THE CITY UNIVERSITY OF NEW YORK – QUEENS COLLEGE RESIDENCE HALL

RESOLVED, That the Board of Trustees of the City University of New York agrees to provide credit support for the Queens College Residence Hall, known as The Summit, in the form of a support agreement covering shortfalls in debt service and operating expenses and certain other guarantees and indemnities (collectively, the "Guarantees") and authorizes the General Counsel to execute any documents necessary or related or which may be required in connection with the Guarantees, the Project and the Project financing.

EXPLANATION: The very successful Summit, a 506 bed residence hall on the campus of Queens College, was opened in Fall 2009 and has been essentially fully occupied since its opening. In October 2009, the New York City Housing Development Corporation (“HDC”) refunded and reissued the bonds secured by a two year letter of credit by RBS Citizens Bank confirmed by a letter of credit issued by the Federal Home Loan Bank. The current letter of credit is being extended for a ninety day period which will expire in late January 2012 and cannot be further renewed. In order to continue the financing, the current condition of the market requires that CUNY guarantee to make up any shortfall in rent revenue needed to meet debt service and operating costs, an unlikely possibility. It is expected that Queens College Special Projects Fund and Q Student Residences LLC will cover any shortfall. Only in the event that these sources of funds are insufficient will CUNY be liable under the Guarantees.