trust Company, as trustee
4. Assignment of Agreements, dated as of June 1, 2011, from the Company to Manufacturers and Traders Trust Company, as trustee
5. Bond Purchase Agreement, dated as of May 26, 2011, from M&T Securities, Inc. to Buffalo and Erie County Industrial Land Development Corporation and the Company and accepted and agreed to by Buffalo and Erie County Industrial Land Development Corporation and the Company
6. Guaranty Agreement, dated as of June 1, 2011, from the Company to Manufacturers and Traders Trust Company, as trustee, and accepted by Manufacturers and Traders Trust Company, as trustee
7. Environmental Compliance and Indemnification Agreement, dated as of June 1, 2011, from the Company to Buffalo and Erie County Industrial Land Development Corporation and Manufacturers and Traders Trust Company, as trustee
8. Tax Compliance Agreement, dated June 16, 2011, among Manufacturers and Traders Trust Company, as trustee, Buffalo and Erie County Industrial Land Development Corporation and the Company
9. Sublease Agreement, dated as of July 1, 2009, between Buffalo State Alumni Association, Inc. and the Company
10. Facility Management Agreement, dated as of July 1, 2009, between the Company and State University of New York
11. Agreement, dated as of June 1, 2011, between the Company and State University of New York
12. Acknowledgment of Assignment of Issuer's Rights under Loan Agreement, dated as of June 1, 2011, executed by the Company, which is attached to a Pledge and Assignment, dated as of June 1, 2011, from Buffalo and Erie County Industrial Land Development Corporation to Manufacturers and Traders Trust Company, as trustee

May 18, 2011

\$45,175,000 (Preliminary)
**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION
REVENUE BONDS**
**(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011A**

\$410,000 (Preliminary)
**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION
TAXABLE REVENUE BONDS**
**(BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT),
SERIES 2011B**

BLUE SKY SURVEY

M&T Securities, Inc.
160 Technology Drive
Suite 201
Canonsburg, Pennsylvania 15317

Ladies and Gentlemen:

In connection with the issuance and sale by the Buffalo and Erie County Industrial Land Development Corporation (the "Issuer") of the above-captioned bonds (collectively, the "Bonds"), this is our Survey that sets forth certain information relative to the "blue sky" or securities laws of all of the states of the United States of America, together with the District of Columbia and Puerto Rico, in which the Bonds may be sold by you, as the underwriter of the Bonds (the "Underwriter"), and other dealers and brokers. Our Survey assumes that the Underwriter is registered or licensed as a dealer or broker in any states or territories in which offers or sales of the Bonds are to be made.

We have been advised that the Issuer is a public instrumentality of one or more political subdivisions of the State of New York and that the Bonds are exempt from registration under Section 3(a)(2) of the Securities Act of 1933, as amended. We have prepared this Survey on the basis of those assumptions.

The blue sky laws of the states and territories of the United States generally require that either a security qualify as a "covered security" under federal securities law or otherwise satisfy an exemption under state law to avoid registration of the particular security within such state or territory. An issuer normally has

the option to decide whether to rely on the security as a “covered security” or on a state exemption to avoid registration, if applicable. The decision as to whether to rely on the security as a “covered security” or under an applicable municipal bond exemption is generally determined (i) by the specific requirement as to qualification for any exemption and (ii) by possible notice filings and fees that could be required.

The Bonds are “covered securities” within the meaning of the National Securities Markets Improvements Act of 1996 (“NSMIA”), in all states within the United States of America, the District of Columbia and Puerto Rico, provided, however, that they are not “covered securities” in the State of New York. As “covered securities,” there is no need to register the Bonds in any state of the United States of America or in the District of Columbia or Puerto Rico, except for New York. However, pursuant to your instructions, we will file a Policy Statement 103 Application with the New York State Department of Law within 10 days after the closing of the issuance of the Bonds for purposes of exempting the issuance of the Bonds from the registration provisions of Sections 352-e and 359-e of Article 23-A of the New York General Business Law.

Our Survey indicates that in the State of New York, pursuant to §359-e(1) of the New York General Business Law, the Issuer is not deemed to be a “dealer” and is thus exempt from the registration requirements in New York because it is selling the securities directly to the Underwriter, which has indicated that it is a registered broker-dealer in New York. The Underwriter, upon its subsequent offer to resell or resale of the securities, however, must file a State Notice with the New York State Department of Law, if it has not already done so.

Although the Bonds are exempt from registration pursuant to their status as “covered securities” under NSMIA in each state other than New York, each such state within the United States of America, the District of Columbia and Puerto Rico may require that certain notice filings be made and/or certain fees be paid in connection with the issuance of “covered securities.” A notice filing and fee may also be required if the Issuer were to rely on a municipal bond exemption, rather than relying on the bond as a “covered security.” Our Survey indicates that the following jurisdictions require a notice filing and/or fee to be paid in connection with the Bonds:

Montana
North Dakota

Nevada
Washington

New Hampshire

This shall confirm our understanding that we will not undertake to make any such filing or pay any such fee in such jurisdictions.

Moreover, offers and sales of the Bonds may be made to the specified institutions in the jurisdictions set forth in Exhibit A hereto, subject to the qualifications indicated in the notes thereto, without registration or qualification of the Bonds or any filings being made.

We have prepared this Survey as attorneys admitted to practice in the Commonwealth of Pennsylvania and have not obtained opinions of local counsel in other jurisdictions. Our Survey is based upon an examination of the pertinent statutes and regulations, if any, of the various jurisdictions as reported in

standard compilations normally relied upon and upon the information contained in the Preliminary Official Statement relating to the Bonds. Statements made in this Survey are subject to broad discretionary powers of the authorities administering the securities laws of each state or territory to withdraw exemptions accorded by statute and impose additional requirements, including requirements relating to notice filings and fees, and the conclusions expressed in this Survey are qualified by reference to such discretionary powers. Our Survey is further based upon the assumptions that (i) the Issuer is not in default and has not defaulted as to principal or interest with respect to any obligation it or its predecessor(s), if any, have issued or guaranteed; and (ii) there are no adjudications or pending suits adversely affecting the validity of any such obligation.

Our Survey does not purport to cover the requirements or restrictions, if any, with respect to advertising matter. In those jurisdictions where persons registered or licensed as dealers or brokers may sell the Bonds, it is assumed that such persons have complied with applicable statutes and regulations concerning dealers or brokers and concerning the registration or licensing of salesmen. Moreover, our Survey does not purport to cover the legality of investments in the Bonds by any institutional investor which is subject to statutory or other restrictions as to its investments or any resale of the Bonds by any person who may purchase them in the present offering. In view of the foregoing limitations, this Memorandum is furnished only for your general information and is not to be relied upon as an opinion of counsel. Our Survey is rendered only to you and is solely for your benefit as the Underwriter in connection with the transactions covered hereby.

Very truly yours,

A handwritten signature in black ink that reads "Reed Smith LLP". The signature is written in a cursive, flowing style.

REED SMITH LLP

Exhibit A

SALES TO CERTAIN INSTITUTIONS

Offers and sales of the Bonds may be made to the specified institutions in the following jurisdictions, subject to the qualifications indicated in the notes, without registration or qualification of the Bonds or any filings being made. Subject to the qualifications indicated in the notes, such offers and sales may be made either by dealers or brokers registered or licensed in the respective jurisdictions or by persons not so registered or licensed. The status of the Bonds with respect to eligibility for investment by the institutions mentioned herein is not covered in this Survey.

- AlabamaAny bank, savings institution, credit union, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity.

- Alaska ⁽¹⁾Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity.

- Arizona ⁽²⁾Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity.

- Arkansas ⁽³⁾Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity.

- California ⁽⁴⁾⁽⁵⁾Any bank, savings and loan association, trust company, insurance company, investment company registered under the Investment Company Act of 1940, pension or profit-sharing trust (other than a pension or profit-sharing trust of the issuer, a self-employed individual retirement plan, or individual retirement account), or such other institutional investor or governmental agency or instrumentality designated by rule of the Commissioner of Corporations, provided the purchaser represents that it is purchasing for its own account (or for such trust account) for investment and not with a view to or for sale in connection with any distribution of the security, whether the purchaser is acting for itself or as trustee.

- Colorado ⁽⁶⁾Any depository institution; insurance company; a separate account of an insurance company; an investment company registered under the

“Investment Company Act of 1940”; a business development company as defined in the “Investment Company Act of 1940”; any private business development company as defined in the “Investment Advisers Act of 1940”; an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of five million dollars or its investment decisions are made by a named fiduciary, as defined in the federal “Employee Retirement Income Security Act of 1974”, that is a broker-dealer registered under the “Securities Exchange Act of 1934”, an investment adviser registered or exempt from registration under the “Investment Advisers Act of 1940”, a depository institution, or an insurance company; an entity, but not an individual, a substantial part of whose business activities consist of investing, purchasing, selling or trading in securities of more than one issuer and not of its own issue and that has total assets in excess of five million dollars as of the end of its latest fiscal year; a small business investment company licensed by the federal small business administration under the “Small Business Investment Act of 1958”; and any other institutional buyer, whether the purchaser is acting for itself or as trustee.

Connecticut⁽¹⁾Any bank and trust company, national banking association, savings bank, savings and loan association, federal savings and loan association, federal savings bank, credit union, federal credit union, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or as a trustee.

Delaware⁽¹⁾⁽⁷⁾Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity.

District of Columbia⁽⁸⁾Any depository institution, insurance company, separate account of an insurance company, investment company registered under the Investment Company Act of 1940, business development company as defined in the Investment Company Act of 1940, employee pension or profit-sharing or benefit plan if the plan has total assets in excess of \$5 million or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is either a broker-dealer registered under the Securities Exchange Act of 1934, an investment advisor registered or exempt from registration under the Investment Advisers Act of 1940, a depository institution or an insurance company, a “qualified institutional buyer” as defined in SEC Rule 144A, an accredited investor as defined in SEC Rule 501(a), a limited liability company with net assets of at least \$500,000, whether acting for itself or others in a fiduciary capacity.

FloridaAny bank or trust company, savings institution, insurance company, investment company as defined by the Investment Company Act of 1940,

or pension or profit-sharing trust, or qualified institutional buyer as defined in Securities and Exchange Commission Rule 144A (17 C.F.R. 230.144(A)(a)) whether any of such entity is acting in its individual or fiduciary capacity; *provided* that such offer or sale of securities is not for the direct or indirect promotion of any scheme or enterprise with the intent of violating or evading any provision of the Florida Securities and Investor Protection Act.

Georgia⁽¹⁾⁽⁹⁾Any institutional investor.

Hawaii⁽¹⁾⁽¹⁰⁾Any institutional investor.

Idaho⁽¹⁾⁽¹¹⁾Any institutional investor.

Illinois⁽¹²⁾Any corporation, bank, savings bank, savings institution, savings and loan association, trust company, insurance company, building and loan association, pension fund, pension trust, employees' profit-sharing trust, other financial institution or institutional investor, any government or political subdivision or instrumentality thereof, any partnership or other association engaged as a substantial part of its business or operations in purchasing or holding securities, or any trust in respect of which a bank or trust company is trustee or co-trustee; any entity in which at least ninety percent (90%) of the equity is owned by person described in subsections C, H or S of Section 4[5/4] of the Illinois Securities Law of 1953, as amended: any employee benefit plan within the meaning of Title I of the Federal ERISA Act if the investment decision is made by a plan fiduciary as defined in Section 3(21) of the federal ERISA Act and such plan fiduciary is either a bank, savings and loan association, insurance company, registered investment adviser or the plan has total assets in excess of \$5,000,000, or, in the case of a self-directed plan, investment decisions are made solely by persons described under subsections C, D, H or S of Section 4[5/4] of the Illinois Securities Law of 1953, as amended, or to a plan established and maintained by, and for the benefit of the employees of, any state or political subdivision or agency or instrumentality thereof if such plan has total assets in excess of \$5,000,000, or to any organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, any Massachusetts or similar business trust, or any partnership, if such organization, trust or partnership has total assets in excess of \$5,000,000, whether the purchaser is acting for itself or in some fiduciary capacity.

Indiana⁽¹⁾⁽¹³⁾Any institutional investor.

Iowa⁽¹⁾⁽¹⁴⁾Any institutional investor.

Kansas⁽¹⁾⁽¹⁵⁾Any institutional investor.

Kentucky⁽¹⁾Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940,

pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity.

LouisianaAny bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, as now or hereafter amended, real estate investment trust, small business investment corporation, pension or profit-sharing plan or trust, or other financial institution, whether the purchaser is acting for itself or in some fiduciary capacity.

Maine⁽¹⁶⁾⁽¹⁷⁾Any institutional investor.

Maryland⁽¹⁸⁾⁽¹⁹⁾Any investment company as defined in the Investment Company Act of 1940, an investment adviser with assets under management of not less than \$1,000,000, savings and loan association, bank, trust company, insurance company, employee benefit plan with assets of not less than \$1,000,000, or governmental agency or instrumentality, whether acting for itself or as a trustee or a fiduciary with investment control or other institutional investor as designated by rule or order, whether acting for itself or as trustee.

Massachusetts⁽¹⁾⁽²⁰⁾Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity.

Michigan⁽²¹⁾⁽²²⁾Any institutional investor.

Minnesota⁽¹⁾⁽²³⁾Any institutional investor.

Mississippi⁽¹⁾⁽²⁴⁾Any institutional investor.

Missouri⁽¹⁾⁽¹¹⁾Any institutional investor.

Montana⁽¹⁾⁽²⁵⁾Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity.

Nebraska⁽¹⁸⁾⁽²⁶⁾Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer or to an individual accredited investor, whether the purchaser is acting for itself or in some fiduciary capacity.

Nevada⁽²⁷⁾⁽²⁸⁾Any financial or institutional investor.

New Hampshire⁽¹⁸⁾Any bank savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit sharing trust, venture capital company which operates a small business investment company under the Small Business Investment Act of 1958, as amended, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity. "Institutional buyer" shall mean an organization or person with net worth of more than twenty five million dollars. Net worth shall be defined as the excess of assets over liabilities, as determined by generally accepted accounting principles; property not included as assets: prepaid expenses (except as to items properly classified as current assets under generally accepted accounting principles), deferred charges, goodwill, franchise rights, organizational expenses, patents, copyrights, marketing rights, unamortized debt discount and expense, all other assets of intangible nature; the principle residence of the investor in the case of a natural person or the principle place of residents of partners in the case of a partnership or entities of the like. Also excluded shall be all home furnishings, automobile(s), and any other personal items not readily marketable in the case of an individual or members of a partnership; also excluded shall be all advances or loan to stockholders and officers in the case of a corporation; and advances or loans to partners in the case of a partnership.

New Jersey⁽²⁹⁾Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity.

New Mexico⁽²⁷⁾⁽³⁰⁾Any institutional investor.

New York.....Any state or national bank, trust company or savings institution incorporated under the laws and subject to the examination, supervision and control of any state or of the United States or of any insular possession thereof, or any corporation, insurance company, investment company, as defined in the Investment Company Act, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for himself or itself or in some fiduciary capacity, as part of a private placement of securities.

North Carolina⁽¹⁾⁽³¹⁾Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity.

North Dakota⁽¹⁾⁽³²⁾Any institutional investor.

- Ohio.....Any corporation, bank, insurance company, pension fund or pension fund trust, employees' profit sharing fund or employees' profit sharing trust, or any association engaged, as a substantial part of its business or operations, in purchasing or holding securities, or any trust in respect of which a bank is trustee or co-trustee or any "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933.
- Oklahoma⁽¹⁾⁽¹⁵⁾Any institutional investor.
- Oregon⁽²⁾Any bank, savings institution, trust company, insurance company, investment company, pension or profit-sharing trust, financial institution or institutional buyer (including but not limited to the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Housing Administration, the United States Department of Veteran's Affairs and the Government National Mortgage Association), or mortgage broker or mortgage banker. An institutional buyer shall include any "qualified institutional buyer" as defined in Rule 144A under the Securities Act of 1933, whether the purchaser is acting for itself or in a fiduciary capacity when the purchaser has discretionary authority to make investment decisions, provided that the transaction is not part of an attempt to avoid any part of the Oregon Securities Law.
- Pennsylvania⁽¹⁾⁽³³⁾Any bank, insurance company, pension or profit-sharing plan or trust (except a municipal pension plan or system), investment company as defined in the Investment Company Act of 1940, or any person, other than an individual, which controls any of the foregoing, the Federal Government, state or any agency or political subdivision thereof, except public school districts in Pennsylvania, or any other person designated as an institutional investor by regulation of the Pennsylvania Securities Commission, whether the buyer is acting for itself or in some fiduciary capacity.
- Puerto RicoAny bank, savings institution, trust company, insurance company, investment company as defined in the Investment Companies Act of Puerto Rico, pension or profit-sharing trust, or other financial institution or institutional buyer, or any broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity, provided the seller, if not registered, has no place of business in Puerto Rico and effects transactions in Puerto Rico exclusively with or through such persons or institutions or the issuer of the Bonds.
- Rhode Island⁽³⁴⁾Any depository institution; an insurance company or separate account of an insurance company; an investment company as defined in the Investment Company Act of 1940; an employee pension, profit-sharing or benefit plan if the plan has total assets in excess of five million dollars (\$5,000,000) or if investment decisions are made by a plan fiduciary, as defined in the Employee Retirement Income Security Act of 1974, which is either a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under

the Investment Advisers Act of 1940, a depository institution, or an insurance company; and any other institutional buyer, whether acting for itself or another in a fiduciary capacity.

South Carolina⁽¹⁶⁾⁽¹⁷⁾Any institutional investor.

South Dakota⁽¹⁾⁽¹⁵⁾Any institutional investor.

Tennessee⁽³⁵⁾Any bank, unless the bank is acting as a broker-dealer as such term. is defined in the Tennessee Securities Act of 1980, trust company, insurance company, investment company registered under the Investment Company Act of 1940, as amended, a holding company which controls any of the foregoing, a trust or fund over which any of the foregoing has or shares investment discretion, a pension or profit sharing plan, an institutional buyer or any other person engaged as a substantial part of its business in investing in securities, provided such purchaser has a net worth in excess of \$1,000,000.

Texas⁽³⁶⁾Any bank, trust company, building and loan association, insurance company, surety or guaranty company, savings institution (including any federally chartered credit union, savings and loan association, or federal savings bank and any credit union or savings and loan association chartered under the laws of any state of the United States), investment company as defined in the Investment Company Act of 1940 or small business investment company as defined in the Small Business Investment Act of 1958, as amended, provided the securities are purchased by such institution for its own account or as a bona fide trustee of a trust organized and existing other than for the purpose of acquiring the securities.

Utah⁽¹⁾Any depository institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional investor, whether the purchaser is acting for itself or in some fiduciary capacity.

Vermont⁽¹⁾⁽¹⁵⁾Any institutional investor.

VirginiaAny corporation, investment company or pension or profit-sharing trust.

Washington⁽¹⁾⁽³⁷⁾Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity.

West Virginia⁽¹⁾Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, whether the purchaser is acting for itself or in some fiduciary capacity.

Wisconsin⁽³⁸⁾⁽³⁹⁾Any institutional investor.

Wyoming⁽¹⁾Any bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1910, pension or profit sharing trust, or other financial institution or institutional buyer. An “institutional buyer includes any “qualified institutional buyer” as defined in Rule 144A under the Securities Act of 1933, whether the purchaser is acting for itself or in some fiduciary capacity.

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- (1) Provided the offeror or seller (i) is registered or licensed as a dealer or broker in this jurisdiction, or (ii) has no place of business in this jurisdiction and effects transactions in this jurisdiction exclusively with or through registered or licensed dealers or brokers or with institutions enumerated with respect to this jurisdiction in this Part.
 - (2) Provided the offeror or seller (i) is a registered broker-dealer in this jurisdiction, or (ii) has no place of business in this jurisdiction and effects transactions exclusively with other broker-dealers registered or exempt from registration in this jurisdiction.
 - (3) Provided the offeror or seller (i) is registered as a broker-dealer in Arkansas, or (ii) has no place of business in Arkansas and effects transactions in Arkansas exclusively with or through other broker-dealers, savings and loan associations or with institutions enumerated with respect to Arkansas in this Part.
 - (4) Provided the offeror or seller (i) is registered as a broker-dealer in California, or (ii) is a broker-dealer registered under the Securities Exchange Act of 1934, who has not previously had any certificate denied or revoked under the California Corporate Securities Law of 1968 or any predecessor statute, has no place of business in California and does not direct offers to sell or buy into California in any manner to persons other than registered broker-dealers or to institutions enumerated with respect to California in this Part.
 - (5) The institutional investors, governmental agencies and instrumentalities designated by rule of the Commissioner of Corporations are: (a) any organization described in Section 501(c)(3) of the Internal Revenue Code, as amended December 29, 1981, which has total assets (including endowment, annuity and life income funds) of not less than \$5,000,000 according to its most recent audited financial statement; (b) any corporation which has a net worth on a consolidated basis according to its most recent audited financial statement of not less than \$14,000,000, provided that, if the securities being acquired pursuant to an exemption under this subsection (b) are common stock of a corporation or securities exchangeable for or convertible into common stock of a corporation, (1) the holders of less than 25% of the outstanding shares of such common stock (computed as provided in Section 25103(d) of the Corporate Securities Law, but deeming outstanding all shares of common stock issuable upon exchange or conversion of securities presently exchangeable for or convertible into common stock) have addresses in this state according to the records of the issuer of such common stock as of the most recent record date of such issuer for any action requiring the determination of shareholders of record, or as of three months prior to such offer or sale, whichever is most recent; or (2) such securities (plus any other similar securities held by the purchaser) will not represent more than five per cent of the total number of outstanding shares of common stock of the issuer assuming the exchange or conversion of all securities exchangeable for or convertible into common stock (unless all such shares of common stock are owned by corporations meeting the net worth test of this subsection (b)) provided, however, that the foregoing limitations with respect to transactions in common shares or securities convertible into common shares shall not apply to a transaction (1) in which such securities are offered pro rata to the holders of the outstanding common shares, (2) which is approved by the holders of 75% or more of the outstanding common shares, or (3) there are no common shares or securities convertible into common shares outstanding prior to the transaction; and (c) any wholly-owned subsidiary of any institutional investor designated in Subdivision (i) of Section 25102 of the Code or in this Section.
 - (6) Provided the offeror or seller (i) is registered as a broker-dealer in Colorado or (ii) is a broker-dealer registered pursuant to the Securities Exchange Act of 1934, has no place of business in Colorado and effects transactions in Colorado exclusively with or through other broker-dealers registered or exempt from registration in Colorado, except when the broker-dealer is acting as a clearing broker-dealer for such other broker-dealers, or with institutions enumerated with respect to Colorado in this Part.
 - (7) The term “institutional buyer” includes, but is not limited: (i) an “accredited investor” as defined by SEC Rule 501 (a)(1)-(4), (7) and (8) excluding, however, any self-directed employee benefit plan with investment decisions made solely by persons that are “accredited investors” as defined in Rule 501 (a)(5)-(6); (ii) any “qualified institutional buyer” as that term is defined in SEC Rule 144A(a)(1); and (iii) a corporation, partnership, trust, estate or other entity (excluding

individuals) having a net worth of not less than \$5 million or a wholly owned subsidiary of such entity, as long as the entity was not formed for the purpose of acquiring the specific securities, but the offer or sale securities is not exempt under Section 7309(b)(8) of the Delaware Securities Act if the institutional buyer is in fact acting only as an agent for another purchaser that is not an institutional buyer or financial institution listed in Section 7309(b)(8) of the Delaware Securities Act.

- (8) Provided the offeror or seller (i) is registered as a broker-dealer in the District of Columbia or (ii) has no place of business in the District of Columbia and effects transactions in the District of Columbia exclusively with depository institutions, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit-sharing trusts or other financial institutions or institutional buyers.
- (9) The term "institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: (A) depository institution or international banking institution; (B) an insurance company; (C) a separate account of an insurance company; (D) an investment company as defined in the Investment Company Act of 1940, 15 U.S.C. Section 80a-1, et seq.; (E) a broker-dealer registered under the Securities Exchange Act of 1934, 15 U.S.C. Section 78a, et seq.; (F) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of \$10 million or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, 29 U.S.C. Section 1001, et seq., that is a broker-dealer registered under the Securities Exchange Act of 1934, 15 U.S.C. Section 78a, et seq., an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, 15 U.S.C. Section 80b-1, et seq., an investment adviser registered under the Georgia Uniform Securities Law, a depository institution, or an insurance company; (G) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees if the plan has total assets in excess of \$10 million or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, 29 U.S.C. Section 1001, et seq., that is a broker-dealer registered under the Securities Exchange Act of 1934, 15 U.S.C. Section 78a, et seq., an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, 15 U.S.C. Section 80b-1, et seq., an investment adviser registered under the Georgia Uniform Securities Law, a depository institution, or an insurance company; (H) a trust if it has total assets in excess of \$10 million, its trustee is a depository institution, and its participants are exclusively plans of the types identified in subparagraph (F) or (G) of this paragraph, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (I) an organization that is not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10 million, including an organization described in subsection 501(c)(3) of the Internal Revenue Code, 26 U.S.C. Section 501(c)(3), a corporation, a Massachusetts trust or similar business trust, a limited liability company, or a partnership; (J) a small business investment company licensed by the Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958, 15 U.S.C. Section 681(c), with total assets in excess of \$10 million; (K) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, 15 U.S.C. Section 80b-2(a)(22), with total assets in excess of \$10 million; (L) a federal covered investment adviser acting for its own account; (M) a qualified institutional buyer as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(H), 17 C.F.R. 230.144A, adopted under the Securities Act of 1933, 15 U.S.C. Section 77a, et seq.; (N) a major United States institutional investor as defined in Rule 15a-6(b)(4)(I), 17 C.F.R. 240.15a-6, adopted under the Securities Exchange Act of 1934, 15 U.S.C. Section 78a, et seq.; (O) any other person, other than an individual, of institutional character with total assets in excess of \$10 million not organized for the specific purpose of evading the Georgia Uniform Securities Law; or (P) any other person specified by rule adopted or order issued under the Georgia Uniform Securities Law.
- (10) All offering material must clearly indicate the name of the person circulating it and the fact that such person is circulating it. The term "institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity: (1) a depository institution or international banking institution; (2) an insurance company; (3) a separate account of an insurance company; (4) an investment company as defined in the Investment Company Act of 1940; (5) a broker-dealer registered under the Securities Exchange Act of 1934; (6) An employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the Hawaii Uniform Securities Act, a depository institution, or an insurance company; (7) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the Hawaii Uniform Securities Act, a

depository institution, or an insurance company; (8) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution, and its participants are exclusively plans of the types identified in paragraph (6) or (7), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (9) an organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. 501(c)(3)), corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000; (10) a small business investment company licensed by the Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. 681(c)) with total assets in excess of \$10,000,000; (11) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(22)) with total assets in excess of \$10,000,000; (12) a federal covered investment adviser acting for its own account; (13) a "qualified institutional buyer" as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(i)(H), adopted under the Securities Act of 1933 (17 C.F.R. 230.144A); (14) a "major U.S. institutional investor" as defined in Rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934 (17 C.F.R. 240.15a-6); (15) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000, not organized for the specific purpose of evading the Hawaii Uniform Securities Act; or (16) any other person specified by rule adopted or order issued under the Hawaii Uniform Securities Act.

- (11) The term "institutional investor" means any of the following, whether acting for itself or for others in a fiduciary capacity, (i) a depository institution, a trust company organized or chartered under the laws of this jurisdiction, or an international banking institution; (ii) an insurance company; (iii) a separate account of an insurance company; (iv) an investment company as defined in the Investment Company Act of 1940; (v) a broker-dealer registered under the securities exchange act of 1934; (vi) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of ten million dollars (\$10,000,000) or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the laws of this jurisdiction, a depository institution, or an insurance company; (vii) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars (\$10,000,000) or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the laws of this jurisdiction, a depository institution or an insurance company; (viii) a trust, if it has total assets in excess of ten million dollars (\$10,000,000), its trustee is a depository institution, and its participants are exclusively plans of the types identified in the immediately preceding two clauses, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (ix) an organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Section 501(c)(3)), corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars (\$10,000,000); (x) a small business investment company licensed by the Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. Section 681(c)) with total assets in excess of ten million dollars (\$10,000,000); (xi) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-2(a)(22)) with total assets in excess of ten million dollars (\$10,000,000); (xii) a federal covered investment adviser acting for its own account; (xiii) a "qualified institutional buyer" as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(i)(H), adopted under the Securities Act of 1933 (17 C.F.R. 230.144A); (xiv) a "major U.S. institutional investor" as defined in Rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934 (17 C.F.R. 240.15a-6); (xv) any other person, other than an individual, of institutional character with total assets in excess of ten million dollars (\$10,000,000) not organized for the specific purpose of evading this act; or (xvi) or any other person specified by rule adopted or order issued under this jurisdiction.
- (12) The term "institutional investor" shall include, but not be limited to: (a) any investment company, university, or other organization whose primary purpose is to invest its own assets or those held in trust by it for others; (b) any trust account or individual or group retirement account in which a bank, trust company, insurance company or savings and loan institution acts in a fiduciary capacity; and (c) any foundation or endowment fund exempt from taxation under the Internal Revenue Code, a principal business function of which is to invest funds to produce income in order to carry out the purpose of the foundation or fund. The Illinois Securities Department has also defined "financial institution" to include, but not be limited to, a manager of investment accounts on behalf of other than natural persons, who, with affiliates, exercises sole investment discretion with respect to such accounts and provided such accounts exceed 10 in number and have a fair market value of not less than \$10,000,000 at the end of the preceding calendar month.

- (13) The term “institutional investor” means any of the following, whether acting for itself or for others in a fiduciary capacity: (A) a depository institution or international banking institution; (B) an insurance company; (C) a separate account of an insurance company; (D) an investment company as defined in the Investment Company Act of 1940; (E) a broker-dealer registered under the Securities Exchange Act of 1934; (F) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of ten million dollars (\$10,000,000) or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the Indiana Uniform Securities Act, a depository institution, or an insurance company; (G) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars (\$10,000,000) or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the Indiana Uniform Securities Act, a depository institution, or an insurance company; (H) a trust, if it has total assets in excess of ten million dollars (\$10,000,000), its trustee is a depository institution, and its participants are exclusively plans of the types identified in clause (F) or (G), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (I) an organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. 501(c)(3)), corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars (\$10,000,000); (J) a small business investment company licensed by the Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. 681(c)) with total assets in excess of ten million dollars (\$10,000,000); (K) a private business development company, as defined in Section 202(a)(22) of the Investment Advisers Act of 1940 (15 U.S.C. 80b-2(a)(22)) with total assets in excess of ten million dollars (\$10,000,000); (L) a federal covered investment adviser acting for its own account; (M) a “qualified institutional buyer”, as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(i)(H), adopted under the Securities Act of 1933 (17 CFR 230.144A); (N) a “major U.S. institutional investor”, as defined in Rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934 (17 CFR 240.15a-6); (O) any other person, other than an individual, of institutional character with total assets in excess of ten million dollars (\$10,000,000) not organized for the specific purpose of evading the Indiana Uniform Securities Act; or (P) any other person specified by rule adopted or order issued under the Indiana Uniform Securities Act.
- (14) The term “institutional investor” means any of the following, whether acting for itself or for others in a fiduciary capacity: (i) a depository institution or international banking institution; (ii) an insurance company; (iii) a separate account of an insurance company, (iv) an investment company as defined in the Investment Company Act of 1940; (v) a broker-dealer registered under the Securities Exchange Act of 1934; (vi) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of five million dollars or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this chapter, a depository institution, or an insurance company; (vii) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of five million dollars or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this chapter, a depository institution, or an insurance company; (viii) a trust, if it has total assets in excess of five million dollars, its trustee is a depository institution, and its participants are exclusively plans of the types identified in the two immediately preceding clauses, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (ix) an organization described in section 501(c)(3) of the Internal Revenue Code, 26 U.S.C. Section 501(c)(3), corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of five million dollars; (x) a small business investment company licensed by the small business administration under section 301(c) of the Small Business Investment Act of 1958, 15 U.S.C. Section 681(c), with total assets in excess five million dollars; (xi) a private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940, 15 U.S.C. Section 80b-2(a)(22), with total assets in excess of five million dollars; (xii) a federal covered investment adviser acting for its own account; (xiii) a “qualified institutional buyer” as defined in Rule 144A(a)(I), other than Rule 144A(a)(1)(i)(H), adopted by the securities and exchange commission under the Securities Act of 1933, 17 C.F.R. Section 230.144A; (xiv) a “major

U.S. institutional investor” as defined in Rule 15a-6(b)(4)(i) adopted by the securities and exchange commission under the Securities Exchange Act of 1934, 17 C.F.R. Section 240.15a-6; (xv) any other person, other than an individual, of institutional character with total assets in excess of five million dollars not organized for the specific purpose of evading this chapter; or (xvi) or any other person specified by rule adopted or order issued under this jurisdiction.

- (15) The term “institutional investor” means any of the following, whether acting for itself or for others in a fiduciary capacity, (i) a depository institution or an international banking institution; (ii) an insurance company; (iii) a separate account of an insurance company; (iv) an investment company as defined in the Investment Company Act of 1940; (v) a broker-dealer registered under the securities exchange act of 1934; (vi) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of ten million dollars (\$10,000,000) or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the laws of this jurisdiction, a depository institution, or an insurance company; (vii) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars (\$10,000,000) or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the laws of this jurisdiction, a depository institution or an insurance company; (viii) a trust, if it has total assets in excess of ten million dollars (\$10,000,000), its trustee is a depository institution, and its participants are exclusively plans of the types identified in the immediately preceding two clauses, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (ix) an organization described in Section 501(c)(3) of the Internal Revenue Code (26 U.S.C. Section 501(c)(3)), corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars (\$10,000,000); (x) a small business investment company licensed by the Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958 (15 U.S.C. Section 681(c)) with total assets in excess of ten million dollars (\$10,000,000); (xi) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-2(a)(22)) with total assets in excess of ten million dollars (\$10,000,000); (xii) a federal covered investment adviser acting for its own account; (xiii) a “qualified institutional buyer” as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(i)(H), adopted under the Securities Act of 1933 (17 C.F.R. 230.144A); (xiv) a “major U.S. institutional investor” as defined in Rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934 (17 C.F.R. 240.15a-6); (xv) any other person, other than an individual, of institutional character with total assets in excess of ten million dollars (\$10,000,000) not organized for the specific purpose of evading this act; or (xvi) or any other person specified by rule adopted or order issued under this jurisdiction.
- (16) Provided the offeror or seller (i) is registered as a broker-dealer in this jurisdiction, or (ii) has no place of business in this jurisdiction, if the transactions effected by the broker-dealer in this jurisdiction are exclusively with the following: (1) the issuer of the securities involved in the transactions; (2) other broker-dealers licensed or exempt under this jurisdiction, except when the broker-dealer is acting as a clearing broker-dealer for such other broker-dealers; or (3) or institutions enumerated with respect to this jurisdiction in this Part III.
- (17) The term “institutional investor” means any of the following whether in acting for itself or for others in a fiduciary capacity: (i) a depository institution or international banking institution; (ii) an insurance company; (iii) a separate account of an insurance company; (iv) an investment company as defined in the federal Investment Company Act of 1940; (v) an employee pension, profit-sharing or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in the federal Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the federal Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the federal Investment Advisers Act of 1940, an investment adviser registered under this chapter, a depository institution or an insurance company; (vi) a plan established and maintained by a state, a political subdivision of a state or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the federal Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the federal Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the federal investment Advisers Act of 1940, an investment adviser registered under the South Carolina Uniform Securities Act of 2005, a depository institution or an insurance company; (vii) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution and its participants are exclusively plans of the types identified in clauses (v) and (vi) above, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed

plans; (viii) an organization described in Section 501(c)(3) of the Internal Revenue Code, 26 United States Code, Section 501(c)(3), a corporation, a Massachusetts trust or similar business trust, a limited liability company or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000; (ix) a small business investment company licensed by the United States Small Business Administration under Section 301(c) of the federal Small Business Investment Act of 1958, 15 United States Code, Section 681(c) with total assets in excess of \$5,000,000; (x) a private business development company as defined in Section 202(x)(22) of the federal Investment Advisers Act of 1940, 15 United State Code. Section 80b-2(a)(22) with total assets in excess of \$5,000,000, (xi) a federal covered investment advisor acting for its own account; (xii) a qualified institutional buyer as defined in 17 Code of Federal Regulations, 230.144A(a)(1), except as defined in 17 Code of Federal Regulations 230.144A(a)(1)(i)(H); (xiii) a major U.S. Institutional investor as defined in 17 Code of Federal Regulations, 240.15a-6(b)(4)(i); (xiv) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading this chapter; or (xv) any other person specified by rule adopted or order issued under this jurisdiction.

- (18) Provided the offeror or seller (i) is registered as a broker-dealer in this jurisdiction or (ii) has no place of business in this jurisdiction and effects transactions in this jurisdiction exclusively with or through banks, savings institutions, trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit sharing trusts, or other financial or institutional buyers.
- (19) The Maryland Division of Securities has by rule defined institutional investor to include an accredited investor as set forth in Regulation D, 17 CFR §230.501(a)(1)-(3),(7), and (8), and a qualified institutional buyer as set forth in Rule 144A, 55 FR 17933 (1990).
- (20) The term “institutional buyer” includes, but is not limited to, (i) a Small Business Investment Company licensed by the U.S. Small Business Administration under the Small Business Investment Act of 1958, as amended; (ii) a private business development company as defined in §202(a)(22) of the Investment Advisers Act of 1940, as amended; (iii) a Business Development Company as defined in §2(a)(48) of the Investment Company Act of 1940, as amended; (iv) an entity with total assets in excess of \$5 million and which is either: (a) a company (whether a corporation, a Massachusetts or similar business trust, partnership, limited liability company or limited liability partnership) not formed for the specific purpose of acquiring the securities offered; a substantial part of whose business activities consists of investing, purchasing, selling or trading in securities issued by others and whose investment. decisions are made by persons who are reasonably believed by the seller to have such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of investment; or (b) an organization described in Section 501(c)(3) of the Internal Revenue Code; and (v) a Qualified Institutional Buyer as defined in 17 CFR 230.144A(a).
- (21) Provided the offeror or seller (i) is registered as a broker-dealer in Michigan or (ii) has no place of business in Michigan and effects transactions in Michigan exclusively with or through banks, saving institutions, trust companies, insurance companies, investment companies as defined in the Investment Company Act of 1940, pension or profit sharing trusts, or other institutional buyers or financial institutions.
- (22) The term “institutional investor” means any of the following whether in acting for itself or for others in a fiduciary capacity: (i) a depository institution or international banking institution; (ii) an insurance company; (iii) a separate account of an insurance company; (iv) an investment company as defined in the investment company act of 1940; (v) a broker-dealer registered under the securities exchange act of 1934; (vi) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of \$10,000,000.00 or its investment decisions are made by a named fiduciary, as defined in the employee retirement income security act of 1974, that is a broker-dealer registered under the securities exchange act of 1934, an investment adviser registered or exempt from registration under the investment advisers act of 1940, an investment adviser registered under this act, a depository institution, or an insurance company; (vii) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000.00 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the employee retirement income security act of 1974, that is a broker-dealer registered under the securities exchange act of 1934, an investment adviser registered or exempt from registration under the investment advisers act of 1940, an investment adviser registered under this act, a depository institution, or an insurance company; (viii) a trust, if it has total assets in excess of \$10,000,000.00, its trustee is a depository institution, and its participants are exclusively plans of the types identified in subparagraph (vi) or (vii), regardless of size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (ix) an organization described in section 501(c)(3) of the internal revenue code, 26 USC 501, a corporation, Massachusetts or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000.00; (x) a small business investment company licensed by the small business administration

under section 301(c) of the small business investment act of 1958, 15 USC 681, with total assets in excess of \$10,000,000.00; (xi) A private business development company as defined in section 202(a)(22) of the investment advisers act of 1940, 15 USC 80b-2, with total assets in excess of \$10,000,000.00; (xii) a federal covered investment adviser acting for its own account; (xiii) a "qualified institutional buyer" as defined in rule 144A(a)(1), other than rule 144A(a)(1)(i)(H), adopted under the securities act of 1933, 17 CFR 230.144A; (xiv) a "major U.S. institutional investor" as defined in rule 15a-6(b)(4)(i) adopted under the securities exchange act of 1934, 17 CFR 240.15a-6(b)(4)(i); (xv) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000.00 not organized for the specific purpose of evading this act; or (xvi) any other person specified by rule or order under the Michigan Uniform Securities Act.

- (23) The term "institutional investor" means any of the following whether in acting for itself or for others in a fiduciary capacity: (i) a depository institution or international banking institution; (ii) an insurance company; (iii) a separate account of an insurance company; (iv) an investment company as defined in the Investment Company Act of 1940; (v) an employee pension, profit-sharing or benefit plan if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a named fiduciary, as defined in the federal Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the federal Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the federal Investment Advisers Act of 1940, an investment adviser registered under this chapter, a depository institution or an insurance company; (vi) a plan established and maintained by a state, a political subdivision of a state or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of \$10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this chapter, a depository institution or an insurance company; (vii) a trust, if it has total assets in excess of \$10,000,000, its trustee is a depository institution and its participants are exclusively plans of the types identified in the immediately preceding two clauses, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (viii) an organization described in Section 501(c)(3) of the Internal Revenue Code, (26 U.S.C., Section 501(c)(3)), a corporation, a Massachusetts trust or similar business trust, a limited liability company or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$10,000,000; (ix) a small business investment company licensed by the United States Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958, (15 U.S.C., Section 681(c)) with total assets in excess of \$10,000,000; (x) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940, (15 U.S.C. Section 80b-2(a)(22)) with total assets in excess of \$10,000,000, (xi) a federal covered investment advisor acting for its own account; (xii) a qualified institutional buyer as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(i)(H) adopted under the Securities Act of 1933 (17 C.F. R. 230.144A); (xiii) a major U.S. institutional investor as defined in Rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934 (17 C.F.R., 240.15a-6); (xiv) any other person, other than an individual, of institutional character with total assets in excess of \$10,000,000 not organized for the specific purpose of evading this chapter; or (xv) any other person specified by rule adopted or order issued under this jurisdiction.
- (24) The term "institutional investor" means any of the following whether in acting for itself or for others in a fiduciary capacity: (A) a depository institution or international banking institution; (B) an insurance company; (C) a separate account of an insurance company; (D) an investment company as defined in the Investment Company Act of 1940; (E) a broker-dealer registered under the Securities Exchange Act of 1934; (F) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of Ten Million Dollars (\$ 10,000,000.00) or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the Michigan Securities Act of 2009, a depository institution, or an insurance company; (G) a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of Ten Million Dollars (\$ 10,000,000.00) or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the Michigan Securities Act of 2009, a depository institution, or an insurance company; (H) a trust, if it has total assets in excess of Ten Million Dollars (\$ 10,000,000.00), its trustee is a depository institution, and its participants are exclusively plans of the types identified in subparagraph (F) or (G), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; (I) an organization described in Section 501(c)(3) of the Internal Revenue Code (26 USC Section 501(c)(3)), corporation, Massachusetts trust or similar

business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of Ten Million Dollars (\$ 10,000,000.00); (J) a small business investment company licensed by the Small Business Administration under Section 301(c) of the Small Business Investment Act of 1958 (15 USC Section 681(c)) with total assets in excess of Ten Million Dollars (\$ 10,000,000.00); (K) a private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940 (15 USC Section 80b-2(a)(22)) with total assets in excess of Ten Million Dollars (\$ 10,000,000.00); (L) a federal covered investment adviser acting for its own account; (M) a "qualified institutional buyer" as defined in Rule 144A(a)(1), other than Rule 144A(a)(1)(i)(H), adopted under the Securities Act of 1933 (17 CFR 230.144A); (N) a "major U.S. institutional investor" as defined in Rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934 (17 CFR 240.15a-6); (O) any other person, other than an individual, of institutional character with total assets in excess of Ten Million Dollars (\$ 10,000,000.00) not organized for the specific purpose of evading this chapter; or (P) any other person specified by rule adopted or order issued under this chapter.

- (25) The Montana State Auditor and Commissioner of Securities has, in an interpretative opinion, added institutional investors qualified under Rule 144A of the Securities Exchange Commission to the list set forth in this Part.
- (26) The Nebraska Director of Banking and Finance has, in an interpretative opinion, added certain institutions to those listed: (i) any bank as defined in Section 3(a)(2) of the Securities Act of 1933, whether acting in its individual or fiduciary capacity; (ii) any insurance company as defined in section 2(13) of the Securities Act of 1933; (iii) any business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940; and (iv) any Small Business Investment Company licensed by the United States Small Business Administration under Sections 301(c) or (d) of the Small Business Investment Company Act of 1958. "Pension or profit-sharing trust" means an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974 if the investment decision is made by a plan fiduciary, as defined in section 3(21) of such Act, which is either a bank, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000.
- (27) Provided the offeror or seller (i) is registered as a broker-dealer in this jurisdiction, or (ii) is a broker-dealer registered under the United States Securities Exchange Act of 1934, has no place of business in this jurisdiction and effects transactions in this jurisdiction exclusively with the following: (1) the issuer of the securities involved in the transactions; (2) other broker-dealers licensed or exempt in this jurisdiction and (3) financial and institutional investors.
- (28) The term "financial or institutional investor" means: (i) a depository institution; (ii) an insurance company; (iii) a separate account of an insurance company; (iv) an investment company as defined in the Investment Company Act of 1940; (v) an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of \$5,000,000 or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is either a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, a depository institution, or an insurance company; and (vi) any other institutional buyer, whether the purchaser is acting for itself or others in a fiduciary capacity other than as an agent.
- (29) Provided the offeror or seller (i) is registered as a broker-dealer in New Jersey, or (ii) effects transactions in New Jersey exclusively with or through registered broker-dealers or with institutions enumerated with respect to New Jersey in this Part.
- (30) The term "institutional investor" means any of the following whether in acting for itself or for others in a fiduciary capacity: (1) a depository institution or international banking institution; (2) an insurance company; (3) a separate account of an insurance company; (4) an investment company as defined in the federal Investment Company Act of 1940; (5) a broker-dealer registered pursuant to the federal Securities Exchange Act of 1934; (6) an employee pension, profit-sharing or benefit plan if the plan has total assets in excess of ten million dollars (\$ 10,000,000) or its investment decisions are made by a named fiduciary, as defined in the federal Employee Retirement Income Security Act of 1974, that is a broker-dealer registered pursuant to the federal Securities Exchange Act of 1934, an investment adviser registered or exempt from registration pursuant to the federal Investment Advisers Act of 1940, an investment adviser registered pursuant to the New Mexico Uniform Securities Act, a depository institution or an insurance company; (7) a plan established and maintained by a state, a political subdivision of a state or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars (\$ 10,000,000) or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the federal Employee Retirement Income Security Act of 1974, that is a broker-dealer registered pursuant to the federal Securities Exchange Act of 1934, an investment adviser registered or exempt from registration pursuant to the federal Investment Advisers Act of 1940, an investment adviser registered pursuant to the New Mexico Uniform Securities Act, a depository institution or an insurance company; (8) a trust, if it has total assets in excess of ten million dollars (\$ 10,000,000), its trustee is a depository institution and its participants are exclusively plans of the types identified in Paragraph (6) or (7) of this subsection, regardless of the size of their assets, except a trust that includes as

participants self-directed individual retirement accounts or similar self-directed plans; (9) an organization described in Section 501(c)(3) of the federal Internal Revenue Code of 1986 (26 U.S.C. Section 501(c)(3)), corporation, Massachusetts trust or similar business trust, limited liability company or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars (\$ 10,000,000); (10) a small business investment company licensed by the small business administration pursuant to Section 301(c) of the federal Small Business Investment Act of 1958 (15 U.S.C. Section 681(c)) with total assets in excess of ten million dollars (\$ 10,000,000); (11) a private business development company as defined in Section 202(a)(22) of the federal Investment Advisers Act of 1940 (15 U.S.C. Section 80b-2(a)(22)) with total assets in excess of ten million dollars (\$ 10,000,000); (12) a federal covered investment adviser acting for its own account; (13) a "qualified institutional buyer", as defined in Rule 144A(a)(i)(1), other than Rule 144A(a)(1)(H), adopted pursuant to the federal Securities Act of 1933 (17 C.F.R. 230.144A); (14) a "major U.S. institutional investor" as defined in Rule 15a-6(b)(4)(i)(17 C.F.R. 240.15a-6) adopted pursuant to the federal Securities Exchange Act of 1934; (15) any other person, other than an individual, of institutional character with total assets in excess of ten million dollars (\$ 10,000,000) not organized for the specific purpose of evading the New Mexico Uniform Securities Act; or (16) any other person specified by rule adopted or order issued pursuant to the New Mexico Uniform Securities Act.

- (31) In addition, a broker-dealer registered in North Carolina may offer and sell to an entity which has a net worth in excess of \$1,000,000 as determined by generally accepted accounting principles.
- (32) The term "institutional investor" means any of the following whether in acting for itself or for others in a fiduciary capacity: a. a depository institution or international banking institution; b. an insurance company; c. a separate account of an insurance company; d. an investment company as defined in the Investment Company Act of 1940; e. a broker-dealer under the Securities Exchange Act of 1934; f. an employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of ten million dollars or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this Act, a depository institution, or an insurance company; g. a plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of ten million dollars or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under the North Dakota Supervision of Issue and Sale of Securities law, a depository institution, or an insurance company; h. a trust, if it has total assets in excess of ten million dollars, its trustee is a depository institution, and its participants are exclusively plans of the types identified in subdivision f or g, regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans; i. an organization described in section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for specific purpose of acquiring the securities offered, with total assets in excess of ten million dollars; j. a small business investment company licensed by the small business administration under section 301(c) of the Small Business Investment Act of 1958 with total assets in excess of ten million dollars; k. a private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940 with total assets in excess of ten million dollars; l. a federal covered investment adviser acting for its own account; m. a qualified institutional buyer as defined in rule 144A(a)(1), other than rule 144A(a)(1)(i)(H), adopted under the Securities Act of 1933; n. a major United States institutional investor as defined in rule 15a-6(b)(4)(i) adopted under the Securities Exchange Act of 1934; or o. any other person, other than an individual, of institutional character with total assets in excess of ten million dollars not organized for the specific purpose of evading North Dakota Supervision of Issue and Sale of Securities law.
- (33) The term "institutional investor" includes: (1) a corporation or business trust or a wholly-owned subsidiary of the person which has been in existence for 18 months and which has a tangible net worth on a consolidated basis, as reflected in its most recent audited financial statements, of \$10 million or more; (2) a college, university, or other public or private institution which has received exempt status under section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. §501(c)(3)) and which has a total endowment or trust funds, including annuity and life income funds, of \$5 million or more according to its most recent audited financial statements; provided that the aggregate dollar amount of securities being sold to the person under the exemption contained in section 203(c) of the Pennsylvania Securities Act of 1972 (the "Act") (70 P.S. §1-203(c)) and the Pennsylvania Blue Sky Regulations may not exceed 5.0% of the endowment or trust funds; (3) a wholly-owned subsidiary of a bank as defined in section 102(d) of the Act (70 P.S. §1-102(d) and §102.041 (relating to banking institution; savings and loan institution); (4) a person, except an individual or an entity whose securityholders consist entirely of one individual or group of individuals who are related, which is organized primarily

for the purpose of purchasing, in non-public offerings, securities of corporations or issuers engaged in research and development activities in conjunction with a corporation and which complies with one of the following: (i) has purchased \$5 million or more of the securities excluding both of the following: (A) a purchase of securities of a corporation in which the person directly or beneficially owns more than 50% of the corporation's voting securities, but securities purchased under a leveraged buy-out financing in which the person does not intend to provide direct management to the issuer, shall not be excluded, or (B) any dollar amount of a purchase of securities of a corporation which investment represents more than 20% of the person's net worth; (ii) is capitalized at \$2,500,000 or more and is controlled by an individual controlling a person which meets the criteria contained in subparagraph (i); (iii) is capitalized at \$10 million or more and has purchased \$500,000 or more of the securities, excluding a purchase of securities of a corporation in which the person directly or beneficially owns more than 50% of the corporation's voting securities; (iv) is capitalized at \$250,000 or more and is a side-by-side fund as defined in subsection (b)(4) of the Pennsylvania Blue Sky Regulations; (5) a Small Business Investment Company as that term is defined in section 103 of the Small Business Investment Act of 1958, (15 U.S.C. § 662) which either: (i) has a total capital of \$1 million or more; or (ii) is controlled by institutional investors as defined in section 102(k) of the Act (70 P.S. § 1-102(k)) or section 102.111 of the Pennsylvania Blue Sky Regulations; (6) a Seed Capital Fund, as defined in section 2 and authorized in section 6 of the Small Business Incubators Act (73 P.S. §§395.2 and 395.6); (7) a Business Development Credit Corporation, as authorized by the Business Development Credit Corporation Law (15 P.S. §§2701-2716); (8) a person whose security holders consist solely of institutional investors or broker-dealers; (9) a person as to which the issuer reasonably believed qualified as an institutional investor under this section at the time of the offer or sale of the securities on the basis of written representations made to the issuer by the purchaser; and (10) a qualified institutional buyer as that term is defined in 17 CFR 230.144A (relating to private resales of securities to institutions), or any successor rule thereto.

- (34) Provided the offeror or seller (i) is registered as a broker-dealer in Rhode Island or (ii) is a broker-dealer who is registered or not required to be registered under the Securities Exchange Act of 1934, has no place of business in Rhode Island and effects transactions in Rhode Island exclusively with or through other broker-dealers licensed or exempt from registration in this jurisdiction or with institutions enumerated with respect to Rhode Island in this Part.
- (35) Provided the offeror or seller (i) is registered or licensed as a broker-dealer in Tennessee, or (ii) has no place of business in Tennessee and is registered as a broker-dealer with the Securities and Exchange Commission or the National Association of Securities Dealers, Inc, and effects transactions in Tennessee exclusively with or through registered or licensed broker-dealers or with institutions enumerated with respect to Tennessee in this Part.
- (36) In addition, the Texas State Securities Board exempts from the securities registration requirements of the Securities Act the offer and sale of any securities to any of the following purchasers: (1)(i) any bank, as defined in Section 3(a)(2) of the Securities Act of 1933, as amended (the "1933 Act") or any savings and loan association or other institution as defined in Section 3(a) (5)(A) of the 1933 Act, whether acting in its individual or fiduciary capacity; any insurance company as defined in Section 2(13) of the 1933 Act; any investment company registered under the Investment Company Act of 1940; or a business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940; any Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958; any plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions for the benefit of its employees, if such plan has total assets in excess of \$5,000,000; any employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000, or, if a self-directed plan, with investment decisions made solely by persons that are accredited institutional investors; (ii) any private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1944; (iii) any organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of \$5,000,000; (iv) any director, executive officer, or general partner of the issuer of the securities being offered and sold, or any director, executive officer, or general partner of a general partner of that issuer; (v) any trust with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a person who has such knowledge and experience in financial and business matters that he is capable of evaluating the merits and risks of the prospective investment within the meaning of Rule 506(b)(ii) promulgated under the 1933 Act; or (vi) any entity in which all of the equity owners are within categories (i)-(v) above; (2) any "qualified institutional buyer" (as that term is defined in Rule 144A(a)(1) of the 1933 Act as made effective in SEC Release 33-6862, and amended in Release Number 33-6963); and (3) a corporation, partnership, trust, estate or other entity (excluding individuals) having net worth of not less than \$5,000,000, or a wholly owned subsidiary of such entity, provided the entity was not formed for the purpose of acquiring the specific securities. For purposes of determining a purchaser's total

assets or net worth, the issuer and the seller may rely upon the entity's most recent annual balance sheet or other financial statement which shall have been audited by an independent accountant or which shall have been verified by a principal of the purchaser.

- (37) The term "institutional buyer" includes a corporation, business trust, or partnership or wholly owned subsidiary of such an entity, which has been operating for at least 12 months and which has a net worth on a consolidated basis of at least \$10 million as determined by the entity's most recent audited financial statements, such statements to be dated within 16 months of the transaction made in reliance upon this exemption; any entity which has been granted exempt status under Section 501(e)(3) of the Internal Revenue Code of 1986 and which has a total endowment or trust funds of \$5 million or more according to its most recent audited financial statements, such statements to be dated within 16 months of the transaction made in reliance upon this exemption; or any wholly owned subsidiary of a bank, savings institution, insurance company, or investment company as defined in the Investment Company Act of 1940. Sales of the securities to such persons may be made by persons registered as broker-dealers in Washington.
- (38) The term "institutional investor" means any of the following whether in acting for itself or for others in a fiduciary capacity: (a) A depository institution or international banking institution. (b) An insurance company. (c) A separate account of an insurance company. (d) An investment company as defined in the Investment Company Act of 1940. (e) A broker-dealer registered under the Securities Exchange Act of 1934. (f) An employee pension, profit-sharing, or benefit plan if the plan has total assets in excess of 10,000,000 or its investment decisions are made by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this chapter, a depository institution, or an insurance company. (g) A plan established and maintained by a state, a political subdivision of a state, or an agency or instrumentality of a state or a political subdivision of a state for the benefit of its employees, if the plan has total assets in excess of 10,000,000 or its investment decisions are made by a duly designated public official or by a named fiduciary, as defined in the Employee Retirement Income Security Act of 1974, that is a broker-dealer registered under the Securities Exchange Act of 1934, an investment adviser registered or exempt from registration under the Investment Advisers Act of 1940, an investment adviser registered under this chapter, a depository institution, or an insurance company. (h) A trust, if it has total assets in excess of 10,000,000, its trustee is a depository institution, and its participants are exclusively plans of the types identified in par. (f) or (g), regardless of the size of their assets, except a trust that includes as participants self-directed individual retirement accounts or similar self-directed plans. (i) An organization described in section 501 (c) (3) of the Internal Revenue Code (26 USC 501 (c) (3)), corporation, Massachusetts trust or similar business trust, limited liability company, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of 10,000,000. (j) A small business investment company licensed by the Small Business Administration under section 301 (c) of the Small Business Investment Act of 1958 (15 USC 681 (c)) with total assets in excess of 10,000,000. (k) A private business development company as defined in section 202 (a) (22) of the Investment Advisers Act of 1940 (15 USC 80b-2 (a) (22)) with total assets in excess of 10,000,000. (L) A federal covered investment adviser acting for its own account. (m) A qualified institutional buyer, as defined in Rule 144A (a) (1), other than Rule 144A (a) (1) (i) (H), adopted under the Securities Act of 1933 (17 CFR 230.144A). (n) A major U.S. institutional investor, as defined in Rule 15a-6 (b) (4) (i) adopted under the Securities Exchange Act of 1934 (17 CFR 240.15a-6). (o) Any other person, other than an individual, of institutional character with total assets in excess of 10,000,000 not organized for the specific purpose of evading this chapter. (p) Any other person specified by rule adopted or order issued under this chapter.
- (39) Provided the offeror or seller (i) is registered as a broker-dealer in Wisconsin, or (ii) effects transactions in Wisconsin exclusively with or through registered broker-dealers or with institutions enumerated with respect to Wisconsin in this Part.

**STANDARD
& POOR'S**

55 Water Street, 38th Floor
New York, NY 10041-0003
tel 212 438-2079
reference no.: 1170280

March 17, 2011

Revised

Buffalo State College Housing Corporation
1300 Elmwood Ave
Cleveland Hall #505
Buffalo, NY 14222
Attention: Mr. Stanley Kardonsky, CFO

Re: *US\$44,285,000 Buffalo & Erie County Industrial Land Development Corp., New York, Housing Revenue Bonds, (Buffalo State College Housing Corporation), Series 2011A*

Dear Mr. Kardonsky:

Pursuant to your request for a Standard & Poor's rating on the above-referenced obligations, we have reviewed the information submitted to us and, subject to the enclosed *Terms and Conditions*, have assigned a rating of "A+". Standard & Poor's views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. This rating is based on financial information and documents we received prior to the issuance of this letter. Standard & Poor's assumes that the documents you have provided to us are final. If any subsequent changes were made in the final documents, you must notify us of such changes by sending us the revised final documents with the changes clearly marked.

To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would facilitate the process. You must promptly notify us of all material changes in the financial

Mr. Stanley Kardonsky

Page 2

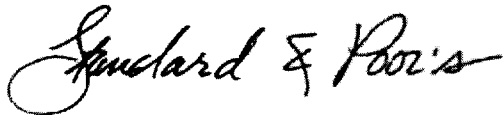
information and the documents. Standard & Poor's may change, suspend, withdraw, or place on CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

Please send all information to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

Standard & Poor's is pleased to be of service to you. For more information on Standard & Poor's, please visit our website at www.standardandpoors.com. If we can be of help in any other way, please call or contact us at nypublicfinance@standardandpoors.com. Thank you for choosing Standard & Poor's and we look forward to working with you again.

Sincerely yours,

A handwritten signature in cursive script that reads "Standard & Poor's".

Standard & Poor's Ratings Services
a Standard & Poor's Financial Services LLC business.

im
enclosures

cc: Ms. Linda Eremita, Managing Director
M&T Education Investment Banking & Financial Advisory Services

STANDARD &POOR'S

Standard & Poor's Ratings Services Terms and Conditions Applicable To Public Finance Ratings

You understand and agree that:

General. The ratings and other views of Standard & Poor's Ratings Services ("Ratings Services") are statements of opinion and not statements of fact. A rating is not a recommendation to purchase, hold, or sell any securities nor does it comment on market price, marketability, investor preference or suitability of any security. While Ratings Services bases its ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, Ratings Services does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and Ratings Services' opinions should not be relied upon in making any investment decision. Ratings Services does not act as a "fiduciary" or an investment advisor. Ratings Services neither recommends nor will recommend how an issuer can or should achieve a particular rating outcome nor provides or will provide consulting, advisory, financial or structuring advice.

All Rating Actions in Ratings Services' Sole Discretion. Ratings Services may assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, at any time, in Ratings Services' sole discretion. Ratings Services may take any of the foregoing actions notwithstanding any request for a confidential or private rating or a withdrawal of a rating, or termination of this Agreement. Ratings Services will not convert a public rating to a confidential or private rating, or a private rating to a confidential rating.

Publication. Ratings Services reserves the right to use, publish, disseminate, or license others to use, publish or disseminate the rating provided hereunder and any analytical reports, including the rationale for the rating, unless you specifically request in connection with the initial rating that the rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private rating or the existence of a confidential or private rating subsequently becomes public through disclosure other than by an act of Ratings Services or its affiliates, Ratings Services reserves the right to treat the rating as a public rating, including, without limitation, publishing the rating and any related analytical reports. Any analytical reports published by Ratings Services are not issued by or on behalf of you or at your request. Notwithstanding anything to the contrary herein, Ratings Services reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public ratings that have been withdrawn, regardless of the reason for such withdrawal. Ratings Services may publish explanations of Ratings Services' ratings criteria from time to time and nothing in this Agreement shall be construed as limiting Ratings Services' ability to modify or refine its ratings criteria at any time as Ratings Services deems appropriate.

Information to be Provided by You. For so long as this agreement is in effect, in connection with the rating provided hereunder, you warrant that you will provide, or cause to be provided, as promptly as practicable, to Ratings Services all information requested by Ratings Services in accordance with its applicable published ratings criteria. The rating, and the maintenance of the rating, may be affected by Ratings Services' opinion of the information received from you or your agents or advisors. You further warrant that all information provided to Ratings Services by you or your agents or advisors regarding the rating or, if applicable, surveillance of the rating, as of the date such information is provided, (i) contains no untrue statement of material fact and does not omit a material fact necessary in order to make such information, in light of the circumstances in which it was provided, not misleading and (ii) does not infringe or violate the intellectual property rights of a third party. A material breach of the warranties in this paragraph shall constitute a material breach of this Agreement.

Confidential Information. For purposes of this Agreement, "Confidential Information" shall mean verbal or written information that you or your agents or advisors have provided to Ratings Services and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such

information is “Proprietary and Confidential.” Notwithstanding the foregoing, information disclosed by you or your agents or advisors to Ratings Services shall not be deemed to be Confidential Information, and Ratings Services shall have no obligation to treat such information as Confidential Information, if such information (i) was known by Ratings Services or its affiliates at the time of such disclosure and was not known by Ratings Services to be subject to a prohibition on disclosure, (ii) was known to the public at the time of such disclosure, (iii) becomes known to the public (other than by an act of Ratings Services or its affiliates) subsequent to such disclosure, (iv) is disclosed to Ratings Services or its affiliates by a third party subsequent to such disclosure and Ratings Services reasonably believes that such third party’s disclosure to Ratings Services or its affiliates was not prohibited, (v) is developed independently by Ratings Services or its affiliates without reference to the Confidential Information, (vi) is approved in writing by you for public disclosure, or (vii) is required by law or regulation to be disclosed by Ratings Services or its affiliates. Ratings Services acknowledges that it is aware that U.S. and state securities laws impose restrictions on trading in securities when in possession of material, non-public information and has adopted securities trading policies to that effect.

Ratings Services’ Use of Information. Except as otherwise provided herein, Ratings Services shall not disclose Confidential Information to third parties. Ratings Services may (i) use Confidential Information to assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, and (ii) share Confidential Information with its affiliates engaged in the ratings business who are bound by appropriate confidentiality obligations; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. Ratings Services may also use, and share Confidential Information with any of its affiliates or agents engaged in the ratings or other financial services businesses who are bound by appropriate confidentiality obligations (“Relevant Affiliates and Agents”), for modelling, benchmarking and research purposes; in each case, subject to the restrictions herein, Ratings Services and such affiliates may publish information derived from Confidential Information. With respect to structured finance ratings not maintained on a confidential or private basis, Ratings Services may publish data aggregated from Confidential Information, excluding data that is specific to and identifies individual debtors (“Relevant Data”), and share such Confidential Information with any of its Relevant Affiliates and Agents for general market dissemination of Relevant Data; you confirm that, to the best of your knowledge, such publication would not breach any confidentiality obligations you may have toward third parties. Ratings Services will comply with all applicable U.S. and state laws, rules and regulations protecting personally-identifiable information and the privacy rights of individuals. Ratings Services acknowledges that you may be entitled to seek specific performance and injunctive or other equitable relief as a remedy for Ratings Services’ disclosure of Confidential Information in violation of this Agreement. Ratings Services and its affiliates reserve the right to use, publish, disseminate, or license others to use, publish or disseminate any non-Confidential Information provided by you, your agents or advisors.

Ratings Services Not an Expert, Underwriter or Seller under Securities Laws. Ratings Services has not consented to and will not consent to being named an “expert” or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. Ratings Services is not an “underwriter” or “seller” as those terms are defined under applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933. Rating Services has not performed the role or tasks associated with an “underwriter” or “seller” under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with this engagement.

Office of Foreign Assets Control. As of the date of this Agreement, (a) neither you nor the issuer (if you are not the issuer) or any of your or the issuer’s subsidiaries, or any director or corporate officer of any of the foregoing entities, is the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC Sanctions”), (b) neither you nor the issuer (if you are not the issuer) is 50% or more owned or controlled, directly or indirectly, by any person or entity (“parent”) that is the subject of OFAC Sanctions, and (c) to the best of your knowledge, no entity 50% or more owned or controlled by a direct or indirect parent of you or the issuer (if you are not the issuer) is the subject of OFAC sanctions. For so long as this agreement is in effect, you will promptly notify Ratings Services if any of these circumstances change.

Ratings Services’ Use of Confidential and Private Ratings. Ratings Services may use confidential and private ratings in its analysis of the debt issued by collateralized debt obligation (CDO) and other investment vehicles. Ratings Services may disclose a confidential or private rating as a confidential credit estimate or assessment to the managers of CDO and similar investment vehicles. Ratings Services may permit CDO managers to use and disseminate credit estimates or

assessments on a limited basis and subject to various restrictions; however, Ratings Services cannot control any such use or dissemination.

Entire Agreement. Nothing in this Agreement shall prevent Ratings Services from acting in accordance with applicable laws, regulations and Ratings Services' policies as published from time to time. Subject to the prior sentence, this Agreement, including any amendment made in accordance with provisions hereof, constitutes the complete and entire agreement between the parties on all matters regarding the rating provided hereunder. The terms of this Agreement supersede any other terms and conditions relating to information provided to Ratings Services by you or your agents and advisors hereunder, including without limitation, terms and conditions found on, or applicable to, websites or other means through which you or your agents and advisors make such information available to Ratings Services, regardless if such terms and conditions are entered into before or after the date of this Agreement. Such terms and conditions shall be null and void as to Ratings Services.

Limitation on Damages. Ratings Services does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a rating or the results obtained from the use of such information. RATINGS SERVICES GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Ratings Services, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the rating provided hereunder or the related analytic services even if advised of the possibility of such damages or other amounts except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and Ratings Services are parties to result from gross negligence or willful misconduct of Ratings Services. In furtherance and not in limitation of the foregoing, Ratings Services will not be liable to you, your affiliates or any person asserting claims on your behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or recommendations. In the event that Ratings Services is nevertheless held liable to you, your affiliates, or any person asserting claims on your behalf for monetary damages under this Agreement, in no event shall Ratings Services be liable in an aggregate amount in excess of seven times the aggregate fees paid to Ratings Services for the rating giving rise to the cause of action, up to a maximum of US\$5,000,000 except to the extent such monetary damages directly result from Ratings Services' intentional wrongdoing or willful misconduct. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. Neither party waives any protections, privileges, or defenses it may have under law, including but not limited to, the First Amendment of the Constitution of the United States of America.

Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

No Third-Party Beneficiaries. Nothing in this Agreement, or the rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the rating. No person is intended as a third party beneficiary of this Agreement or of the rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Governing law. You irrevocably agree that this Agreement and the rating letter, for purposes of any claim against Rating Services that may be asserted by you, your affiliates or any person asserting claims on your behalf, shall be governed by the internal laws of the State of New York. You irrevocably agree that, for purposes of any claim against Rating Services that may be asserted by you, your affiliates or any person asserting claims on your behalf in any dispute arising out of or relating to this Agreement, the state courts of New York located in the County of New York or the U.S. federal court for the Southern District of New York shall be the exclusive forums for such disputes and the parties hereby consent to the personal jurisdiction of such courts. For purposes of any claim against you that Rating Services may assert in any dispute arising out of or relating to the Agreement, neither party waives its right to contest the applicable governing law or the appropriate forum, including in connection with any assertion of sovereign immunity.

June 16, 2011

Buffalo and Erie County Industrial Land Development Corporation
275 Oak Street
Buffalo, New York 14203

Buffalo State College Foundation Housing Corporation
Cleveland Hall, Room 312
1300 Elmwood Avenue
Buffalo, New York 14075

Manufacturers and Traders Trust Company, as Trustee
One M&T Plaza, 7th Floor
Buffalo, New York 14203

M&T Securities, Inc.
160 Technology Drive
Canonsburg, Pennsylvania 15317

Re: Buffalo State College Alumni Association, Inc.
(Student Housing Project)

Ladies and Gentlemen:

We have acted as counsel for Buffalo State Alumni Association, Inc., a New York not-for-profit corporation (the "Company"), in connection with a Ground Lease dated July 1, 2009 (the "Ground Lease") between State University of New York ("SUNY") and the Company, and a Sublease Agreement dated July 1, 2009 (the "Sublease") between the Company and Buffalo State Foundation Housing Corporation ("BSFHC"). We have been requested by the Company to render to you our opinion in connection with the execution and delivery by the Company of the Ground Lease, the Sublease and the Acknowledgement and Consent dated as of June 1, 2011, by and among the Company, SUNY, Buffalo and Erie County Industrial Land Development Company and Manufacturers and Traders Trust Company, as Trustee (the "Consent").

In connection with our opinion, we have reviewed the following documents:

1. The Ground Lease;
2. The Sublease;

3. The Consent;

4. The General Certificate of the Company dated June 16/2011 and the Company's Certificate of Incorporation and By-Laws, resolutions adopted by the Company's Board of Directors and voting members and the certificate issued by the New York State Secretary of State on May 27, 2011 with respect to the status of the Company in the State of New York, all of which are attached thereto.

Items 1 through 4 above collectively are referred to as the "Examined Documents".

Our opinions herein are subject to the following qualifications:

1. Our opinions are rendered only in our capacity as counsel to the Company as set forth above and are based solely on our examination of the Examined Documents and our review of such relevant law as we deemed appropriate. For purposes of our opinions, our "knowledge" is based solely on our examination of the Examined Documents. Our opinions are based solely on the laws of the State of New York as of the date of this letter.

2. We have assumed without investigation (a) that each signature on any document executed in connection with this transaction (other than that on behalf of the Company on the Examined Documents) is genuine, (b) the authenticity of all documents submitted to us as originals and the conformity to the authentic original documents of all documents submitted to us as copies or facsimile, (c) the legal capacity of each natural person, (d) that each document upon which we opine has been duly authorized, executed and delivered and is a legal, valid and binding obligation of each party thereto other than the Company and is enforceable against each such other person in accordance with its terms, (e) the truth of the factual representations and warranties and other statements of fact in the Examined Documents and (f) the continued accuracy of the matters set forth in the Examined Documents to the date hereof.

3. The validity, binding effect or enforceability of any document or any provision thereof may be limited or otherwise affected by (a) bankruptcy, insolvency, involuntary liquidation, fraudulent conveyance, reorganization, moratorium or other similar laws or regulations, (b) equitable principles or (c) the unavailability of, or any limitation upon the availability of, any particular right or remedy because of the discretion of a court, the principle of election of remedies or any requirement as to commercial reasonableness, conscionability or good faith. Furthermore, we express no opinion concerning (i) the validity, binding effect or enforceability of any provision of any document giving consent, waiving a right, remedy or defense or granting any power of attorney, (ii) the validity, binding effect or enforceability of a document or a provision of any document with respect to any person or entity other than the Company or (iii) the status of any liens.

Buffalo and Erie County Industrial Land Development Corporation
Buffalo State College Foundation Housing Corporation
Manufacturers and Traders Trust Company
M&T Securities, Inc.
June 16, 2011
Page 3

4. Any opinion concerning the validity, binding effect or enforceability of any document (a) means that (i) that document constitutes a contract under applicable law, (ii) that document is not invalid in its entirety under applicable law because of a specific statutory prohibition or public policy and is not subject in any material respect to a contractual defense under applicable law and (iii) subject to the other qualifications of this letter, a remedy or remedies are available under applicable law substantially enforcing the effect of that document if the person concerning whom that opinion is given is in material default under that document but (b) does not mean that (i) any particular remedy is available under applicable law or (ii) every provision of that document will be upheld or enforced.

We are of the opinion that:

1. The execution, delivery and performance of the Ground Lease, the Sublease and the Consent are within the corporate powers of the Company, have been duly authorized by all necessary corporate action on the part of the Company, and are not in contravention the terms of either of the Certificate of Incorporation or By-Laws of the Company.

2. The Ground Lease, the Sublease and the Consent are valid and binding obligations of the Company enforceable against the Company in accordance with their respective terms.

Our opinion is limited to the specific issues addressed and is limited in all respects to laws and facts existing on the date hereof. By rendering our opinion, we do not undertake to advise you of any changes in such laws or facts or our knowledge which may occur after the date hereof. This opinion is furnished to you in connection with the execution and delivery of the Ground Lease, the Sublease and the Consent by the Company and is not to be used, circulated, quoted or otherwise relied upon for any other purpose.

Very truly yours,

Jackie Fleischman & Mager, LLP



The State University
of New York

Office of General Counsel

State University Plaza
Albany, New York 12246

www.suny.edu

June 16, 2011

Buffalo and Erie County Industrial
Land Development Corporation
275 Oak Street
Buffalo, New York 14203

Manufacturers and Traders Trust Company, as Trustee
Corporate Trust
One M&T Plaza
Buffalo, New York 14203-2399

M&T Securities, Inc.
160 Technology Drive
Canonsburg, Pennsylvania 15317

Re: BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION: REVENUE BONDS (BUFFALO
STATE COLLEGE FOUNDATION HOUSING CORPORATION
PROJECT), SERIES 2011 A AND TAXABLE REVENUE BONDS
(BUFFALO STATE COLLEGE FOUNDATION HOUSING
CORPORATION PROJECT), SERIES 2011 B.

Ladies and Gentlemen:

I am counsel to the State University of New York, a corporation established by
the Education Law of the State of New York ("SUNY") in connection with that certain:

- A. Ground Lease, dated as of July 1, 2009, by and between SUNY, as
landlord, and Buffalo State College Alumni Association, a New York
not-for-profit corporation (the "Association"), as tenant (the "Ground
Lease");
- B. Facility Management Agreement, dated as of July 1, 2009, by and
between Buffalo State College Foundation Housing Corporation, a New
York not-for-profit corporation (the "Company") and SUNY (the
"Facility Management Agreement");
- C. Agreement, dated as of June 1, 2011, by and between the Company and
SUNY (the "SUNY Agreement"); and

To Learn
To Search
To Serve

the Power of 

- D. Acknowledgement and Consent, dated as of June 1, 2011, by and among SUNY, the Association, Buffalo and Erie County Industrial Land Development Corporation, a New York not-for-profit corporation (the "Issuer") and Manufacturers and Traders Trust Company, as Trustee (the "Acknowledgment and Consent")

The Ground Lease, the Facility Management Agreement, the SUNY Agreement and the Acknowledgment and Consent are hereinafter collectively referred to as the "Documents". As such, I have been requested to render this opinion to you.

Capitalized terms used in this opinion and not otherwise defined herein shall have the meanings given them by the Documents.

In my capacity as counsel to SUNY, I have examined the Documents and such other instruments and documents as I have deemed necessary or appropriate for purposes of rendering this opinion.

In rendering this opinion, I have made such examination of laws as I have deemed relevant for the purposes hereof. As to various questions of fact material to this opinion, I have relied upon certificates and documents issued by public officials and authorities and information received from searches of public records. I have no actual knowledge of the inaccuracy or incompleteness of any of the same.

Based upon and in reliance on the foregoing, and subject to the assumptions and qualifications hereinafter set forth, I am of the opinion that:

1. SUNY is a corporation validly existing under the laws of the State of New York.
2. SUNY has the corporate power and authority to own or lease its properties and operate its business as now conducted, and to execute, deliver and perform its obligations under the Documents.
3. SUNY's execution and delivery of, and its performance of its obligations under, the Documents have been duly authorized by all necessary company action on the part of SUNY, and such Documents have been duly executed and delivered by SUNY.
4. The Documents are the legal, valid and the binding obligations of SUNY, enforceable against SUNY in accordance with their respective terms.
5. SUNY's execution and delivery of the Documents do not on this date (i) conflict with or result in a breach of any provision of its charter or organizational documents, or (ii) violate any existing law, rule, regulation or ordinance applicable to SUNY and affecting the enforceability of any of the Documents.

6. There is no action, suit or proceeding pending, or, to my knowledge, overtly threatened by written communication, against SUNY or expressly affecting its assets wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability any of the Documents.

7. The information with respect to SUNY contained in the Official Statement, dated May 26, 2011, of the Issuer and the Company with respect to the above-captioned bonds does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

The foregoing opinions are subject to the following qualifications and are based upon the following further assumptions:

- A. I have assumed without any independent investigation, with respect to each party thereto other than SUNY (i) the full capacity, power and authority to such party to execute, deliver and perform the Documents, (ii) the due execution and delivery of the Documents by such party, and (iii) the legality, validity and binding effect of the Documents with respect to such party.
- B. I have assumed without any investigation the genuineness of all signatures (other than those by or on behalf of SUNY), the legal capacity of natural persons, the authenticity and completeness of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as certified, photostatic or telestatic copies and the authenticity and completeness of the originals of such copies.
- C. To the extent title to any real and personal property is required to be held by any party in order to perform its obligations under any of the Documents, I have assumed without any investigation that such party holds title adequate to perform its obligations.
- D. The foregoing opinions are subject to the effect of (i) applicable bankruptcy, reorganization, insolvency, moratorium and/or similar laws relating to or affecting the rights of creditors generally, including without limitation fraudulent conveyance provisions under applicable laws, and (ii) equitable, constitutional and public policy limitations (regardless of whether considered in a proceeding in equity or at law).
- E. The foregoing opinions are also subject to the qualification that certain provisions contained in the Documents may not be enforceable, but (subject to the limitations set forth elsewhere herein) such unenforceability will not render the Documents invalid as a whole or substantially

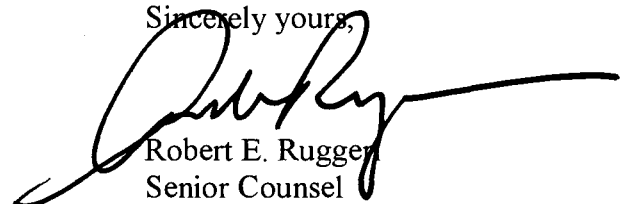
interfere with realization of the principal benefits and/or security provided thereby.

- F. I express no opinion herein as to (i) the effect of any land use or environmental law, rule, regulation or ordinance; (ii) the existence or state of title of any real or personal property which may be the subject of any of the Documents; (iii) the perfection or priority of any liens or security interests created, or purported to be created, by any of the Documents; or (iv) the validity or enforceability of any waiver of service of judicial process, or any provision of any of the Documents which might be construed as a waiver of counterclaims.

I express no opinion with the respect to the effect of any law other than the law of the State of New York and the federal law of the United States, irrespective of any choice of law provisions, which may be contained in any of the Documents.

This opinion is rendered solely to you and is solely intended for your benefit and that of the holders of the above-referenced bonds in connection with the transaction described hereinabove, and may not be relied upon, referred to or otherwise used by you for any other purpose, or by any other person or entity, except I recognize that this opinion may be made a part of the transcript of proceedings relating to the captioned bond financing and may also be relied upon by counsel to the addressee and to the respective holders or such bonds and to their respective successors and assigns.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Ruggen", with a long horizontal flourish extending to the right.

Robert E. Ruggen
Senior Counsel

June 16, 2011

Buffalo and Erie County Industrial
Land Development Corporation
275 Oak Street
Buffalo, New York 14203

Buffalo State College Foundation
Housing Corporation
1300 Elmwood Avenue
Cleveland Hall, Room 505
Buffalo, New York 14222

Manufacturers and Traders Trust
Company, as Trustee
One M&T Plaza
Buffalo, New York 14203

Hiscock & Barclay, LLP
One Park Place
300 South State Street
Syracuse, New York 13202

Re: Buffalo and Erie County Industrial Land Development Corporation
Refunding Revenue Bonds (Buffalo State College Foundation Housing
Corporation Project), Series 2011A in the aggregate principal amount of
\$43,875,000 and Taxable Refunding Revenue Bonds (Buffalo State College
Foundation Housing Corporation Project), Series 2011B in the aggregate
principal amount of \$410,000

Ladies and Gentlemen:

We have acted as counsel for Manufacturers and Traders Trust Company, a banking corporation organized and existing under the laws of the State of New York, as trustee (the "Trustee") pursuant to (1) a trust indenture dated as of June 1, 2011 (the "Indenture") between the Trustee and the Buffalo and Erie County Industrial Land Development Corporation (the "Issuer"), and (2) the authentication by the Trustee, as trustee, of the Refunding Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "Series 2011A Bonds") and the Taxable Refunding Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "Series 2011B Bonds", and together with the Series 2011A Bonds, the "Initial Bonds"). In that connection, we have examined such matters of the law, certificates and documents as we have determined relevant for the purposes of this opinion. The Indenture is referred to herein as the Trustee's Document.

For the purposes of rendering the opinions set forth below, we have assumed (A) that the Trustee's Document has been duly authorized, executed and delivered by all of the parties thereto other than the Trustee, (B) the authenticity of any documents submitted to us as originals or copies and the signatures contained therein, except the signatures of persons signing on behalf of the Trustee, and the conformity to such originals of all documents submitted to us as copies, (C) that the Issuer has the lawful power and authority to enter into and perform its obligations under the Indenture, and (D) that the

June 16, 2011

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Indenture has been duly authorized, executed and delivered by the Issuer and constitutes the legal, valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms.

The opinions set forth in this letter are based solely upon (a) our review of, as submitted to us, (i) the Indenture, (ii) the Initial Bonds, (iii) the Organization Certificate of the Trustee, (iv) a Certificate of Authority of Trustee, dated June 16, 2011, executed by an officer of the Trustee, which contains an extract of the By-Laws of the Trustee (the "By-Laws Extract"), (v) a certificate of the Trustee dated June 16, 2011, and (vi) a Certificate, dated June 1, 2011, from the Banking Department of the State of New York as to the Trustee (the "Governmental Certificate") (items (a)(i) through (a)(vi) being collectively the "Reviewed Documents"), (b) as to factual matters, the actual knowledge of those of our present attorneys who have had primary responsibility for reviewing and negotiating the Trustee's Document on behalf of the Trustee (the "Attorney Information") and (c) such review of published sources of law as we have deemed necessary based solely upon our review of the Reviewed Documents and the Attorney Information. Other than our review of the Reviewed Documents, we have made no inquiry or other investigation as to any factual matter (including, but not limited to, any review of (a) any of the files and other records of the Trustee or any court or governmental authority or (b) any of our files and other records). No opinion is expressed as to the effect of any law or documents which we have not reviewed as described above.

As to certain factual matters material to our opinion, we have relied, where we deemed it appropriate, on certificates of fact received from officers of the Trustee and from public officials and, as to certain questions of fact, we have relied upon and assumed the accuracy and truthfulness of the representations and warranties made in the Trustee's Document by the parties thereto. Based on the foregoing, and subject to the qualifications and matters of reliance set forth herein, we are of the opinion that:

1. The Trustee is a banking corporation duly formed and validly existing under the laws of the State of New York and is authorized thereunder and pursuant thereto to exercise trust powers.

2. The Trustee has the corporate power to accept the trusts created by, to execute and deliver, as trustee, the Trustee's Document.

3. The Trustee's Document has been duly authorized, executed and delivered by the Trustee and constitutes the legal, valid and binding obligation of the Trustee enforceable against the Trustee in accordance with its terms. The Trustee is duly authorized and empowered to discharge and perform all duties and obligations imposed on it as trustee, paying agent and registrar for the Initial Bonds pursuant to the Indenture.

4. The Trustee has taken all action necessary for the acceptance of and, by its execution and delivery of the Trustee's Documents, has duly accepted the office of trustee under the Indenture.

5. The Trustee has duly authenticated the Initial Bonds.

The foregoing opinions are subject to the following qualifications, limitations and exceptions:

(a) The opinions given above are subject to (1) bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent transfer and other laws and decisions relating to or affecting debtor's obligations or creditors' rights generally or bank insolvency (including, but not limited to, the Federal Deposit Insurance Act), whether now or hereafter in effect, and (2) general principles of equity (regardless of whether enforcement is sought at law or in equity).

(b) No opinion is given above as to the availability of non-judicial remedies or equitable remedies, including, but without limitation, specific performance and injunctive relief.

(c) We express no opinion as to the law of any jurisdiction other than the federal laws of the United States of America and the laws of the State of New York.

This opinion is given as if the laws of the State of New York govern without regard to its conflict of laws provisions. We note that the Trustee's Document provides that it shall be governed by and construed in accordance with the laws of the State of New York.

This opinion is rendered only to the addressees and is intended solely for their benefit in connection with the transaction described above. This opinion may not be relied upon by such addressees for any other purpose, or quoted or furnished to or relied upon by any other person, firm or corporation for any purposes without our prior written consent, except that Hiscock & Barclay, LLP, as Bond Counsel, may rely on this opinion in rendering its opinion in connection with the issuance of the Initial Bonds. We are not assuming any professional responsibility to any other person by rendering this opinion.

This opinion is furnished as of the date hereof and we assume no responsibility to advise you of any changes in law or fact which may hereafter come to our attention.

Very truly yours,

BOND, SCHWENCK & KING, PLLC

June 16, 2011

M&T Securities, Inc.
Canonsburg, PA

Buffalo and Erie County Industrial Land Development Corporation
\$43,875,000 Revenue Bonds
(Buffalo State College Foundation Housing Corporation Project), Series 2011A
and
\$410,000 Taxable Revenue Bonds
(Buffalo State College Foundation Housing Corporation Project), Series 2011B

Ladies and Gentlemen:

We have acted as your counsel in connection with the issuance and sale of the above-captioned bonds (the "Bonds") by the Buffalo and Erie County Industrial Land Development Corporation (the "Issuer"). The Bonds are generally described in the Official Statement, dated May 26, 2011 (the "Official Statement"), of the Issuer and Buffalo State College Foundation Housing Corporation (the "Company") with respect to the Bonds.

As your counsel, we have participated in the review of certain portions of the Official Statement, and in connection therewith we have had discussions with, and have reviewed certain documents and records furnished by, officials and representatives of the Issuer, the Company and certain related entities. We have not undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement and do not express any opinion to you with respect thereto. However, based solely on our participation in the review of the Official Statement as described above, nothing has come to our attention which would lead us to believe that, as of its date and as of the date hereof, the Official Statement (except for any information therein under the heading "THE 2011 BONDS – Book-Entry Only System" and any financial, statistical or demographic data, forecasts, numbers, estimates, assumptions, projections or expressions of opinion included or required to be included in the Official Statement, as to which we express no opinion or belief) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.


The statements herein are made as of the date hereof only, and not as of some future date. We assume no obligation to update or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in laws that may hereafter occur. This letter is limited to the matters stated herein, and no opinion may be implied beyond the matters expressly stated herein to be our opinion.

M&T Securities, Inc.
June 16, 2011
Page 2

ReedSmith

This letter is furnished solely for your benefit in connection with the issuance and sale of the Bonds on this date and may not be delivered to or relied upon by any other person or entity without our express prior written consent.

Very truly yours,



REED SMITH LLP

SWR/mp

1100 M&T CENTER
3 FOUNTAIN PLAZA
BUFFALO, NEW YORK 14203
T 716.566.1300 • F 716.566.1301

FEDERAL ID NO. 15-0339022

June 16, 2011

Buffalo and Erie County Industrial Land Development Corporation
143 Genesee Street
Buffalo, New York 14203

Re: Buffalo and Erie County Industrial Land Development Corporation
\$43,875,000 Revenue Bonds
(Buffalo State College Foundation Housing Corporation Project), Series 2011A

\$410,000 Taxable Revenue Bonds
(Buffalo State College Foundation Housing Corporation Project), Series 2011B

Ladies and Gentlemen:

We have acted as Bond Counsel to Buffalo and Erie County Industrial Land Development Corporation (the "*Issuer*") in connection with the issuance on the date hereof of the Issuer's Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "*Series 2011A Bonds*") and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Bonds*").

The Bonds are authorized to be issued pursuant to (i) Section 1411 of the Not-for-Profit Corporation Law of the State of New York (the "*State*"), as amended, and Resolution Nos. 218 and 295 of 2009 and 5-3(2010) of the Erie County Legislature, each as amended to date (collectively, the "*Act*"); (ii) resolutions adopted by the Issuer on December 14, 2009 and March 14, 2011 (the "*Resolution*"); and (iii) a certain trust indenture dated as of June 1, 2011 (the "*Indenture*"), by and between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "*Trustee*"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

The Bonds are being issued in connection with a loan made by the Issuer to Buffalo State College Foundation Housing Corporation (the "*Company*"), a not-for-profit corporation organized under the laws of the State, for the purpose of, among other purposes, refunding of the Outstanding Prior Bonds, payment or reimbursement of certain costs of the Project (as defined hereinbelow) and the payment of the costs of issuance of the Bonds. The Outstanding Prior

Bonds were issued to finance the costs of a project consisting of: (i) the acquisition by the Company of leasehold title to certain parcels of land containing in the aggregate approximately 3.6 acres and located at the corner of Letchworth Street and Grant Street on the campus of Buffalo State College located at Rockwell and Grant Streets in the City of Buffalo, Erie County, New York (the "*Land*"); (ii) the acquisition, installation and construction on the Land by the Company of an approximately 225,000 square foot student housing complex consisting of approximately 507 beds, to serve students of Buffalo State College, together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements (collectively, the "*Improvements*"); and (iii) the acquisition and installation in and around the Improvements of certain items of furniture, furnishings, equipment, machinery and other tangible personal property (collectively, the "*Equipment*" and, collectively with the Land and the Improvements, the "*Project*").

The Bonds are dated the date hereof, are issued as fully registered bonds without coupons and mature and bear interest as set forth therein. The Bonds are subject to redemption prior to maturity in the manner and upon the terms and conditions set forth therein and in the Indenture. The principal and Redemption Price of and interest on the Bonds are payable from loan payments to be made by the Company under the Loan Agreement dated as of June 1, 2011 (the "*Loan Agreement*"), by and between the Issuer and the Company.

The Issuer has assigned its interest in the Loan Agreement (other than its Unassigned Rights) to the Trustee as provided in the Indenture pursuant to the Pledge and Assignment dated as of June 1, 2011 (the "*Pledge and Assignment*"), by the Issuer to the Trustee and acknowledged by the Company.

As security for the obligations of the Company under the Loan Agreement and for the Bonds, the Company has entered and delivered to the Issuer a Leasehold Mortgage and Security Agreement dated as of June 1, 2011 (the "*Mortgage*"), granting a first lien on, and security interest in (subject to certain Permitted Encumbrances), the interest of the Company in and to the Project and the other Mortgaged Property therein and thereon to secure the Loan Agreement and the Bonds. Pursuant to the Assignment of Mortgage dated the date hereof (the "*Assignment of Mortgage*"), the Issuer assigned the Mortgage to the Trustee for the benefit of the Owners of the Bonds.

We have examined a specimen of each of the Bonds and executed counterparts of the Indenture, the Loan Agreement, the Assignment of Mortgage, the Pledge and Assignment and a certain tax compliance agreement dated the date hereof (the "*Tax Compliance Agreement*") executed by the Company and the Issuer relating to the Bonds.

We have reviewed an opinion of even date herewith of Hodgson Russ LLP, counsel to the Company, upon which we are relying as to the status of the Company as a 501(c)(3) Organization (as defined in the Tax Compliance Agreement), the validity and enforceability with respect to the Company of the Loan Agreement, the Mortgage, the acknowledgement to the Pledge and Assignment, the Tax Compliance Agreement and the other Company Documents. No opinion as to such matters is expressed herein.

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

The Internal Revenue Code of 1986, as amended (the "*Code*"), imposes various requirements which must be met upon and subsequent to the issuance and delivery of the Series 2011A Bonds in order that interest on the Series 2011A Bonds will be and remain excludable from gross income for federal income tax purposes. Included among these requirements are restrictions on the investment and use of proceeds of the Series 2011A Bonds and the rebate of certain earnings in respect of such investments to the United States. Failure to comply with the requirements of the Code may cause interest on the 2011A Bonds to be includable in gross income for purposes of federal income tax, possibly from the date of issuance of the 2011A Bonds. The Issuer and the Company have covenanted in the Tax Compliance Agreement to comply with certain procedures, and they have made certain representations and certifications designed to assure satisfaction of the requirements of the Code. Our opinion in paragraph (vii) hereinbelow assumes compliance with such covenants and the accuracy, in all material respects, of such representations and certifications. We express no opinion with respect to the exclusion from gross income for federal income tax purposes of interest on the 2011A Bonds in the event that any such representations and certifications are materially inaccurate or that there occurs a failure to comply with such covenants.

Based upon the foregoing, it is our opinion that:

- (i) The Issuer is a duly created and validly existing not-for-profit corporation constituting a local development corporation under the laws of the State.
- (ii) The Issuer has the right and power under the Act (a) to issue, execute, sell and deliver the Bonds; (b) to enter into and perform its obligations under the Loan Agreement, the Indenture, the Pledge and Assignment, the Assignment of Mortgage and the Tax Compliance Agreement; (c) to assign its interest in the Loan Agreement to the Trustee as provided in the Indenture and the Pledge and Assignment; and (d) to assign its interest in the Mortgage to the Trustee for the benefit of the Owners of the Bonds as provided in the Assignment of Mortgage.
- (iii) The Resolution has been duly and lawfully adopted by the Issuer and is in full force and effect.
- (iv) The Loan Agreement, the Indenture, the Pledge and Assignment, the Assignment of Mortgage and the Tax Compliance Agreement have been duly authorized and lawfully executed and delivered by the Issuer and (assuming the authorization,

execution and delivery by the other respective parties thereto) are valid and legally binding obligations of the Issuer enforceable against it in accordance with their respective terms.

- (v) The Bonds have been duly authorized, executed, delivered and issued for value by the Issuer in conformity with all applicable laws and the provisions of the Indenture and the Resolution and constitute valid and legally binding special obligations of the Issuer enforceable against it in accordance with their terms. The Bonds are payable solely from the amounts payable by the Company pursuant to the Loan Agreement and the Security Documents. The Indenture creates a valid pledge of and a valid Lien upon the Pledged Revenues (as defined in the Indenture), except as set forth therein, and subject only to the provisions of the Indenture permitting the use and payment thereof for or to the purposes and on the terms and conditions set forth in the Indenture.
- (vi) The Bonds do not constitute a debt of the State of New York, the County of Erie, or any political subdivision thereof, and neither the State of New York, the County of Erie, nor any political subdivision thereof shall be liable thereon.
- (vii) Under existing law, interest on the 2011A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code and is not treated as an item of tax preference for purposes of the alternative minimum tax imposed upon individuals and corporations pursuant to the provisions of the Code, provided, however, that such interest is taken into account in determining adjusted current earnings of certain corporations (as defined for federal income tax purposes) for purposes of computing the alternative minimum tax imposed on such corporations. With respect to the 2011A Bonds maturing October 1, 2041 (the "*Discount Bonds*") having original issue discount ("*OID*"), *OID* that has accrued and is properly allocable to the owners of *Discount Bonds* under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the 2011A Bonds.
- (viii) The interest on the 2011A Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including the City of New York and the City of Yonkers). The interest on the 2011B Bonds is not exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including the City of New York and the City of Yonkers).

In rendering our opinion, we wish to advise you that:

- (a) The enforceability against the Issuer of the Bonds, the Indenture, the Loan Agreement, the Pledge and Assignment, the Assignment of Mortgage and the Tax Compliance Agreement may be limited by any applicable bankruptcy, insolvency or other similar law or enactment now existing or hereafter enacted by the State or the federal government affecting the enforcement of creditors' rights generally.

(b) Equitable remedies with respect to any of the documents described in paragraph (a) above (and with respect to any other documents) lie in the discretion of a court and may not be available.

(c) We express no opinion as to the title to the Project, or the sufficiency (insofar as it relates to the title to the Project) of the description of the Project in the Loan Agreement or the Mortgage or the existence of any liens, security interest or encumbrances on or affecting the Project. We also express no opinion as to perfection of any interests in the Project.

(d) Certain requirements and procedures contained or referred to in the Indenture and certain other documents delivered in connection with the issuance of the Bonds may be changed, and certain actions may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents, upon the advice, or with the approving opinion of Bond Counsel. We express no opinion as to any Bond or the interest thereon if any such change occurs or action is taken upon the advice or approval of bond counsel other than Hiscock & Barclay, LLP.

(e) We have not been requested to examine and have not examined any documents or information relating to the Issuer or the Company, other than documents contained in 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 initial purchaser of the Bonds or any other person.

(f) This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

(g) This opinion is rendered to the addressee named above, and may not be relied upon by any other person without our prior express written consent.

We have examined the executed Bonds numbered RA-1 and RB-1, in fully registered form and, in our opinion, the respective form of Bond and the execution thereof are regular and proper.

Very truly yours,

HISCOCK & BARCLAY, LLP

Hiscock & Barclay, LLP

1100 M&T CENTER
3 FOUNTAIN PLAZA
BUFFALO, NEW YORK 14203
T 716.566.1300 • F 716.566.1301

REACHUS@HBLAW.COM

June 16, 2011

Buffalo State College Foundation Housing Corporation
Buffalo, New York

Manufacturers and Traders Trust Company, as trustee
Buffalo, New York

M&T Securities, Inc.
Canonsburg, Pennsylvania

Re: Buffalo and Erie County Industrial Land Development Corporation
\$43,875,000 Revenue Bonds
(Buffalo State College Foundation Housing Corporation Project), Series 2011A

\$410,000 Taxable Revenue Bonds
(Buffalo State College Foundation Housing Corporation Project), Series 2011B

Ladies and Gentlemen:

We have acted as Bond Counsel to Buffalo and Erie County Industrial Land Development Company in connection with the issuance of its Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "*Series 2011A Bonds*") and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*") and with the Series 2011A Bonds, the "*Bonds*") and issued the approving legal opinion in connection with the issuance of the Bonds.

You may rely on such opinion as if it were addressed to you.

Very truly yours,

HISCOCK & BARCLAY, LLP

Hiscock & Barclay, LLP

1100 M&T CENTER / 3 FOUNTAIN PLAZA
BUFFALO / NEW YORK 14203-1414
T 716.856.5400 / F 716.856.0139

REACHUS@HISCOCKBARCLAY.COM

June 16, 2011

Buffalo and Erie County Industrial Land Development Corporation
Buffalo, New York

Manufacturers and Traders Trust Company, as trustee
Buffalo, New York

M&T Securities, Inc.
Canonsburg, Pennsylvania

Re: Buffalo and Erie County Industrial Land Development Corporation
\$43,875,000 Revenue Bonds
(Buffalo State College Foundation Housing Corporation Project), Series 2011A

\$410,000 Taxable Revenue Bonds
(Buffalo State College Foundation Housing Corporation Project), Series 2011B

Ladies and Gentlemen:

We have acted as Bond Counsel to the Buffalo and Erie County Industrial Land Development Corporation (the "*Issuer*") in connection with its issuance of its Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "*Series 2011A Bonds*") and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Bonds*") pursuant to the Trust Indenture dated as of June 1, 2011 (the "*Indenture*"), between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "*Trustee*"). We are delivering this opinion to you pursuant to Section 6(a) of the Bond Purchase Agreement dated May 26, 2011 (the "*Bond Purchase Agreement*"), among the Issuer, Buffalo State College Foundation Housing Corporation (the "*Company*") and M&T Securities, Inc. (the "*Underwriter*").

Capitalized terms not otherwise defined herein have the meaning ascribed to them in the Bond Purchase Agreement. Our opinions expressed herein are limited to laws of the United States of America and the State of New York.

We are of the opinion that:

(1) The Bond Purchase Agreement has been duly authorized, executed and delivered by the Issuer.

(2) The Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 3(a)(2) of said Act, and the Indenture is exempt from the qualification requirements of the Trust Indenture Act of 1939, as amended.

The sections of the Official Statement captioned "INTRODUCTORY STATEMENT," "THE 2011 BONDS" and "SECURITY FOR THE 2011 BONDS" and Appendix B to the Official Statement fairly and accurately summarize the terms and provisions of the Bonds, the Indenture, the Loan Agreement, the other Issuer Financing Documents and the other Company Financing Documents purported to be summarized therein (except that no opinion is expressed regarding the Facility Management Agreement, the Sublease or the SUNY Agreement), and the section of the Official Statement captioned "TAX MATTERS" fairly and accurately sets forth the opinion of Bond Counsel as to the matters covered therein.

As Bond Counsel, we have participated in various meetings and conferences with representatives of the Issuer, the Company and the Underwriter and obtained and reviewed information relevant to us relating to the Issuer, the Company and the Project. Please be advised that in the course of such participation and review and on the basis of the performance of our duties as Bond Counsel and without having undertaken to determine independently the accuracy or completeness of, or to verify the information furnished with respect to, matters described in the Official Statement, including the Appendices thereto (except as set forth in the immediately preceding paragraph), nothing has come to our attention that would lead us to believe that the Official Statement contains any untrue statement of a material fact, or omits any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which such statements were made, not misleading, it being understood that, in rendering this opinion, we are expressing no opinion with respect to any statistical data, technical and financial statements, operating statistics and other financial data contained in the Official Statement.

Very truly yours,

HISCOCK & BARCLAY, LLP

Hiscock & Barclay, LLP

CLOSING MEMORANDUM

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION

\$43,875,000 REVENUE BONDS (BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT), SERIES 2011A

\$410,000 TAXABLE REVENUE BONDS (BUFFALO STATE COLLEGE FOUNDATION HOUSING CORPORATION PROJECT), SERIES 2011B

Date and Time of Pre-Closing: June 15, 2011
10:00 a.m.

Date and Time of Closing: June 16, 2011
By telephone

Place of Closing: Hiscock & Barclay, LLP
1100 M&T Center, Three Fountain Plaza
Buffalo, New York

Persons Appearing: *See Schedule "A" attached*

I. Action Taken Prior To Closing

The Buffalo and Erie County Industrial Land Development Corporation (the "*Issuer*"), a not-for-profit corporation constituting a local development corporation organized under the laws of the State of New York (the "*State*"), is issuing its Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011A in the aggregate principal amount of \$43,875,000 (the "*Series 2011A Bonds*") to redeem and defease the Issuer's Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-1 in the aggregate principal amount of \$14,625,000, its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-2 in the aggregate principal amount of \$10,375,000, its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-1 in the aggregate principal amount of \$5,415,000, its Tax-Exempt Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2010A-2 in the aggregate principal amount of \$3,820,000 and its Tax-Exempt Subordinate Revenue Bonds (Buffalo State College Foundation Housing

Corporation Project), Series 2009B in the aggregate principal amount of \$5,000,000 (collectively, the "*Tax-Exempt Bonds*"), pay or reimburse certain costs of the Project (as defined below) and pay costs of issuing the Series 2011A Bonds and its Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2011B in the aggregate principal amount of \$410,000 (the "*Series 2011B Bonds*" and with the Series 2011A Bonds, the "*Bonds*") to redeem and defease the Issuer's Taxable Revenue Bonds (Buffalo State College Foundation Housing Corporation Project), Series 2009A-3 and Series 2009A-4 in the aggregate principal amount of \$400,000 (together the "*Taxable Bonds*" and together with the Tax-Exempt Bonds, the "*Outstanding Prior Bonds*") and pay costs of issuing the Bonds. The Outstanding Prior Bonds financed a loan by the Issuer to provide for a project undertaken by the Buffalo State College Foundation Housing Corporation (the "*Company*"), a not-for-profit corporation organized under the laws of the State, consisting of: (a) the acquisition by the Company of subleasehold title to approximately 3.9 acres of land located at the corner of Letchworth Street and Grant Street located on the campus of Buffalo State College (the "*College*") located at Rockwell Road and Grant Street in the City of Buffalo, Erie County, New York (the "*Land*"); (b) the construction thereon by the Company of an approximately 225,000 square foot student housing complex consisting of approximately 507 beds, together with related infrastructure improvements, including, but not limited to, roadway, sewer, water and related improvements (collectively, the "*Improvements*"); and (c) the acquisition and installation in and around the Improvements of certain items of furniture, furnishings, equipment, machinery and other tangible personal property (collectively, the "*Equipment*" and, collectively with the Land and the Improvements, the "*Project*").

The Company has acquired a subleasehold interest in the Land pursuant to a certain Sublease Agreement dated as of July 1, 2009 (the "*Sublease*"), between Buffalo State Alumni Association, Inc. (the "*Association*") and the Company. The Association leased the Land from State University of New York ("*SUNY*") pursuant to a certain Ground Lease dated as of July 1, 2009 (the "*Ground Lease*"), between SUNY and the Association.

The Bonds will be issued under and in accordance with a Trust Indenture dated as of June 1, 2011 (as amended or supplemented from time to time, the "*Indenture*"), between the Issuer and Manufacturers and Traders Trust Company, as trustee (the "*Trustee*"). Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Indenture.

The Issuer and the Company will enter into a Loan Agreement dated as of June 1, 2011 (as amended or supplemented from time to time, the "*Loan Agreement*"), pursuant to which, among other things, the Issuer will make a loan of the Bond proceeds to the Company and the Company will agree to make Loan Payments in an amount sufficient to pay principal and Redemption Price of, and interest on, the Bonds.

The Company will execute and deliver to the Issuer a Leasehold Mortgage and Security Agreement dated as of June 1, 2011 (as amended or supplemented from time to time, the "*Mortgage*"), granting a first lien on, and security interest in, (subject to certain Permitted Encumbrances) the interest of the Company in and to the Project and the other Mortgaged Property (as such term is defined in the Mortgage) to secure the Loan Agreement. The Issuer will assign the Mortgage to the Trustee as security for the Bonds.

In order to provide a source of payment and security for the Bonds, which are special limited obligations of the Issuer payable only from amounts payable under the Loan Agreement, the Mortgage and other funds and revenues pledged under the Indenture, the Issuer has assigned to the Trustee pursuant to the Indenture the Issuer's rights and benefits under the Loan Agreement (except with respect to certain Unassigned Rights) and all amounts payable by the Company thereunder (other than in respect of Unassigned Rights). For the convenience of the parties and recording purposes, the Issuer will deliver to the Trustee a confirmatory pledge and assignment of the collateral assigned by the Issuer to the Trustee in the Indenture (as amended or supplemented from time to time, the "*Pledge and Assignment*") as security for the Bonds.

The Company, the Trustee and the Issuer have also entered into a certain Tax Compliance Agreement dated the date of delivery of the Series 2011A Bonds (the "*Tax Compliance Agreement*"), pursuant to which the Issuer and the Company have covenanted to take certain action to maintain the tax-exempt status of interest on the Series 2011A Bonds. The Issuer has executed a completed Internal Revenue Service ("*IRS*") Form 8038 (Information Return for Private Activity Bonds) relating to the Series 2011A Bonds ("*Form 8038*"), pursuant to Section 149(e) of the Code and will cause the Form 8038 to be filed with the IRS.

The Bonds will be purchased by M&T Securities, Inc. (the "*Underwriter*") pursuant to a Bond Purchase Agreement dated as of May 26, 2011 (the "*Bond Purchase Agreement*"), by and among the Issuer, the Company and the Underwriter.

Among the actions taken by the Issuer with respect to the Project and the issuance of the Bonds prior to closing were the following:

- | | |
|-------------------|---|
| November 30, 2009 | Notice of the Public Hearing was published in the <i>Buffalo News</i> pursuant to Section 147(f) of the Code. |
| December 5, 2009 | The Company filed the Application with the Issuer. |
| December 14, 2009 | The Issuer adopted a resolution (the “ <i>Resolution</i> ”) taking official action towards the issuance of its revenue bonds to finance certain costs of the Project, adopting the findings of the College as Lead Agency under the State Environmental Quality Review Act (“ <i>SEQRA</i> ”), approving the undertaking of the Project and authorizing the issuance and sale of such bonds in an aggregate principal amount of up to \$55,000,000. |
| December 15, 2009 | The Issuer conducted the Public Hearing pursuant to Section 147(f) of the Code. |
| December 18, 2009 | The County Executive of Erie County approved the issuance of the tax-exempt bonds solely for purposes of Section 147 of the Code. |
| March 4, 2011 | The Company requested that the Issuer issue the Bonds to redeem and defease the Outstanding Prior Bonds. |
| March 21, 2011 | The Issuer determined that the issuance of the Bonds to redeem and defease the Outstanding Prior Bonds was a Type II action under SEQRA. |
| March 21, 2011 | The Issuer adopted a resolution (the “ <i>Refunding Resolution</i> ”) authorizing the issuance and sale of the Bonds to redeem the Outstanding Prior Bonds in an aggregate principal amount of up to \$53,000,000. |
| March 23, 2011 | Notice of the Public Hearing was published in the <i>Buffalo News</i> pursuant to Section 147(f) of the Code. |
| April 7, 2011 | The Issuer conducted the Public Hearing pursuant to Section 147(f) of the Code. |
| May 18, 2011 | The Company requested that the Issuer authorize use of the proceeds of a portion of the Series 2011A Bonds to pay or reimburse the Company for certain remaining Costs of the Project. |
| June 8, 2011 | The County Executive of Erie County approved the issuance of the Series 2011A Bonds solely for purposes of Section 147 of the Code. |

II. Action To Be Taken At Closing

The following documents, or copies thereof, are to be delivered by SUNY, SUNY's counsel (SC), the Association (A), the Association's Counsel (AC), the Issuer (I), the Issuer's Counsel (IC), the Company (C), the Company's Counsel (CC), the Underwriter (U), Underwriter's Counsel (UC), the Trustee (T), the Trustee's Counsel (TC), and Bond Counsel (BC), as follows:

Instruments	Responsible Party	Signatories
A. Basic Documents		
1. Ground Lease	CC	SUNY, A
2. Memorandum of Ground Lease	CC	SUNY, A
3. Sublease	CC	A, C
4. Memorandum of Sublease	CC	A, C
5. Loan Agreement	BC	C, I
6. UCC-1 Financing Statement Relating to the Loan Agreement	BC	
7. Bond Purchase Agreement	UC	I, C, U
8. Indenture	BC	I, T
9. Pledge and Assignment with acknowledgment of Company	BC	I, T, C
10. UCC-1 Financing Statements Relating to Indenture and Pledge and Assignment	BC	-
11. Specimen Bonds	BC	
12. Guaranty	BC	C, T
13. Mortgage	BC	C
14. Acknowledgment and Consent	BC	SUNY, A, I, T
15. Assignment of Mortgage	BC	I
16. Assignment of Rents	BC	C

Instruments	Responsible Party	Signatories
17. UCC-1 Financing Statements Relating to Mortgage and Assignment of Leases and Rents	BC	–
18. Environmental Compliance and Indemnification Agreement	IC	C
19. Assignment of Agreements	BC	C
20. UCC-1 Financing Statement Relating to the Assignment of Agreements	BC	
21. Tax Compliance Agreement	BC	C, I
22. UCC-3 Termination Statements	BC	
23. Continuing Disclosure Agreement	UC	C, T
24. Closing Receipt	BC	C, I, U, T

B. Items To Be Delivered By The Issuer

1. General Certificate of the Issuer relating to incumbency and signatures of officers, execution and delivery of the Bonds and the other documents to which it is a party, no litigation and continued existence, with the following items included as exhibits:	IC	I
Exhibit A: County Resolutions;	IC	
Exhibit B: Certificate of Incorporation certified by the New York State Department of State;	IC	
Exhibit C: By-laws;	IC	
Exhibit D: Acceptance of County Executive of appointment to act as Member on behalf of County;	IC	County Executive
Exhibit E: Copies of notices or waiver thereof of meeting (March 21, 2011);	IC	
Exhibit F: Refunding Resolution;	BC	

Instruments	Responsible Party	Signatories
Exhibit G: Affidavit of Publication of Notice of Public Hearing under Section 147(f) of the Code (April 7, 2011)	IC	
Exhibit H: Transcript of Public Hearing (April 7, 2011)		
Exhibit I: Affidavit of Publication of Notice of Public Hearing under Section 147(f) of the Code (December 3, 2009)		
Exhibit J: Transcript of Public Hearing (December 3, 2009)		
2. TEFRA Approval of highest elected official of Erie County	BC	County Executive
3. Information Return for Private Activity Bond Issues (IRS Form 8038)	BC	I
4. Request and Authorization to Authenticate and Deliver Bonds	BC	I
5. Mortgage Recording Tax Affidavit	IC	I
6. DTC Blanket Letter of Representations	IC	DTC, I
C. Items To Be Delivered By The Company		
1. General Certificate of the Company relating to capacity and signature of Authorized Representative, due authorization, execution and delivery of the Loan Agreement and the other documents to which it is a party, no litigation and approval, etc. with the following items included as exhibits: Schedule "A": Company Documents	BC	C

Instruments	Responsible Party	Signatories
Exhibit A: Certificate of Incorporation certified by the New York State Department of State;	CC	–
Exhibit B: By-Laws;	CC	–
Exhibit C: Good Standing Certificate from the New York State Department of State;	CC	
Exhibit D: Section 501(c)(3) Determination Letter from the Internal Revenue Service; and	CC	
Exhibit E: Resolution of the Board of Directors approving and authorizing the execution and delivery of the Company Documents.	CC	–
2. Facility Management Agreement	CC	C, SUNY
3. Agreement (SUNY)	CC	C, SUNY
4. Leasehold Mortgagee Title Insurance Policy	C	–
5. ALTA Survey certified to Issuer, Company, Trustee and Title Insurer	C	–
6. Certificates of Insurance	C	–
7. Direction to Redeem Outstanding Prior Bonds	BC	C, I
8. Notice of Redemption and Consent of Beneficial Owners	BC	
9. Costs of Issuance Fund Requisition	BC	C
10. Construction Fund Requisition		

D. Items To Be Delivered By The Association:

1. General Certificate of the Association regarding incumbency and signatures of officers, execution of the Financing Documents to which the Association is a party, no litigation and continued existence, etc. with the following items included as exhibits:	BC	A
Exhibit A - Certificate of Incorporation, certified by the New York State Department of State;	AC	-
Exhibit B - By-Laws;	AC	-
Exhibit C - Certificate of Good Standing from the New York State Department of State;	AC	A
Exhibit D - 501(c)(3) Determination Letter from the Internal Revenue Service; and	AC	-
Exhibit E - Resolution of the Board of Directors approving and authorizing the execution and delivery of the Financing Documents to which the Association is a party.	AC	A

E. Items To Be Delivered By SUNY

1. Certificate of SUNY	BC	SUNY
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F. Items To Be Delivered By Trustee

1. Trustee's Certificate	TC	T
2. FAST Receipt	BC	T

G. Items to Be Delivered By the Underwriter

1. Preliminary Official Statement with Supplement	UC	I, C
2. Official Statement	UC	I, C

- | | | | |
|----|----------------------------------|----|---|
| 3. | Policy Statement 103 Application | UC | I |
| 4. | Blue Sky Survey | UC | - |
| 5. | Rating Agency Letter | U | - |

H. Opinions of Counsel

- | | | | |
|----|---|------|--|
| 1. | Opinion of Harris Beach PLLC Counsel to the Issuer, addressed to Bond Counsel, the Underwriter, the Company, the Trustee and the Issuer | IC | |
| 2. | Opinion of Hodgson Russ LLP, Counsel to the Company, addressed to the Issuer, the Underwriter and Trustee | CC | |
| 3. | Opinion of Jaeckle Fleischmann & Mugel, Counsel to the Association, addressed to the Issuer, the Underwriter and Trustee | AC | |
| 4. | Opinion of Robert Ruggeri, Esq., Counsel to SUNY, addressed to the Issuer, the Underwriter and Trustee | SUNY | |
| 5. | Opinion of Bond, Schoeneck & King, PLLC, Counsel to the Trustee, addressed to Issuer and the Company | TC | |
| 6. | Opinion of Reed Smith LLP, Counsel to the Underwriter, addressed to the Underwriter | UC | |
| 7. | Approving Opinion of Hiscock & Barclay, LLP, Bond Counsel to the Issuer addressed to the Issuer | BC | |
| 8. | Reliance Letter of Hiscock & Barclay, LLP, addressed to the Trustee, the Underwriter and the Company | BC | |
| 9. | Supplemental Opinion of Hiscock & Barclay, LLP as Bond Counsel, addressed to the Issuer, the Underwriter and the Trustee | BC | |

I. Closing Memorandum

BC	-
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III. Action To Be Required Concurrently With Or After Closing

- A. Mortgage, Assignment of Rents, Assignment of Mortgage and Pledge and Assignment are to be recorded in the office of the Clerk of County of Erie, New York, and UCC-1 Financing Statements and UCC-3 Termination Statements are to be filed as appropriate under the Uniform Commercial Code.
- B. The Form 8038 is to be filed by Bond Counsel with the IRS.

Closing completed as above.

SCHEDULE "A"

PERSONS APPEARING

For the Issuer:	Erie County Industrial Land Development Corporation David Kerchoff, Assistant Treasurer
For the Issuer's Counsel:	Harris Beach PLLC Robert Murray, Esq.
For the Company:	Buffalo State College Foundation Housing Corporation Stanley Kardonsky, Vice President.
For the Company's Counsel:	Hodgson Russ LLP Terrence Gilbride, Esq.
For the Trustee:	Manufacturers and Traders Trust Company M. Anthony Argenio, Assistant Vice President
For the Trustee's Counsel:	Bond Schoeneck & King, PLLC Matthew Wells, Esq.
For Bond Counsel:	Hiscock & Barclay, LLP Jean S. Everett, Esq. Susan R. Katzoff, Esq. Katherine M. Davis, Esq. Lori McRobbie
For the Underwriter:	M&T Securities, Inc. Linda Eremita Gary Nowizki
For Underwriter's Counsel:	Reed Smith, LLP S. William Richter, Esq.