

LITIGATION AND OTHER LEGAL MATTERS

While there is no litigation involving the University's creation, organization or existence, or in any manner questioning the right of the University to enter into the bond documents, the University is involved in litigation as either plaintiff or defendant concerning various matters including claims by and against the University for monetary damages, matters in probate, medical malpractice and personnel matters. There are also other legal matters such as claims pending before the Equal Employment Opportunity Commission. There are several claims, which could involve substantial legal fees and expenses, even if the University is able to defend its actions successfully. In addition, the University is subject to regulation by various governmental authorities.

The University believes, based upon the advice of various advisors and counsel engaged to represent the University in litigation and other contingent liability matters, that the outcome of these matters would not have a material effect on the University's financial position or results of operations.