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Eric D. Brophy, Esq.
Executive Director

**MINUTES OF THE MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON TUESDAY, APRIL 23, 2019**

The meeting was called to order at 10:06 a.m. by Vice Chair Hutchinson. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on June 11, 2018, to The Star Ledger, The Times of Trenton and the Secretary of State and by posting the notice at the offices of the Authority in Princeton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Educational Facilities Authority in order to hold a session from which the public is excluded.

AUTHORITY MEMBERS PRESENT:

Ridgeley Hutchinson, Vice Chair
Elizabeth Maher Muoio, State Treasurer, Treasurer (represented by David Moore)
Louis Rodriguez
Zakiya Smith Ellis, Secretary of Higher Education (represented by Angela Bethea)

AUTHORITY MEMBERS ABSENT:

Joshua Hodes, Chair

STAFF PRESENT:

Eric D. Brophy, Executive Director
Sheryl A. Stitt, Deputy Executive Director
Steven Nelson, Director of Project Management
Brian Sootkoos, Director of Finance-Controller
Ellen Yang, Director of Compliance Management
Zachary Barby, Communications/IT Coordinator
Rebecca Clark, Associate Project Manager

Matthew Curtis, Information Technology Manager
Carl MacDonald, Project Manager
Jamie O'Donnell, Senior Communications Manager
Sheila Toles, Exec. Asst./Human Resources Manager
Gary Vencius, Accounting Manager

ALSO PRESENT:

Brian McGarry, Esq., Deputy Attorney General
Craig Ambrose, Esq., Governor's Authorities Unit (via phone)

ITEMS OF DISCUSSION

1. Approval of the Minutes of the Meeting of March 26, 2019

The minutes of the meeting of March 26, 2019 were delivered via United Parcel Service to Governor Philip Murphy under the date of March 27, 2019. Mr. Rodriguez moved the meeting minutes for approval as presented; the motion was seconded by Mr. Moore and passed unanimously.

2. Executive Director's Report

Mr. Brophy provided the Executive Director's report for informational purposes only.

Mr. Brophy reported on various meetings attended by himself and/or Authority staff since the March Authority meeting.

Mr. Brophy announced that regretfully, he had accepted the resignation and retirement of Debra Paterson. He reported that Ms. Paterson had worked with the Authority for almost 34 years and had the distinction of working with every Executive Director the Authority ever appointed to the Authority. Mr. Brophy stated that during her tenure, Ms. Paterson's breadth of knowledge, insight and detail had helped the Authority close hundreds of transactions. He stated that Ms. Paterson would be missed and that Authority staff wished her success and wellness in her retirement.

Mr. Brophy reported that the Authority's P3 conference was scheduled for April 29, 2019 at Mercer County Community College. He reported that staff had scheduled several industry experts and was finalizing the program. He explained that industry experts from State Treasury, rating agencies, P3 advisors, school representatives and bankers would serve on panels discussing P3 structures and, more specifically, how P3's will work in New Jersey. Mr. Brophy explained that the conference is geared toward Chief Financial Officers, college Presidents and other public college staff as well as public college financial officers.

Mr. Brophy announced that the Authority's newly designed website had been launched on April 17, 2019.

Mr. Brophy reported that staff had posted a listing for an unpaid/credit-only intern for the fall 2019 semester. He explained that it would be a pilot program for the fall in order to provide meaningful public finance experience to students interested in higher education and public finance.

Mr. Brophy reported that at the March meeting the Members approved the release of a deed to a student residence to Ramapo College of New Jersey. He explained that in August 2015, Governor Christie signed a bill titled the "Sober Housing Act" which required a percentage of student housing be made available for student sober living. He reported that the residence hall released back to the College would be used for sober recovery housing for its on-campus students. Mr. Brophy reported that the Authority was proud to assist the College in achieving its housing goal to improve the health of its students.

3. Legislative Update

Ms. Stitt gave a legislative report that included bills that the Authority is monitoring in the current legislative session. She reported that the subject matter of the bills listed ranged from higher education finance to Authority administrative issues and compliance matters for state agencies.

Ms. Stitt reported that there were several bills that staff was closely monitoring, which generally deal with the establishment of tuition caps; higher education funding formulas; revised contracting standards for state colleges; mandates for colleges and universities to test for lead in drinking water, report test results and remediate; and further expansion of P3 authorization.

4. Project Management Report

Mr. Nelson reported that staff were working on three direct purchase new money and refunding bond transactions. He reported that two of the direct bank purchase financings would be announced at today's meeting and that he expected the third to be presented to the Members in the summer.

Mr. Nelson reported that staff had met with various members of the higher education community in the first quarter.

5. **Resolution of the New Jersey Educational Facilities Authority Authorizing the Issuance and Sale of NJEFA Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2019 A**

Mr. Nelson reported that the Authority sought the Members' approval and authorization for the issuance of NJEFA Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2019 A in an amount not to exceed \$5,300,000.

Mr. Nelson reported that the proceeds would be used to pay the cost of the current refunding of all or part of the outstanding \$5,170,000 principal amount of the Series 2008 C bonds and to pay certain costs of issuance. He reported that the bonds would be issued and sold on a private placement basis to Capital One Public Funding, LLC and that the refunding was expected to generate approximately \$514,000 in net present value savings or 10.34% of the refunded bonds.

Mr. Nelson reported that in accordance with its policies and procedures, the Authority distributed and evaluated RFPs for trustee services and based on the results of the evaluations, staff recommended that U.S. Bank National Association be appointed as trustee. He reported that Siebert Cisneros Shank & Co., L.L.C., a member of the Authority's pool of approved senior managing underwriters, would serve as placement agent for the bonds. He reported that Acacia Financial Group, Inc. had been retained by the University to serve as financial advisor and GluckWalrath LLP would be serving as bond counsel.

James Fearon, Esq. of GluckWalrath, LLP, bond counsel, described the resolution.

Mr. Moore moved the adoption of the following entitled resolution:

RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY REVENUE
REFUNDING BONDS, THE WILLIAM PATERSON UNIVERSITY
OF NEW JERSEY ISSUE, SERIES 2019 A

The motion was seconded by Ms. Bethea and passed unanimously.

The adopted resolution is appended as Exhibit I.

6. **Resolution of the New Jersey Educational Facilities Authority Authorizing the Supplemental Agreement and Document Amendments for the Institute for Defense Analyses Issue, 2000 Series D**

Mr. MacDonald reported that the Authority sought the Members' approval for the execution and delivery of a supplemental agreement and other actions in

connection with document amendments of certain Authority bonds previously issued on behalf of the Institute for Defense Analyses.

Mr. MacDonald reported that the Authority had previously issued the variable rate revenue bonds on behalf of the Institute and that pursuant to the amended and restated trust agreement and the amended and restated loan agreement, both dated November 4, 2015, the Institute wished to amend certain provisions defined in the supplemental agreement, primarily extending the bank holder rate period from January 6, 2026 to October 1, 2029. He explained that the goal of the amendment is to conform the bank holder rate periods with debt previously issued by the Institute.

Chuck Toto, Esq., of Hawkins Delafield & Wood LLP, bond counsel, commented on the transaction.

Mr. Rodriguez moved the adoption of the following entitled resolution:

RESOLUTION AUTHORIZING THE SUPPLEMENTAL
AGREEMENT AND DOCUMENT AMENDMENTS FOR:
\$7,865,500 OUTSTANDING AGGREGATE PRINCIPAL
AMOUNT NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY VARIABLE RATE REVENUE BONDS,
INSTITUTE FOR DEFENSE ANALYSES ISSUE, 2000 SERIES D

The motion was seconded by Mr. Moore and passed unanimously.

The adopted resolution is appended as Exhibit II.

7. **Resolution of the New Jersey Educational Facilities Authority Authorizing the Issuance and Sale of a NJEFA Revenue Refunding Bond, Caldwell University Issue, 2019 Series A and a Revenue Bond, 2019 Series B**

Mr. MacDonald reported that the Authority sought the Members' approval and authorization for the issuance of a revenue refunding bond, Caldwell University Issue, 2019 Series A and a revenue bond, Caldwell University Issue, 2019 Series B in an aggregate amount not to exceed \$23,000,000. He reported that the Authority also sought approval for the execution and delivery of a bond agreement and other actions in connection with the issuance of certain Authority bonds previously issued on behalf of Caldwell University.

Mr. MacDonald reported that the proceeds of the 2019 Series A and 2019 Series B bonds would be used to finance a project consisting of renovations to Mother Joseph Residence Hall; George R. Newman Center; Werner Hall; Dominican Hall; and Rosary Hall. The proceeds would also be used for campus fiber network upgrades, technology equipment upgrades and replacements, and other miscellaneous capital improvements to the University's campus facilities; to fund

capitalized interest for the bonds, if any; the refunding of the Authority's revenue and refunding bond, Caldwell College Issue, 2013 Series E issued in the original principal amount of \$20,000,000; and to pay certain costs of issuance.

Mr. MacDonald reported that in accordance with the Authority's policies and procedures for the procurement of professional services for direct placements, the University selected Provident Bank to purchase the bonds.

John Cavaliere, Esq. of McManimon, Scotland & Baumann, LLC, bond counsel, commented on the transaction.

Mr. Moore moved the adoption of the following entitled resolution:

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE REFUNDING BOND, CALDWELL UNIVERSITY ISSUE, 2019 SERIES A AND A NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE BOND, CALDWELL UNIVERSITY ISSUE, 2019 SERIES B, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$23,000,000 AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A BOND AGREEMENT AND RELATED INSTRUMENTS AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH

The motion was seconded by Ms. Bethea and passed unanimously.

The adopted resolution is appended as Exhibit III.

8. Resolution of the New Jersey Educational Facilities Authority Approving the Appointment of an Independent Registered Municipal Advisor

Mr. Nelson reported that the Authority sought the Members' approval to appoint a financial advisor to serve as the Authority's Independent Registered Municipal Advisor (IRMA) pursuant to the IRMA exemption provided by Rule 15Ba1-1 adopted by the U.S. Securities and Exchange Commission from the registration requirements of Section 975 of the Dodd-Frank Wall Street Reform and Investor Protection Act. He reported that the Authority distributed a Request for Proposals for services as an IRMA to a distribution list of 11 firms and posted the RFP to the Authority's and State of New Jersey's website and received five responses from firms seeking appointment.

Mr. Nelson reported that in accordance with the Authority's policies and procedures, the Authority formed an evaluation committee consisting of the Authority's Project Manager and Associate Project Manager. He reported that the evaluation committee reviewed the responses on the basis of various factors

including qualifications and experience, expertise, price and personnel dedicated to the role and that the firm with the highest overall score across both evaluators was PFM Financial Advisors LLC. Mr. Nelson reported that staff recommended PFM be appointed as IRMA for the Authority for a period of 24 months with two additional successive 12-month extensions at the sole discretion of the Authority.

Mr. Moore moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY APPROVING THE APPOINTMENT OF
AN INDEPENDENT REGISTERED MUNICIPAL ADVISOR

The motion was seconded by Mr. Rodriguez and passed unanimously.

The adopted resolution is appended as Exhibit IV.

9. Resolution of the New Jersey Educational Facilities Authority Approving the Appointment of a Bidding Agent

Mr. Nelson reported that the Authority sought the Members' approval to appoint a bidding agent to purchase Open Market Securities on certain Authority transactions to optimize escrow earnings or in the event of closure of the State and Local Government Securities window. He reported that the Authority distributed a Request for Proposals for Bidding Agent Services to a distribution list of 15 firms and posted the RFP to the Authority's and State of New Jersey's website and received eight responses from firms seeking appointment as bidding agent.

Mr. Nelson reported that in accordance with the Authority's policies and procedures, staff formed an evaluation committee consisting of the Authority's Project Manager and Associate Project Manager. The evaluation committee reviewed the responses on the basis of various factors including qualifications and experience, expertise, price and personnel dedicated to the role and the firm with the highest overall score across both evaluators was BLX Group LLC. He reported that staff recommended that BLX be appointed as bidding agent for the Authority for a period of 24 months with two 2 additional successive 12-month extensions at the sole discretion of the Authority.

Mr. Rodriguez moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPROVING THE APPOINTMENT OF A BIDDING AGENT

The motion was seconded by Ms. Bethea and passed unanimously.

The adopted resolution is appended as Exhibit V.

10. **Resolution of the New Jersey Educational Facilities Authority Approving the Appointment of 1st Constitution Bank as Custodian for Operating Funds**

Mr. Sootkoos reported that the Authority sought the Members' approval to appoint 1st Constitution Bank as the Authority's custodian for operating funds. He reported that the Authority's current custodian for operating funds was appointed by a resolution adopted on March 15, 1995 and that staff had determined that the services offered and the associated costs were no longer sufficient and appropriate.

Mr. Sootkoos explained that the amount of the contract price for banking services was anticipated to be and is below the bid threshold as set forth by the State Treasurer pursuant to *N.J.S.A. 52:34-7(b)* and that pursuant to E.O. 37, for contract prices below the bid threshold, public advertisement set forth in E.O. 37 shall not apply within limited circumstances. Mr. Sootkoos reported that in accordance with E.O. 37, and the exception described, the Authority solicited bids by obtaining written proposals of qualifications, experience and fee quotations from 4 firms. He reported that the responses were reviewed and scored based on established criteria, including services offered such as positive pay functionality, the close location of branches and cost of services offered it was determined that it would be in the best interests of the Authority to appoint 1st Constitution Bank as the Authorities custodian for operating funds.

Ms. Bethea moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPROVING THE APPOINTMENT OF 1st CONSTITUTION
BANK AS CUSTODIAN FOR OPERATING FUNDS

The motion was seconded by Mr. Rodriguez and passed unanimously.

The adopted resolution is appended as Exhibit VI.

11. **Report on Operating and Construction Fund Statements and Disbursements**

Mr. Sootkoos reviewed the Results of Operations and Budget Variance Analysis and reported on the status of construction funds and related investments for March 2019.

Mr. Moore moved that the reports be accepted as presented; the motion was seconded by Mr. Rodriguez and passed unanimously.

The reports are appended as Exhibit VII.

12. **Next Meeting Date**

Mr. Hutchinson reminded everyone that the next meeting was scheduled for Tuesday, May 28th at 10:00 a.m. at the Authority offices and requested a motion to adjourn.

Mr. Moore moved that the meeting be adjourned at 10:39 a.m. The motion was seconded by Ms. Bethea and passed unanimously.

Respectfully submitted,


Eric D. Brophy
Secretary



103 COLLEGE ROAD EAST * PRINCETON, NEW JERSEY 08540
PHONE 609-987-0880 * FAX 609-987-0850 * www.njeda.com

Date: April 23, 2019

To: Members of the Authority

Issue: NJEDA Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2019 A

Below please find the procurement procedures that were undertaken with respect to the professional appointments in connection with The William Paterson University, Series 2019 A transaction and staff's recommendations with respect thereto.

Bond Counsel

In accordance with Executive Order No. 26 (1994), the Attorney General's office has selected GluckWalrath LLP to serve as bond counsel for this transaction.

Placement Agent

The Authority has selected Siebert Cisneros Shank & Co., L.L.C., a member of the Authority's pool of approved senior managing underwriters, to serve as Placement Agent. The selection and appointment of the Placement Agent was conducted in accordance with Executive Order No. 37 (2006), which established that the public advertisement and competitive process to procure a Placement Agent shall not apply where: 1) the Placement Agent's compensation is below the bid threshold set forth by the State Treasurer pursuant to N.J.S.A. 52:34-7(b); 2) it would not be feasible and economical to employ a competitive process for this transaction; and 3) the Placement Agent brought an innovative idea to the Authority, namely a fixed rate bank purchase of bonds having a nineteen (19) year final maturity date.

Trustee, Bond Registrar and Paying Agent

On April 1, 2019, the Authority distributed a Request for Proposals for Trustee Services to the three (3) members of the Authority's Trustee Pool. We received three (3) responses from firms seeking appointment as Trustee for this transaction. The responsive firms and their respective fees for the nineteen-year term of the bonds are as follows:

Firm	Fee
The Bank of New York Mellon	\$28,750
US Bank, National Association	\$22,500
Zions Bank	\$22,800

It is the Authority's recommendation to select U.S. Bank National Association to serve as Trustee, Bond Registrar and Paying Agent for this transaction.

The Authority's staff involvement in the procurement processes related to the above referenced professionals was completed as of the 12th day of April 2019.

By: 
Eric DeBrophy, Esq.
Executive Director

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

**RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY REVENUE REFUNDING
BONDS, THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY
ISSUE, SERIES 2019 A**

Adopted: April 23, 2019

**RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY REVENUE REFUNDING
BONDS, THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY
ISSUE, SERIES 2019 A**

WHEREAS, the New Jersey Educational Facilities Authority (the "Authority") was created as a public body corporate and politic of the State of New Jersey (the "State") pursuant to the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented), *N.J.S.A. 18A:72A-1 et seq.* (the "Act"); and

WHEREAS, the Authority has heretofore issued, *inter alia*, its \$21,605,000 Revenue Bonds, The William Paterson College of New Jersey Issue, Series 1991 F (the "Series 1991 F Bonds"), its \$6,575,000 Revenue Bonds, The William Paterson University of New Jersey Issue, Series 1998 D (the "Series 1998 D Bonds"), its \$88,670,000 Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2008 C (the "Series 2008 C Bonds") and its \$60,755,000 Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2016 E (the "Series 2016 E Bonds"), all on behalf of The William Paterson University of New Jersey (the "Public University"); and

WHEREAS, the Series 1991 F Bonds were issued, *inter alia*, to (i) finance the costs of constructing a three-story dormitory facility with related lounge, study and other facilities located at the Public University and designed for occupancy of approximately 254 persons known as Hillside Hall (the "Series 1991 F Project") and (ii) refinancing certain outstanding indebtedness of the University; and

WHEREAS, the Series 1998 D Bonds were issued, *inter alia*, to advance refund the portion of the Series 1991 F Bonds allocable to the new money financing of the Series 1991 F Project that were scheduled to mature on and after July 1, 2002; and

WHEREAS, the Series 2008 C Bonds were issued under the terms and provisions of a bond resolution of the Authority adopted on March 31, 2008 and the Trust Indenture dated as of June 1, 2008, as amended by the First Supplement to Trust Indenture dated as of December 1, 2012 (collectively, the "Prior Indenture"), each by and between the Authority and The Bank of New York Mellon, as successor to The Bank of New York (the "Prior Trustee"), as Trustee, *inter alia*, to (i) currently refund all of the outstanding Series 1998 D Bonds and (ii) finance certain capital projects for the Public University (collectively, the "Series 2008 C Project"); and

WHEREAS, the Series 2016 E Bonds were issued, *inter alia*, to advance refund the portion of the Series 2008C Bonds allocable to the new money financing of the Series 2008 C Project that were scheduled to mature on and after July 1, 2019; and

WHEREAS, the Public University has requested that the Authority issue, and the Authority has determined that it is necessary and in keeping with its authorized purposes to issue, a series of bonds as described herein (the "Bonds") for the purpose of providing funds to (i) pay the cost of the current refunding of all or part of the outstanding \$5,170,000 principal amount of the Series 2008 C Bonds (the "Bonds To Be Refunded"), thereby refinancing the Series 1991 F Project, and (ii) pay

certain costs incidental to the issuance, placement and delivery of the Bonds (collectively, the "Project"); and

WHEREAS, the repayment of the Bonds will be secured by a Lease and Agreement between the Authority and the Public University (the "Agreement"), pursuant to which the Authority will lease the Leased Facilities (as defined in the Agreement) to the Public University; *provided*, that the Agreement (to the extent set forth therein) shall be subject to the Prior Agreements (as defined in the Agreement), if any; and

WHEREAS, the Bonds will be issued under and secured by a Trust Indenture (the "Trust Indenture") to be entered into by and between the Authority and the financial institution named herein, as trustee (together with its successors in trust, the "Trustee"); and

WHEREAS, a portion of the proceeds of the Bonds, together with other available funds, will be deposited with the Prior Trustee, to be held in trust for the benefit of the holders of the Bonds To Be Refunded under the terms of the Prior Indenture, as supplemented by an Escrow Letter of Instructions from the Authority to the Prior Trustee (the "Escrow Letter of Instructions"), all in accordance with the provisions of the Prior Indenture; and

WHEREAS, the Authority deems it necessary and in keeping with its purposes to issue the Bonds under the Trust Indenture herein authorized for the purpose of financing all or any combination of the purposes enumerated above, and to authorize certain actions and the execution and delivery of certain documents in connection therewith; and

WHEREAS, the Authority has undertaken procedures to select a Placement Agent, as hereinafter defined, from the Authority's pool of approved senior managing underwriters, in connection with the issuance of the Bonds, and in accordance with Executive Order No. 37 (Corzine 2006) which established that the public advertisement and competitive process shall not apply where the Placement Agent's compensation is below the bid threshold set forth by the State Treasurer pursuant to N.J.S.A. 52:34-7(b) and it would not be feasible and economical to employ a competitive process for this transaction, and where the Placement Agent has brought an innovative idea to the Authority (namely a fixed rate bank purchase of bonds having a nineteen (19) year final maturity date); and

WHEREAS, pursuant to Section 8(c) of the Act, the bonds of the Authority shall be authorized by resolution of the members of the Authority;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, AS FOLLOWS:

ARTICLE I
AUTHORIZATION OF BONDS; APPROVAL OF DOCUMENTS

1.1 Purpose and Issuance of the Bonds.

The Authority hereby declares the Project to be an authorized undertaking of the Authority and authorizes and directs the Chair, Vice Chair, Executive Director, Deputy Executive Director, Treasurer, Director of Project Management, Director of Compliance Management, Secretary, Assistant Treasurer or any Assistant Secretary of the Authority, and any other person authorized by resolution of the Authority, and any such officers designated as “acting” or “interim” (each an “Authorized Officer”), to execute and deliver all documents necessary to enable the Authority, as permitted by the Act, to finance, on behalf of the Public University, the costs of the Project, in whole or in part.

1.2 Authorization of the Bonds.

(a) The Authority hereby authorizes the issuance of the Bonds, in an aggregate principal amount not to exceed \$5,300,000, in one or more series, in order to finance, on behalf of the Public University, the costs of the Project, in whole or in part; *provided, however*, that prior to the issuance and delivery of the Bonds, the Board of Trustees of the Public University shall have adopted a resolution authorizing the execution of the Agreement and the hereinafter-defined Placement Agency Agreement and Bond Insurance Commitment, and the consummation of the transactions contemplated thereby and by this resolution. The Bonds (which may consist of one or more series of tax-exempt Bonds issued at the same time) shall be designated “New Jersey Educational Facilities Authority Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2019 A” or such other or additional designation or designations as shall be set forth in the Trust Indenture or as an Authorized Officer may determine.

(b) The Authority hereby finds and determines that the issuance of the Bonds involves certain circumstances under which a private placement is permissible as outlined in Executive Order No. 26 (Whitman 1994) (“Executive Order No. 26”), namely, volatile market conditions in the context of the relatively small issue size, and that a competitive sale of the Bonds is not in the best interest of the Authority and the Public University.

(c) Pursuant to the provisions of the preceding paragraph, the Bonds shall be issued and delivered on a private placement basis to Capital One Public Funding, LLC (the “Bank”), the entity identified by the hereinafter-defined Placement Agent, on substantially the terms and conditions set forth in the term sheet of the Bank presented to the meeting at which this resolution is adopted (a copy or copies of which shall be filed with the records of the Authority) and reflected in the Trust Indenture; *provided, however*, that (i) the Bonds shall be delivered to the Bank at a price equal to 100% of the principal amount thereof; and (ii) the Bonds shall be issued in a single denomination equal to the aggregate principal amount of all Bonds.

(d) In accordance with Executive Order No. 26, the Authority hereby selects and appoints Siebert Cisneros Shank & Co., L.L.C., a member of the Authority’s pool of approved senior managing underwriters and the entity recommended by the Public University, as the placement agent

for the Bonds (the "Placement Agent"). Any Authorized Officer is hereby authorized to execute and deliver on behalf of the Authority a placement agent engagement agreement (the "Placement Agency Agreement") by and among the Authority, the Public University and the Placement Agent, in substantially the form presented to this meeting with such changes as shall be approved by any Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State (such approval to be evidenced conclusively by such Authorized Officer's execution thereof), for the private placement of the Bonds at the price or prices to be agreed upon; *provided, however*, that the Placement Agent's compensation shall not exceed \$6.00 per \$1,000 of principal amount. A copy of the Placement Agency Agreement as executed shall be filed with the records of the Authority.

(e) The Bonds shall be issued in fully registered form, shall be in a single authorized denomination equal to the aggregate principal amount of all Bonds then outstanding, and shall be numbered as shall be provided in the Trust Indenture. The Bonds shall be dated initially, bear interest from the date of issuance thereof at the rates set forth in the Trust Indenture, mature and be executed and authenticated as shall be set forth in the Trust Indenture; *provided, however*, that the final maturity date of the Bonds will be no later than July 1, 2038. The Bonds shall bear interest at a fixed interest rate as set forth in the Trust Indenture, with a true interest cost not to exceed 6.00%. The Bonds shall be subject to redemption as provided in the Trust Indenture; *provided, however*, the redemption premium on the Bonds, if any, shall not exceed 5%.

1.3 Form of Bonds.

The Bonds shall be in substantially the form set forth in Exhibit A to the Trust Indenture, with such insertions, omissions or variations as may be necessary or appropriate, as approved by an Authorized Officer with the advice of Bond Counsel and the Attorney General of the State, such execution and attestation to be conclusive evidence of the approval thereof.

1.4 Delivery of the Bonds.

The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chair, Vice Chair, Executive Director or Deputy Executive Director, and any such officers designated as "acting" or "interim", and its official common seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Executive Director, Secretary or any Assistant Secretary or Assistant Treasurer, and any such officers designated as "acting" or "interim", or in such other manner as may be provided by law; *provided*, the Bonds may not be attested by the party executing the Bonds. Following the execution of the Bonds, any Authorized Officer is hereby authorized to deliver the Bonds to the Trustee for authentication and, after authentication, to deliver the Bonds to the Bank or its agent against receipt of the purchase price or unpaid balance thereof.

1.5 Approval of Agreement.

The form of the Agreement presented to the meeting at which this Resolution is adopted (a copy or copies of which shall be filed with the records of the Authority) is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to the Agreement in substantially such form, with such changes therein

(including, without limitation, the date thereof, and any acceptable covenants or provisions that may be required by the Bank or the hereinafter-defined Bond Insurer) and any supplements thereto as the Authorized Officer executing the same may approve with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced by such Authorized Officer's execution thereof.

1.6 Approval of Trust Indenture.

The form of the Trust Indenture presented to the meeting at which this Resolution is adopted (a copy or copies of which shall be filed with the records of the Authority) is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to the Trust Indenture in substantially such form, with such insertions and changes therein (including, without limitation, the date thereof and the initial Interest Payment Date contained therein, provisions relating to the hereinafter-defined Bond Insurance Policy, any covenants or provisions that may be required by the Bank or the Bond Insurer, and modifications to the permitted investments so as to be consistent with the Authority's investment policies as in effect from time to time) and any supplements thereto as the Authorized Officer executing the same may approve with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced by such Authorized Officer's execution thereof.

1.7 Approval of Escrow Letter of Instructions.

The form of the Escrow Letter of Instructions presented to the meeting at which this Resolution is adopted (a copy or copies of which shall be filed with the records of the Authority) is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to the Escrow Letter of Instructions in substantially such form, with such insertions and changes therein and any supplements thereto as the Authorized Officer executing the same may approve with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced by such Authorized Officer's execution thereof.

1.8 Appointment of Trustee.

U.S. Bank National Association is hereby appointed to act as the initial Trustee, Bond Registrar and Paying Agent for the Bonds under the Trust Indenture. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Trust Indenture by the Trustee's execution and delivery thereof.

1.9 Bond Insurance Authorized.

The Public University has heretofore accepted a commitment (the "Bond Insurance Commitment") for a financial guaranty insurance policy (the "Bond Insurance Policy") from Assured Guaranty Municipal Corp. (the "Bond Insurer"), insuring payment of principal of and interest on all or part of the Bonds when due. The form of the Bond Insurance Commitment presented to the meeting at which this resolution is adopted (a copy or copies of which shall be filed with the records

of the Authority) is hereby approved, *provided*, that the Placement Agent will be able to certify substantially to the effect that the present value of the premium for the bond insurance is less than the present value of the interest reasonably expected to be saved as a result of obtaining the bond insurance. The Authorized Officers are hereby authorized to take all steps necessary to effect the issuance of such policy, including causing payment of the premium therefor (but only from proceeds of the Bonds or other funds provided by the Public University) and to cause provisions relating to such bond insurance policy to be included in the Trust Indenture, the Agreement or other applicable documents, instruments or certificates relating to the Bonds.

1.10 Conformance of Documents.

Any Authorized Officer is hereby authorized and directed to approve, as Bond Counsel may advise, such changes to the forms of the Placement Agency Agreement, the Agreement, the Trust Indenture, the Escrow Letter of Instructions and such other agreements, documents or certificates as may be necessary and appropriate to conform same to the bond insurance requirements of the Bond Insurer or the requirements of the Bank, and modifications to the permitted investments so as to be consistent with the Authority's investment policies as in effect from time to time, with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

**ARTICLE II
MISCELLANEOUS**

2.1 Authorization to Invest Bond Proceeds.

(a) Any Authorized Officer is hereby authorized to enter into or direct the Trustee to enter into one or more agreements to invest the proceeds of the Bonds as permitted by the Trust Indenture (the "Eligible Investments"), which may include investment agreements and repurchase agreements, in the event that such Authorized Officer determines, in consultation with and with the consent of the Public University, that it is advantageous to the Public University for the Authority to invest any proceeds of the Bonds in Eligible Investments. The form of any such investment agreement or repurchase agreement shall be as approved by an Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State.

(b) Any Authorized Officer is hereby authorized to utilize the proceeds of the Bonds or other available moneys held pursuant to the Prior Indenture to purchase United States Treasury Obligations, State and Local Government Series ("SLGS"). Bond Counsel, the Prior Trustee, the Placement Agent and the Public University's financial advisor, Acacia Financial Group, Inc., are each hereby authorized to act as agent(s), if so directed by an Authorized Officer, on behalf of the Authority for the subscription of SLGS via SLGSafe pursuant to the regulations promulgated therefor set forth in 31 C.F.R. Part 344.

2.2 Incidental Action.

(a) The Authorized Officers are hereby authorized to refund the Bonds To Be Refunded as selected by the Public University, in consultation with the Authority, the Public University's financial advisor and the Placement Agent.

(b) The Authorized Officers are hereby authorized and directed to execute and deliver such other documents, certificates, directions and notices, and to take such other action as may be necessary or appropriate in order: (i) to effectuate the financing of the Project and the refunding and redemption of the Bonds To Be Refunded; (ii) to effectuate the execution and delivery of the Placement Agency Agreement, the Agreement, the Trust Indenture and the Escrow Letter of Instructions, and the issuance, placement and delivery of the Bonds, including, without limitation, documents necessary to effectuate the issuance, placement and delivery of the Bonds; and (iii) to maintain the tax-exempt status of the interest on the Bonds (including the preparation and filing of any information reports or other documents with respect to the Bonds as may at any time be required under Section 149 of the Internal Revenue Code of 1986, as amended, and any regulations thereunder).

(c) The Authorized Officers are hereby authorized and directed to take such actions from time to time as may be necessary or appropriate to determine the specific real and/or personal property to be subject to the Agreement and (if necessary) to accept conveyance of, or convey such property to, the Public University or other applicable entity.

2.3 Prior Resolutions.

All prior resolutions of the Authority or portions thereof inconsistent herewith are hereby repealed.

2.4 Effective Date.

This Resolution shall take effect as provided for under the Act.

_____ Mr. Moore _____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by _____ Ms. Bethea _____ and upon roll call the following members voted:

AYE: Ridgeley Hutchinson
Louis Rodriguez
Zakiya Smith Ellis (represented by Angela Bethea)
Elizabeth Maher Muoio (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes

The Vice Chair thereupon declared said motion carried and said resolution adopted.



April 10, 2019

John Carter
jcarter@scscapital.com

Subject: New Jersey Educational Facilities Authority - William Paterson University
 Revenue Bond (the "Loan")

Dear John:

This term sheet is presented in connection with our discussions regarding the above-referenced potential Loan transaction. Capital One Public Funding, LLC ("COPF") is very interested in working with New Jersey Educational Facilities Authority - William Paterson University, ("Borrower") in connection with the above-described potential Loan transaction and are pleased to present the following summary terms:

Structure	Directly purchased Revenue Bond.
Estimated Amount	\$5,070,000
Use of Proceeds	Refund 2008C Bonds.
Security Provisions / Repayment Sources	As described in the 2008C financing documents. The Loan will carry bond insurance from Assured Guaranty or BAM.
Fixed Interest Rate	3.45%
Payment Assumptions	Payments of principal due annually and interest due semi-annually; approximate average life of 11 years; final maturity 07/01/38. The Loan will be payable in installments on the dates and in the amounts set forth on the payment schedule identifying payment dates, principal, interest and total payment due, which shall be attached to the bond.
Call Provisions	No call until 07/01/27, then in whole at 102 until 07/01/29, then at par thereafter on any interest payment date.
Tax Treatment	Tax-exempt

Interest Rate Assumptions

The above-quoted interest rate is based upon the assumptions set forth above regarding average life and final maturity. Any changes from the assumptions may require an adjustment to the quoted rate. The rate may also be subject to change if the contemplated Loan is not closed by May 14, 2019.

Documentation

Loan documentation shall be prepared by qualified bond counsel subject to review by COPF and its counsel. Borrower shall provide, at its expense, an opinion of legal counsel (acceptable to COPF) attesting to the legal, valid, and binding nature of the transaction and the tax-exempt nature of the interest component of the Loan payments. Upon selection of COPF, the Borrower shall provide COPF the draft authorizing document for its review and comment.

Costs of Issuance

The Borrower shall be responsible for normal borrower costs of issuance including a financial advisor, placement agent and bond counsel. No fees will be due to COPF, which shall be responsible for the costs of its own legal review.

Direct Purchase

The Loan shall be directly funded/purchased by (and registered in the name of) COPF and delivered in physical, non-book-entry, certificated form. The Loan shall not be (i) assigned a separate rating by any



rating agency; (ii) registered with the Depository Trust Company or any other securities depository; (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document; or (iv) assigned a CUSIP number.

Audited Financial Statements

Upon request, as soon as available, the Borrower shall send COPF a copy of its audited financial statements as of the end of the fiscal year.

Municipal Advisor Rules

This term sheet is provided to the Lessee pursuant to and in reliance upon the "bank exemption" provided under the municipal advisor rules of the Securities and Exchange Commission, Rule 15Ba1-1 seq.

Role of Capital One Public Funding, LLC

The Borrower acknowledges and agrees that: (i) the information contained in this term sheet is for discussion purposes only and sets forth certain proposed terms and conditions of an arm's-length commercial transaction between the Borrower and COPF and does not constitute advice, an opinion or a recommendation by COPF; (ii) the Borrower will make its own determination regarding whether to enter into the proposed transaction and the terms thereof, and will consult with and rely on the advice of its own financial, accounting, tax, legal and other advisors; (iii) COPF is acting solely for its own account in connection with the proposed transaction, and is not acting as a municipal advisor, financial advisor, agent or fiduciary to the Borrower or any other person or entity (including to any financial advisor or placement agent engaged by the Borrower) and the Borrower, its financial advisor and placement agent are free to retain the services of such advisors (including as it relates to structure, timing, terms and similar matters and compliance with legal requirements applicable to such parties) as it deems necessary or appropriate; (iv) COPF has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto; (v) neither COPF nor any of its affiliates is acting as a broker, dealer, underwriter or placement agent with respect to the transactions contemplated hereby; (vi) the only obligations COPF has to the Borrower with respect to the transaction contemplated hereby expressly are set forth in this term sheet; and (vii) COPF is not recommending that the Borrower take an action with respect to the transaction contemplated by this term sheet. Before taking any action with respect to the Loan, the Borrower should discuss the information contained herein with the Borrower's own legal, accounting, tax, financial and other advisors, as it deems appropriate. If the Borrower would like a municipal advisor in this transaction that has legal fiduciary duties to it, Borrower is free to engage a municipal advisor to serve in that capacity.

Other Information

To the extent that updated financial and other credit materials have not already been provided to COPF or are not available through public resources, COPF may require and request the following: audited and unaudited financial statements; budgets; information on outstanding bond issues, lease transactions, and contingent/material liabilities; tax base details; and other reasonable and customary information relevant to the Borrower's credit quality and the source of repayment.

Confidentiality

The information contained herein is strictly confidential and is intended for review by the parties, their advisors and legal counsel only and may not be disclosed to any other person or entity, except as required by law or otherwise consented to by COPF.

Closing

Closing is anticipated to take place in May 2019. The funding of the Loan will occur only after, among other things, COPF, the Borrower, and their respective counsels are fully satisfied with the terms of the



Loan documents and all of the terms and conditions contained herein and in the Loan documents have been met.

Term Sheet Expiration

This term sheet shall expire if not accepted by the Borrower by April 17, 2019. Once accepted, this term sheet shall expire if the transaction has not closed by May 14, 2019, unless extended by COPF at its sole discretion.

Subject to Final Credit Approval

Specifically, but without limitation, this term sheet has not yet received all necessary internal and committee approvals of COPF. Any obligation of COPF to provide financing or otherwise shall arise only upon the execution of final Loan documents signed by authorized signatories of COPF and not from statements (oral or written) made during the course of discussions among the parties (whether or not prior to or after the date hereof).

Should the above-stated terms be acceptable to you, formal approval through COPF's internal credit process will be pursued as quickly as possible.

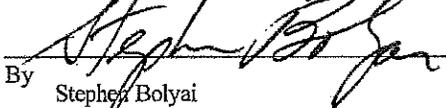
Thank you for the opportunity to offer this term sheet. Should you have any questions, please do not hesitate to contact me at 860-422-3612 or brenda.barnes@capitalone.com.

Sincerely,

Brenda Barnes
Vice President, Business Development
Capital One Public Funding, LLC

cc: Jonathan Lewis, Capital One Public Funding, LLC

ACCEPTED BY: New Jersey Educational Facilities Authority - William Paterson University

By 

Name
Sr. Vice President for Administration & Finance

Title

CERTIFICATE OF CAPITAL ONE PUBLIC FUNDING, LLC

I, _____, _____ of Capital One Public Funding, LLC, Melville, New York ("COPF"), do hereby certify as follows with regard to the New Jersey Educational Facilities Authority Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2019A, in the principal amount of \$[5,070,000] (the "Obligation"), dated May 14, 2019, issued for the benefit of The William Paterson University of New Jersey (the "University"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to such terms in the Obligation.

1. COPF has full power and authority to carry on its business as now conducted, deliver this Certificate and make the representations and certifications contained herein.

2. COPF is a lender that regularly extends credit to state and local governments by making loans and repayment obligations which are evidenced by obligations such as the Obligation; has knowledge and experience in financial and business matters that make it capable of evaluating the University, the Obligation and the risks associated with the extension of credit evidenced by the Obligation; has the ability to bear the economic risk of extending the credit evidenced by the Obligation; and is a limited liability company controlled by a bank, and engaged in the primary business of extending credit to state and local governments and non-profit entities and has total assets in excess of \$1 billion and is therefore an "accredited investor" as defined in Rule 501 of Regulation D under the Securities Act of 1933, as amended. COPF is not acting as a broker, dealer, municipal securities underwriter, municipal advisor or fiduciary in connection with its extension of credit evidenced by the Obligation.

3. COPF has conducted its own investigation of the financial condition of the University, the purpose for which the Obligation is being executed and delivered and of the security for the payment of the principal of and interest on the Obligation. COPF (a) has received copies of the Bond Resolution, the Indenture, the Lease Agreement, the Bond Insurance Policy (as defined in the Indenture) and the other Bond Documents (as defined in the Indenture), (b) has had the opportunity to ask questions and receive answers from the University, and (c) has obtained such information regarding the Obligation, the New Jersey Educational Facilities Authority (the "Authority"), and the University and its operations, financial condition and financial prospects as COPF deems necessary to make an informed decision with respect to its extension of credit evidenced by the Obligation.

4. COPF is extending credit evidenced by the Obligation for its own account, with the present intention of holding the Obligation to maturity or earlier prepayment and not with a present view to distributing or transferring the Obligation; provided that COPF retains the right at any time to dispose of the Obligation or any interest therein or portion thereof, but agrees that any such transfer or distribution by COPF shall be made in accordance with applicable federal and state law and the provisions of the Obligation, the Indenture and other

Bond Documents to (a) an affiliate of COPF; or (b) one or more banks, insurance companies or other financial institutions.

5. COPF acknowledges and understands (i) that the Obligation (a) has not been registered under the Securities Act of 1933, as amended, and has not been registered or otherwise qualified for sale under the securities laws of any state, (b) will not be listed on any stock or other securities exchange, (c) is in a single authorized denomination equal to the aggregate principal amount of \$[5,070,000], (d) will not carry a rating from any rating agency and (ii) that there is no established market for the Obligation and that none is likely to develop. COPF understands and acknowledges that (i) its extension of credit evidenced by the Obligation is not intended to be subject to the requirements of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, (ii) in connection with its extension of credit evidenced by the Obligation, neither the Authority nor the University have prepared or caused to be prepared, any official statement, private placement memorandum or other offering document and (iii) the Indenture has not been qualified pursuant to the Trust Indenture Act of 1939, as amended.

6. COPF understands that the Obligation is not a general obligation of the Authority, but rather a special and limited obligation of the Authority, payable and secured solely as provided in the Obligation and the Bond Documents.

7. COPF is acting solely for its own account and not as a fiduciary for the University or in the capacity of broker, dealer, placement agent, municipal securities underwriter, municipal advisor or fiduciary. It has not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the University (including to any financial advisor or any placement agent engaged by the University) with respect to the structuring, or delivery of the Obligation. COPF has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the University with respect to the transactions relating to the structuring, or delivery of the Obligation and the discussions, undertakings and procedures leading thereto. Each of the University, its financial advisor and its placement agent has sought and shall seek and obtain financial, legal (including securities law), tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters and compliance with legal requirements applicable to such parties) with respect to the Obligation from its own financial, legal, tax and other advisors (and not from the undersigned or its affiliates) to the extent that the University, its financial advisor or its placement agent desires, should or needs to obtain such advice. The transactions between the University and COPF are arm's length, commercial transactions in which COPF is acting and has acted solely as a principal and for its own interest and COPF has not made recommendations to the University with respect to the transactions relating to the Obligation.

[Remainder of page intentionally left blank]

[Signature page to Certificate of Capital One Public Funding, LLC]

DATED this 14th day of May, 2019.

CAPITAL ONE PUBLIC FUNDING, LLC

By: _____

Name: _____

Title: _____

ESCROW LETTER OF INSTRUCTIONS

May 14, 2019

The Bank of New York Mellon,
as Trustee for the New Jersey Educational
Facilities Authority Revenue Bonds, The
William Paterson University of New Jersey
Issue, Series 2008 C

Ladies and Gentlemen:

On the date hereof, the New Jersey Educational Facilities Authority (the “Authority”) is issuing its Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2019 A (the “Refunding Bonds”) for the purpose, among others, of providing funds which, together with the other moneys described herein, will be used to refund and optionally redeem a portion of the Authority’s outstanding Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2008 C (the “Series 2008 C Bonds”), consisting of the maturities so identified on Exhibit A attached hereto (collectively, the “Refunded Bonds”).

The Series 2008 C Bonds were issued under and pursuant to the Authority’s bond resolution adopted on March 31, 2008 and a Trust Indenture dated as of June 1, 2008, as amended by a First Supplement to Trust Indenture dated as of December 1, 2012 (collectively, the “Indenture”), each between the Authority and The Bank of New York Mellon, as successor to The Bank of New York, as trustee (the “Trustee”). The Series 2008 C Bonds were secured by a Lease and Agreement dated as of June 1, 2008, as amended by an Amendment No. 1 to Lease and Agreement dated as of December 1, 2012 (collectively, the “Agreement”), each between the Authority and The William Paterson University of New Jersey (the “Public University”). Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Indenture.

On August 9, 2016, the Authority issued its Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2016 E (the “Series 2016 E Bonds”) for the purpose, among others, of refunding a portion of the Series 2008 C Bonds, which previously refunded Series 2008 C Bonds were subsequently redeemed on July 1, 2018.

The Public University hereby requests that the Authority pay and redeem the Refunded Bonds in accordance with the Indenture, in the manner provided in this Escrow Letter of Instructions (this “Escrow Letter”), and (ii) the Authority, pursuant to Section 3.02(a) of the

Indenture, hereby directs the Trustee to pay and redeem the Refunded Bonds as aforesaid, in the manner provided in the Indenture and this Escrow Letter.

Pursuant to Section 4.01(d) of the Indenture, the Authority hereby requests that the Trustee establish within the “Debt Service Fund” established under Section 4.01(b) of the Indenture, a segregated account to be known as the “2019 Escrow Account” (the “Escrow Account”), which Escrow Account shall, pursuant to Section 11.01 of the Indenture, be held irrevocably in trust for the Owners of the Refunded Bonds, notwithstanding any provisions of the Indenture to the contrary.

On the date hereof, the Authority has caused to be deposited with you, as Trustee, a portion of proceeds of the Refunding Bonds in the amount of \$4,975,000.00 and you are hereby irrevocably instructed and directed to deposit such amount into the Escrow Account. In addition, the Authority hereby directs you to transfer from the Debt Service Fund into the Escrow Account the sum of \$107,186.65, representing the interest payable on the Refunded Bonds on June 14, 2019. Accordingly, the total deposit to the Escrow Account shall be \$5,082,186.65 (the “Deposit Amount”).

The Authority hereby irrevocably instructs and directs you as follows:

- (1) to hold the entire Deposit Amount in the Escrow Account uninvested in cash until such time as it shall be applied in accordance with paragraph (4) below;
- (2) to mail to (i) all registered owners of the Refunded Bonds, (ii) The Depository Trust Company, New York, New York (“DTC”), as the securities depository for the Series 2008 C Bonds, (iii) each Rating Agency (as defined in the Indenture) now maintaining a rating on the Refunded Bonds and (iv) the Bond Insurer (as defined in the Indenture), on the date hereof, a notice of the redemption and defeasance of the Refunded Bonds in substantially the form attached hereto as Exhibit B (such notices to be given in the manner described in Sections 3.04, 11.01(c) and 13.02(A)(i) of the Indenture);
- (3) in your capacity as Dissemination Agent for the Series 2008 C Bonds (the “Dissemination Agent”), and on behalf of the Public University, to file with the Authority and the Municipal Securities Rulemaking Board via its Electronic Municipal Marketplace Access system, in a timely manner, copies of the notice described in paragraph (2) above, in the manner provided in Section 2.1(d) of the Continuing Disclosure Agreement, dated as of June 1, 2008, between the Public University and the Dissemination Agent (or as otherwise required in order to satisfy the requirements of Rule 15c2-12 of the U.S. Securities and Exchange Commission). The Trustee shall not have any liability to any party in connection with any failure to timely file such notice of defeasance and optional redemption with the Municipal Securities Rulemaking Board via its Electronic Municipal Marketplace Access system and the sole remedy available shall be an action by the holders of the Series 2008 C Bonds in mandamus for specific performance or similar remedy to compel performance.

- (4) to pay on June 14, 2019, solely from the amounts on deposit in the Escrow Account, the Redemption Price (equal to 100% of the principal amount of the Refunded Bonds to be redeemed, plus accrued interest to the redemption date) of all of the Refunded Bonds, which Refunded Bonds are hereby irrevocably called for optional redemption by the Authority on June 14, 2019 in accordance with Section 3.02(a) of the Indenture; and
- (5) after payment in full of the Refunded Bonds, to transfer into the Debt Service Fund any amounts then remaining in the Escrow Account, for application toward payment of interest on the Series 2008 C Bonds in accordance with the Indenture.

The amounts on deposit in the Escrow Account are to be held by you in trust solely for the benefit of the Holders of the Refunded Bonds to be used to pay the amounts set forth above and neither you nor any other person shall use, or have a lien on, such amounts for any other purpose.

Based solely upon the certificate, dated the date hereof, of Acacia Financial Group, Inc., financial advisor to the Public University, the Authority represents to the Trustee, and the Trustee acknowledges, that the Deposit Amount will be sufficient, without reinvestment, to pay on June 14, 2019, the Redemption Price of and accrued interest on all of the Refunded Bonds.

In addition to this Escrow Letter, you have also received an opinion of GluckWalrath LLP, Bond Counsel to the Authority, dated the date hereof, to the effect that upon the deposit of the Deposit Amount with you in accordance with the provisions of this Escrow Letter, the Refunded Bonds shall be deemed to have been paid within the meaning and with the effect expressed in Section 11.01 of the Indenture and shall no longer be deemed "Outstanding" within the meaning of the Indenture, and such Refunded Bonds shall cease to be entitled to any lien, benefit or security under the Indenture. Accordingly, the Refunded Bonds are deemed paid within the meaning of the Indenture and are no longer Outstanding under the Indenture.

The Public University agrees to pay the fees and expenses of the Trustee in connection with the performance of its obligations under and during the term of this Escrow Letter, and in connection with the refunding, defeasance and optional redemption of the Refunded Bonds. The obligation of the Public University to pay or cause to be paid the amounts payable under this Escrow Letter shall be absolute and unconditional.

To the extent permitted by law, the Public University shall indemnify and hold harmless the Trustee and its officers, directors, agents and employees for and against any loss, liability or expense incurred, without negligence or willful misconduct on the Trustee's part, arising out of or in connection with their respective performance under this Escrow Letter or in connection with the refunding and the optional redemption of the Refunded Bonds, including, without limitation, the reasonable costs and expenses (including the reasonable fees and expenses of its counsel) of defending their directors, officers, agents and employees against any such claim or liability in connection with their exercise or performance of any of their duties hereunder and of enforcing this indemnification provision. The indemnification of the Trustee provided in this paragraph shall survive termination of this Escrow Letter. We hereby agree that the Trustee shall

have all of the rights and protections under this Escrow Letter as are provided to it as Trustee under the Indenture.

The instructions and directions set forth herein are irrevocable and may not be modified.

Very truly yours,

**NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY**

By: _____
Eric D. Brophy, Esq.
Executive Director

**THE WILLIAM PATERSON UNIVERSITY
OF NEW JERSEY**

By: _____
Stephen O. Bolyai
Vice President for Administration and
Finance

Acknowledged and agreed to:

**THE BANK OF NEW YORK MELLON,
as Trustee**

By: _____
Manuel Angeles
Vice President

EXHIBIT A**DESCRIPTION OF THE REFUNDED BONDS**

The Refunded Bonds consist of all of the outstanding* Series 2008 C Bonds maturing on July 1 of the years 2020 through 2026, inclusive, 2028, 2034 and 2038, as set forth in the following table:

Maturity Date July 1	Principal Amount	Interest Rate	Redemption Price	CUSIP
2020	\$ 145,000	4.000 %	100 %	646065YN4
2020	\$ 60,000	5.000 %	100 %	646065YC8
2021	\$ 210,000	4.125 %	100 %	646065YD6
2022	\$ 180,000	4.250 %	100 %	646065YE4
2023	\$ 190,000	5.000 %	100 %	646065YF1
2024	\$ 125,000	4.375 %	100 %	646065YG9
2024	\$ 75,000	5.000 %	100 %	646065YP9
2025	\$ 210,000	4.375 %	100 %	646065YH7
2026	\$ 215,000	4.500 %	100 %	646065YJ3
2028	\$ 465,000	5.000 %	100 %	646065YK0
2034	\$ 1,685,000	4.750 %	100 %	646065YL8
2038	\$ 1,415,000	5.000 %	100 %	646065YM6

* After giving effect to the partial refunding previously effected by the Series 2016 E Bonds.

NOTICE OF REDEMPTION AND DEFEASANCE

**NOTICE OF REDEMPTION AND DEFEASANCE
OF A PORTION OF THE OUTSTANDING
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS,
THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY ISSUE, SERIES 2008 C**

NOTICE IS HEREBY GIVEN to the holders of the outstanding Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2008 C, more fully described in the following chart (the “Redeemed Bonds”), of the New Jersey Educational Facilities Authority (the “Authority”), that the Redeemed Bonds have been called for redemption prior to maturity on June 14, 2019 (the “Redemption Date”) in accordance with their terms at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the Redemption Date.

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>CUSIP*</u>
July 1, 2020	4.000%	\$ 145,000	646065YN4
July 1, 2020	5.000	60,000	646065YC8
July 1, 2021	4.125	210,000	646065YD6
July 1, 2022	4.250	180,000	646065YE4
July 1, 2023	5.000	190,000	646064YF1
July 1, 2024	4.375	125,000	646065YG9
July 1, 2024	5.000	75,000	646065YP9
July 1, 2025	4.375	210,000	646065YH7
July 1, 2026	4.500	215,000	646065YJ3
July 1, 2028	5.000	465,000	646065YK0
July 1, 2034	4.750	1,685,000	646065YL8
July 1, 2038	5.000	1,415,000	646065YM6

The source of the funds to be used for such redemption is moneys heretofore deposited with The Bank of New York Mellon, as Trustee for the Redeemed Bonds.

Pursuant to Section 11.01 of the Trust Indenture dated as of June 1, 2008, as amended by the First Supplement to Trust Indenture dated as of December 1, 2012 (collectively, the “Indenture”), each between the Authority and The Bank of New York Mellon, as Trustee (the “Trustee”), there has been irrevocably deposited with the Trustee moneys which are sufficient to pay, when due, the redemption price of all of the Redeemed Bonds, which will be called for optional redemption on the Redemption Date. As a result of such deposit of moneys with the Trustee, the Redeemed Bonds have been deemed to have been paid within the meaning of Section 11.03 of the Indenture.

The redemption price of and accrued interest on the Redeemed Bonds shall become due and payable on the Redemption Date and, from and after the Redemption Date, interest on the Redeemed Bonds shall cease to accrue and be payable.

On and after the Redemption Date, the holders of the Redeemed Bonds will receive payment of the redemption price and accrued interest to which they are entitled upon presentation and surrender thereof at the corporate trust office of The Bank of New York Mellon, located at:

First Class/Registered Certified

The Bank of New York Mellon
Global Corporate Trust
P.O. Box 396
East Syracuse, New York 13057

Express Delivery Only

The Bank of New York Mellon
Global Corporate Trust
111 Sanders Cree Parkway
East Syracuse, New York 13057

By Hand Only

The Bank of New York Mellon
Global Corporate Trust
Corporate Trust Window
101 Barclay Street – 1st Floor East
New York, New York 10286

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
By: THE BANK OF NEW YORK MELLON, as Trustee

Dated: May 14, 2019

* The Authority and the Trustee are not responsible for the correctness of the CUSIP number selected, nor is any representation made as to its correctness in this Notice or as printed on the Redeemed Bonds.

IMPORTANT NOTICE

Under provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), the Paying Agent may be obligated to withhold 28% from payments of the redemption price of and interest on the Redeemed Bonds to individuals who have failed to furnish the Paying Agent with a valid Taxpayer Identification Number. Holders of the Redeemed Bonds who wish to avoid the application of these provisions should submit certified Taxpayer Identification Numbers on form W-9 when presenting their Redeemed Bonds.



April 3, 2019

VIA E-MAIL

Mr. Stephen Bolyai
William Paterson University
300 Pompton Rd.
Wayne, NJ 07470

Re: Not to Exceed \$5,070,000 aggregate principal amount of New Jersey Educational Facilities Authority The William Paterson University Revenue Bond (the Loan)

Dear Mr. Bolyai:

Attached please find Assured Guaranty Municipal Corp.'s ("AGM") amended and restated commitment letter (the "Commitment") in respect of the above-referenced issue. Please return one fully executed copy to Nicole Cinquegrana, of our office, prior to any reference to AGM as insurer of the issue being made in marketing efforts in respect of the issue.

Please note that a blacklined copy of each draft of the financing documents, opinions, preliminary and final official statements (if any) and bond proof should be delivered to AGM for review and comment.

Attached as a link to this e-mail is AGM's website, where the logo, statement of insurance, disclosure language, specimen policy, procedures for premium payment, form of opinion and form of disclosure, no default and tax certificate may be accessed and downloaded as needed. AGM will require, prior to closing, four hard copies of the final official statement (if any).

Upon acceptance and satisfaction of the conditions of the Commitment, the following must occur in order for AGM to complete its review of applicable disclosure and financing documents in advance of the closing date, request the assignment of an insured rating for the Bonds, and timely issue its Insurance policy:

- The financing schedule and a distribution list should be forwarded to the attention of the Closing Coordinator listed below.
- A copy of (i) the preliminary official statement and the final official statement (if any), each of which shall include the disclosure provided by AGM and the specimen policy and any other references to AGM, and (ii) the Bonds, together with the legend to be affixed to such Bonds, must be delivered to the Closing Coordinator by fax or e-mail in order that AGM may confirm its accuracy.
- Once determined, the underwriters' final pricing numbers, including the final debt service schedule for the Bonds, should be delivered to the credit analyst and Closing Coordinator responsible for the transaction by fax and/or e-mail in order that AGM may confirm the premium to be paid for the insurance policy and request the assignment of an insured rating for the Bonds.

Assured Guaranty Municipal Corp.

1633 Broadway
New York, NY 10019

main 1 212 974 0100
fax 1 212 688 3101

info@assuredguaranty.com

www.assuredguaranty.com

Mr. Stephen Bolyai
William Paterson University
April 3, 2019

Page 2

AGM will deliver to Bond Counsel at the pre-closing, assuming the requirements of the Commitment have been met, an opinion of counsel as to the validity of the Insurance policy, a disclosure, no default and tax certificate and the executed original Insurance policy.

Please include the following people on the Distribution List for this transaction:

Elliot Schreiber, Counsel

Telephone: (212) 339-0889
Telecopier: (212) 857-0518
E-Mail: ESchreiber@agfhd.com

Maria Sazon, Director

Telephone: 212-339-0836
Telecopier: 212-408-6080
E-Mail: MSazon@agfhd.com

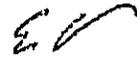
Nicole Cinquegrana, Closing Coordinator

Telephone: (212) 261-5593
Telecopier: (212) 581-3268
E-Mail: NCinquegrana@agfhd.com

As a post-closing condition, AGM shall receive one original and two copies of the final closing transcript of proceedings. Such closing transcript may be in the form of either hard copies or three CD-ROMs.

AGM looks forward to working with you on this transaction.

Very truly yours,



Elliot Schreiber
Counsel

cc: Eric D. Brophy, Esq., Executive Director, New Jersey Educational Facilities Authority
John M. Carier, Managing Director, Siebert Brandford Shank & Co., LLC
Jonathan Lewis, Manager, Capital One Public Funding

Assured Guaranty Municipal Corp.

1633 Broadway
New York, NY 10018

main 1 212 874 0100
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info@assuredguaranty.com

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AMENDED AND RESTATED MUNICIPAL BOND INSURANCE COMMITMENT

ASSURED GUARANTY MUNICIPAL CORP. ("AGM") hereby commits to issue its Municipal Bond Insurance Policy (the "Policy") relating to whole maturities of the debt obligations described in Exhibit A attached hereto (the "Bonds"), subject to the terms and conditions set forth in this Commitment or added hereto (the "Commitment"). For the avoidance of doubt, each of the Exhibits attached hereto is an integrated part of this Commitment. To keep this Commitment in effect after the Expiration Date set forth in Exhibit A attached hereto, a request for renewal must be submitted to AGM prior to such Expiration Date. AGM reserves the right to refuse wholly or in part to grant a renewal.

THE MUNICIPAL BOND INSURANCE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED:

1. The transaction documents to be executed and delivered in connection with the issuance and sale of the Bonds shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.
2. No event shall occur which would permit any underwriter or purchaser of the Bonds, otherwise required, not to be required to underwrite or purchase the Bonds on the date scheduled for the issuance and delivery thereof ("Closing Date").
3. On the date hereof and on the Closing Date, there shall have been no material adverse change in or affecting the issuer or the Bonds (including, without limitation, the security for the Bonds or the proposed debt service schedule of the Bonds), the financing documents to be executed and delivered with respect to the Bonds, the legal opinions to be executed and delivered in connection with the issuance and sale of the Bonds, or any other information submitted to AGM with respect to the referenced transaction, or the Bonds, from that previously delivered or otherwise communicated to AGM.
4. The Bonds shall contain no reference to AGM, the Policy or the insurance evidenced thereby except as may be approved by AGM. BOND PROOFS SHALL HAVE BEEN APPROVED BY AGM PRIOR TO PRINTING. The Bonds shall bear a Statement of Insurance in the form provided by AGM.
5. AGM shall be provided with:
 - (a) Executed copies of all financing documents, and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be dated the Closing Date and which, except for the opinions of counsel relating to the adequacy of disclosure, shall be addressed to AGM or accompanied by a letter of such counsel permitting AGM to rely on such opinion as if such opinion were addressed to AGM), including, without limitation, the approving opinion of bond counsel. Each of the foregoing shall be in form and substance acceptable to AGM. Copies of all drafts of such documents prepared subsequent to the date of the Commitment (blacklined to reflect all revisions from previously reviewed drafts) shall be furnished to AGM for review and approval. Final drafts of such documents shall be provided to AGM at least three (3) business days prior to the issuance of the Policy, unless AGM shall agree to some shorter period.
 - (b) Evidence of wire transfer in federal funds of an amount equal to the insurance premium, unless alternative arrangements for the payment of such amount acceptable to AGM have been made prior to the delivery date of the Bonds.
6. Promptly after the closing of the Bonds, AGM shall receive three completed sets of executed documents (one original and either (i) two photocopies (each unbound) or (ii) two compact discs).

AMENDED AND RESTATED
MUNICIPAL BOND INSURANCE COMMITMENT
TERM SHEET

Issuer: New Jersey Educational Facilities Authority

Obligor: The William Paterson University of New Jersey

Name of Bonds Insured: Revenue Refunding Bonds, The William Paterson University of New Jersey
Issue, Series 2019A

Principal Amount of Bonds Insured: Not to Exceed \$5,070,000

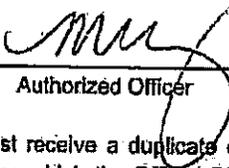
Date of Commitment: April 1, 2019 Expiration Date: Friday, June 7, 2019*

Premium: .20% of total debt service on the Bonds Insured

Additional Conditions:

1. The amortization schedule for, and final maturity date of, the Bonds shall be acceptable to AGM.
2. The documentation and opinions for the Bonds (including the provisions in the Trust Indenture for the benefit of AGM) shall be substantially identical in form and substance to the documents and opinions delivered in connection with the Issuer's Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2017B insured by AGM on September 7, 2017 and shall otherwise be acceptable to AGM.
3. In the absence of a disclosure document relating to the Bonds, the Obligor shall deliver a Certificate substantially in the form of Exhibit B hereto.

ASSURED GUARANTY MUNICIPAL CORP.



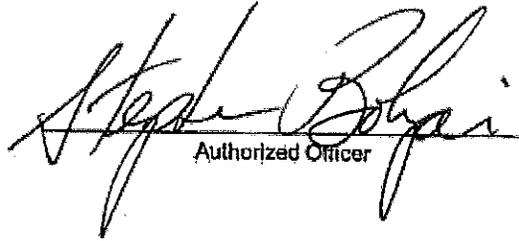
Authorized Officer

*To maintain the Commitment in effect until the Expiration Date, AGM must receive a duplicate of this Exhibit A executed by an authorized officer of the Obligor by the earlier of the date on which the Official Statement (if any) containing disclosure language regarding AGM is circulated and ten days from the date of this Commitment. This amended and restated commitment amends, restates and supersedes in its entirety the commitment dated March 12, 2019 in respect of the Bonds.

The undersigned, an authorized officer of the Obligor, agrees that (i) if the Bonds are insured by a policy of municipal bond insurance, such insurance shall be provided by AGM in accordance with the terms of this Commitment; (ii) the Obligor has made its own independent investigation and decision as to whether to insure the payment when due of the principal of and interest on the Bonds and whether the Policy is appropriate or proper for it based upon its own judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) AGM has not made, and therefore the Obligor is not relying on, any recommendation from AGM that the Issuer or Obligor insure the Bonds or obtain the Policy; it being understood and agreed that communications from AGM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, any related insurance document or the documentation governing the Bonds do not constitute a recommendation to insure the Bonds or obtain the Policy; (iv) the Obligor acknowledges that AGM has not made any

representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, concerning its future financial strength or the rating of AGM's financial strength by the rating agencies; (v) the Obligor acknowledges that the ratings of AGM reflect only the views of the rating agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies; (vi) the Obligor understands that such ratings may not continue for any given time period and instead may change over time, including without limitation being placed under review for possible downgrade, revised downward, withdrawn entirely by the relevant rating agency if, in the judgment of such rating agency, circumstances so warrant, or withdrawn entirely by AGM in its sole discretion; (vii) the Obligor acknowledges that AGM undertakes no responsibility to bring to its attention, and shall have no liability for, the placement of a rating under review for possible downgrade or the downward revision or withdrawal of any rating obtained, and that any such review for possible downgrade, downward revision or withdrawal may have an adverse effect on the Bonds; and (viii) the Obligor acknowledges that AGM pays rating agencies to rate AGM's financial strength, but that such payment is not in exchange for any specific rating or for a rating within any particular range. Notwithstanding anything to the contrary set forth herein, the provisions set forth under subparagraphs (ii) through (viii) above shall survive the expiration or termination of this Commitment.

THE WILLIAM PATERSON UNIVERSITY OF
NEW JERSEY



Authorized Officer

COMMITMENT CERTIFICATE

The undersigned, the duly appointed and acting _____ of the William Paterson University of New Jersey (the "Obligor"), does hereby certify to Assured Guaranty Municipal Corp. ("AGM"), pursuant to the Commitment Letter dated April 3, 2019 relating to the \$_____ New Jersey Educational Facilities Authority Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2019A (the "Bonds"), as follows:

1. The representations and warranties of the Obligor contained in the Lease and Agreement for the Bonds (the "Agreement") are true and correct in all material respects as of the date hereof.
2. No material adverse change has occurred in the business, properties, other assets or financial position of the Obligor since the date of the most recent audited financial statements of the Obligor (the "Submitted Financial Statements") and the Submitted Financial Statements present fairly the business, properties, other assets and financial position of the Obligor as of the date thereof and the results of its operations for the period therein described.
3. There is no litigation or other legal or governmental action, proceeding, inquiry or investigation of any nature pending, or to our knowledge threatened, seeking to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, application of the proceeds thereof, or the payment, collection or application of income or revenues of the Obligor, seeking to restrain or enjoin the execution, delivery or performance of the Agreement; in any manner questioning the proceedings of the Obligor pursuant to which the Bonds are authorized or issued; in any manner questioning or relating to the validity of the Bonds, or the Agreement; in any way contesting the corporate existence of the Obligor or the title of its present officers to their respective offices; or contesting the powers of the Obligor with respect to the Bonds, the Agreement, or any act to be done or documents or certificates to be executed or delivered in connection with any of them, or which in the aggregate would have a material adverse effect on the financial condition of the Obligor.

IN WITNESS WHEREOF, I have hereunto set my hand on this ____ day of May, 2019.

THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY

Title: _____

**PROCEDURES FOR PREMIUM PAYMENT
TO
ASSURED GUARANTY MUNICIPAL CORP.
("AGM")**

AGM's issuance of its municipal bond insurance policy at bond closing is contingent upon payment and receipt of the premium. **NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED.** Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Confirmation of
Amount to be Paid:

Upon determination of the final debt service schedule, fax such schedule to AGM

Attention: Maria Sazon, Director
Phone No.: 212-339-0836
Fax No.: 212-408-6090

Confirm with AGM's credit analyst that you are in agreement with respect to par and premium on the transaction prior to the closing date.

Payment Date: Date of Delivery of the insured bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

Bank:	The Bank of New York
ABA#:	021 000 018
Acct. Name:	Assured Guaranty Municipal Corp.
Account No.:	8900297263
Policy No.:	[To Be Assigned]

CONFIRMATION OF PREMIUM WIRE NUMBER AT CLOSING

AGM will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated on the closing date to Nicole Cinquegrana, Closing Coordinator, (212) 261-5593.

LEASE AND AGREEMENT

BY AND BETWEEN

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

AND

THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY

DATED AS OF

MAY 1, 2019

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LEASE AND AGREEMENT

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
TO
THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY

THIS LEASE AND AGREEMENT (THIS "AGREEMENT"), MADE AS OF MAY 1, 2019, BY AND BETWEEN THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (THE "AUTHORITY") AND THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY (THE "PUBLIC UNIVERSITY")

WITNESSETH:

WHEREAS, the Authority has heretofore issued, *inter alia*, its \$21,605,000 Revenue Bonds, William Paterson College of New Jersey Issue, Series 1991 F (the "Series 1991 F Bonds"), its \$6,575,000 Revenue Bonds, The William Paterson University of New Jersey Issue, Series 1998 D (the "Series 1998 D Bonds"), its \$88,670,000 Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2008 C (the "Series 2008 C Bonds") and its \$60,755,000 Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2016 E (the "Series 2016 E Bonds"), all on behalf of the Public University; and

WHEREAS, the Public University has determined it is necessary and advisable to undertake a project (collectively, the "Project") consisting of (i) the current refunding of the outstanding \$4,975,000 principal amount of the Series 2008 C Bonds maturing on July 1 of the years 2020 through 2038, inclusive, and (ii) paying certain costs incidental to the issuance of the Bonds; and

WHEREAS, pursuant to a Resolution duly adopted on April 23, 2019, the Authority determined that it was necessary and in keeping with its authorized purposes to authorize the issuance of a series of bonds to be designated "New Jersey Educational Facilities Authority Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2019 A" (the "Bonds") pursuant to the terms of a Trust Indenture dated as of May 1, 2019 (the "Indenture") by and between the Authority and U.S. Bank National Association, as trustee, for the purpose of providing funds, together with other available funds, to finance all or a portion of the Project; and

WHEREAS, the repayment of the Bonds will be secured by this Agreement pursuant to which the Authority will lease the Leased Facilities (as hereinafter defined) to the Public University; provided that this Agreement shall be subject to certain provisions of the hereinafter-defined Prior Agreements as described herein; and

WHEREAS, in order to provide for the financing of the Project, it is necessary and desirable to enter into this Agreement relating to certain property, title to which the Public University has caused to be conveyed to the Authority (as more fully described in Exhibit A attached hereto (the "Leased Facilities")); and

WHEREAS, the Authority desires to let the Leased Facilities to the Public University and provide for the financing of the Project in accordance with the terms of this Agreement;

NOW, THEREFORE, in consideration of the rents, covenants and agreements herein reserved, mentioned and contained on the part of the Public University, its successors and assigns, to be paid, kept and performed, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Authority by these presents does lease, demise and let the Leased Facilities to the Public University, and the Public University does hereby consent to said leasing and hereby takes the Leased Facilities upon and subject to the conditions hereinafter expressed.

ARTICLE I

DEFINITIONS

SECTION 1.01 Definitions.

The words and terms used in this Agreement shall have the same meanings as set forth in Section 1.01 of the Indenture, and unless the context shall otherwise require, the following words and terms, as used in this Agreement shall mean:

“Additional Lease Payments” means the payments so designated and required to be made by the Public University pursuant to Section 4.06 hereof.

“Administrative Expenses” means those reasonable expenses of the Authority which are properly chargeable to the Public University on account of the Bonds and the Bond Documents as administrative expenses under GASB and include, without limiting the generality of the foregoing, the following: (a) fees and expenses of the Trustee and the Authority, including the Authority’s Initial Fee and Annual Administrative Fee; and (b) reasonable fees and expenses of counsel to the Authority and the Trustee.

“Agreement” means this Lease and Agreement dated as of May 1, 2019, executed by and between the Authority and the Public University, in connection with the issuance of the Bonds and relating to the Leased Facilities and the Project Facilities, as from time to time may be amended and supplemented by Supplemental Lease Agreements.

“Annual Administrative Fee” means the annual fee for the general administrative services of the Authority including without limitation, the cost of attendance at Authority events, in an amount equal to 1/10 of 1% of the outstanding principal amount of the Bonds with a maximum Annual Administrative Fee of \$85,000.

“Applicable Environmental Laws” means (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. 9601 *et seq.* (“CERCLA”); (ii) the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. 6901 *et seq.* (“RCRA”); (iii) the New Jersey Industrial Site Recovery Act, as amended, N.J.S.A. 13:1K-6 *et seq.* (“ISRA”); (iv) the New Jersey Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11b *et seq.* (“Spill Act”); (v) the New Jersey Underground Storage of Hazardous Substances Act, as amended, N.J.S.A. 58:10A-21 *et seq.* (“UST”); (vi) the New Jersey Solid Waste Management Act, as amended, N.J.S.A. 13:1E-1 *et seq.*; (vii) the New Jersey Toxic Catastrophe Prevention Act, as amended, N.J.S.A. 13:1K-19 *et seq.*; (viii) the New Jersey Water Pollution Control Act, as amended, N.J.S.A. 58:10A-1 *et seq.*; (ix) the Clean Air Act, as amended, 42 U.S.C. 7401 *et seq.*; (x) the New Jersey Air Pollution Control Act, as amended, N.J.S.A. 26:2C-1 *et seq.*; and (xi) any and all federal, regional, State, county and local laws, regulations, executive orders, rules, ordinances, codes, guidance, consent decrees, orders, judgments and directives pertaining to pollution or protection of the Environment (including laws, regulations and other requirements relating to Environmental Conditions and Releases or threatened Releases of Hazardous Substances into the Environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, Release, transport or

handling of Hazardous Substances), as the same may be amended or supplemented from time to time. Any capitalized terms referred to in Section 5.11 hereof not otherwise defined herein which are defined in any Applicable Environmental Law shall have the meanings ascribed to such terms in said laws; provided, however, that if any of such laws are amended so as to broaden any term defined therein, such broader meaning shall apply subsequent to the effective date of such amendment.

“Approvals” shall have the meaning ascribed thereto in Section 5.08 hereof.

“Basic Lease Payments” means an amount of money payable in accordance with this Agreement, as more fully provided for in Section 4.05 hereof.

“Basic Lease Payment Date” means (i) with respect to the Principal Portion of a Basic Lease Payment, December 20 and June 20 prior to any regularly scheduled Principal Payment Date or, if such date is not a Business Day, the Business Day next preceding such date, (ii) with respect to the Interest Portion of a Basic Lease Payment, December 20 and June 20, as applicable, prior to any regularly scheduled Interest Payment Date or, if such date is not a Business Day, the Business Day next preceding such date, and (iii) with respect to a prepayment, redemption or acceleration, the date of payment of the Purchase Option Price or Mandatory Purchase Price, as the case may be.

“Bond Insurance Policy” means the municipal bond insurance policy issued by the Bond Insurer that guarantees payment of principal of and interest on the Bonds.

“Bond Insurer” means Assured Guaranty Municipal Corp., or any successor thereto or assignee thereof.

“Bond Payment Obligations” means, for any period or payable at any time, the principal of (whether on a Principal Payment Date, at stated maturity, by mandatory sinking fund redemption, if any, by acceleration or otherwise) and redemption premium, if any, and interest on the Bonds for that period or due and payable at that time as the case may be.

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

“Bonds” means the Bonds (as defined in the Recitals hereto) issued in the aggregate principal amount of \$_____.

“Business Day” means a day other than a day (i) on which banks located in the City of New York, New York, the State of New Jersey, or the city in which the Principal Office of the Trustee is located, are required or authorized by law or executive order to close, and (ii) on which the New York Stock Exchange is closed.

“Construction Fund” means the fund created and established by the Indenture, to be used for the purpose of paying from the “Costs of Issuance Account” therein, the costs of issuance relating to the Bonds.

“Cost” of the Project shall include, together with any other proper item of cost not specifically mentioned herein, the Initial Fee, Administrative Expenses of the Authority, legal fees, fees and expenses of the Trustee and other fiduciaries, depositories, and paying agents, the costs of issuance of the Bonds by the Authority and fees and expenses of financial advisors and consultants in connection therewith properly chargeable to the Project, the cost of insurance or other financial facility securing the payment of the Bonds, the cost of audits, and all other expenses necessary or incidental to determining the feasibility or practicability of the Project, and such other expenses not specified herein as may be necessary or incident to the financing of the Project.

“Environment” means ambient air, surface water, groundwater, surface or subsurface soil or other geologic media, sediment and all plants and wildlife present therein or thereon.

“Environmental Conditions” means any environmental contamination or pollution or threatened contamination or pollution of, or the Release or threatened Release of Hazardous Substances into, the Environment.

“Escrow Letter of Instructions” or **“Escrow Letter”** means the Escrow Letter of Instructions dated May 14, 2019 from the Authority to The Bank of New York Mellon, in its capacity as trustee for the Series 2008 C Bonds, executed in connection with the redemption and defeasance of the Series 2008 C Bonds to be refunded.

“Financing Documents” means, collectively, the Indenture, the Resolution, this Agreement, the Bond Insurance Policy, the Escrow Letter of Instructions and the Tax Agreement.

“Governmental Authority” means any nation or government, any state, city, locality, municipality or political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any government authority, agency, department, board, commission or instrumentality, including, without limitation, the United States Environmental Protection Agency (“USEPA”), the New Jersey Department of Environmental Protection (“NJDEP”) and all other federal, State, regional, county or local government authorities authorized or having jurisdiction to enforce Applicable Environmental Laws.

“Hazardous Substances” means and includes: (i) any “hazardous substance,” “pollutant” or “contaminant” as defined in Applicable Environmental Laws, including without limitation CERCLA and the Spill Act; (ii) any “hazardous waste” as such term is defined in Applicable Environmental Laws; (iii) any substance containing “petroleum,” as such term is defined in Section 9001(8) of RCRA, Section 6991 (8) of RCRA or in 40 C.F.R. Section 280.1; and (iv) any substance, material or waste which is defined, listed or regulated under any Applicable Environmental Laws or with respect to which any Governmental Authority with jurisdiction over the Public University requires special handling in its generation, handling, use, collection, storage, treatment, disposal or Release.

“Indenture” means the Trust Indenture dated as of May 1, 2019, by and between the Authority and the Trustee, as from time to time may be amended and supplemented by Supplemental Indentures.

“Initial Fee” means the fee paid or payable to the Authority for its services in connection with the issuance of the Bonds, calculated at the rate of 1/5 of 1% of the aggregate principal amount of the Bonds, with a maximum initial fee of \$125,000.

“Interest Payment Date” means each January 1 and July 1, commencing January 1, 2020, through and including the maturity date for the Bonds, and for Bonds subject to redemption on any date, the date of such redemption.

“Interest Portion” means, with respect to Basic Lease Payments due on any regularly scheduled Basic Lease Payment Date, the interest on the Bonds due and owing on the immediately succeeding regularly scheduled Interest Payment Date thereof, less any credits thereto as contemplated by this Agreement.

“Lease Payments” means Basic Lease Payments and Additional Lease Payments.

“Leased Facilities” means certain educational facilities located on the Leased Facilities Site identified in Exhibit A of this Agreement, including any additions, improvements, modifications, substitutions and renewals thereof, and further includes other facilities and uses as are permitted by the Act and this Agreement. The Leased Facilities include the Leased Facilities Site.

“Leased Facilities Site” means certain real property upon which the Leased Facilities are located, as more fully described in Exhibit A hereto.

“Losses” means all actions, suits, claims, liabilities, losses, damages, penalties, fines, fees, costs and expenses, including, without limitation, sampling, monitoring and remediation costs, natural resource damages, damages on account of personal injuries, death or property damages, attorneys’, consultants’ and engineering fees and disbursements, costs of defense and interest.

“Mandatory Purchase Price” shall have the meaning ascribed thereto in Section 4.08(c) hereof.

“Opinion of Bond Counsel” means an opinion in writing signed by nationally recognized bond counsel acceptable to the Public University, Capital One and the Authority.

“Permitted Money Market Funds” means money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, including funds for which the Trustee, its parent, its affiliates or its subsidiaries provide investment advisory or other management services, and which are rated at least “AA-“ by Fitch, or “Aa3” by Moody’s, or “AA-“ by S&P.

“Principal Payment Date” means the dates on which the principal or any mandatory sinking fund redemption installment of the Bonds is required to be paid to the Holders thereof as set forth in the Indenture or the date of any redemption or acceleration of the Bonds.

“Principal Portion” means, with respect to any Basic Lease Payments due on any regularly scheduled Basic Lease Payment Date, the principal or any mandatory sinking fund redemption installment, if any, of the Bonds due and owing on the immediately succeeding regularly scheduled Principal Payment Date thereof, less any credits thereto as contemplated by this Agreement.

“Prior Agreements” means collectively the Series 2008 C Agreement and the Series 2016 E Agreement.

“Project” shall have the meaning set forth in the Recitals hereto, as it may be amended pursuant hereto.

“Project Facilities” means the facilities comprising the Series 1991 F Project, including any additions, improvements, modifications, substitutions and renewals thereof, and further includes other facilities and uses as are permitted by the Act and this Agreement.

“Public University” means the public institution for higher education authorized and created pursuant to State law, the name of which is The William Paterson University of New Jersey.

“Purchase Option Price” shall have the meaning ascribed thereto in Section 4.08(a) hereof.

“Rebate Amount” shall have the meaning ascribed thereto in the Tax Agreement.

“Release” means the intentional or unintentional spilling, leaking, disposing, discharging, emitting, depositing, injecting, leaching, escaping, release or threatened release, burial, pumping, pouring, emptying or dumping into the Environment.

“Remediate” or “Remediation” means (i) all investigations of Environmental Conditions of any kind or nature whatsoever, including site assessments, site investigations, remedial investigations, soil, groundwater, surface water, sediment sampling or monitoring, or (ii) actions of any kind or nature whatsoever taken to remove, abate or remediate Environmental Conditions, including the use, implementation, application, installation, operation or maintenance of removal actions, in-situ or ex-situ remediation technologies applied to surface or subsurface soils, encapsulation or stabilization of soils, excavation and off-site treatment or disposal of soils, systems for recovery and/or treatment of groundwater or free product, Engineering Controls or Institutional Controls (as such terms are defined under N.J.S.A. 58:10B-1 *et seq.*).

“Rental Pledge Account” shall have the meaning ascribed thereto in Section 4.04 hereof.

“Series 2008 C Agreement” shall mean the Lease and Agreement dated as of June 1, 2008, as amended by the Amendment No. 1 to Lease and Agreement dated as of December 1, 2012, each between the Authority and the Public University relating to, *inter alia*, the Leased Facilities and securing the Series 2008 C Bonds.

“Series 2016 E Agreement” shall mean the Lease and Agreement dated as of August 1, 2016 between the Authority and the Public University relating to, *inter alia*, the Leased Facilities and securing the Series 2016 E Bonds.

“Series 1991 F Project” means the capital project financed by the Series 1991 F Bonds, and refinanced by the Series 1998 D Bonds and the Series 2008 C Bonds, on behalf of the Public University, consisting generally of the construction of a three-story dormitory facility with related lounge, study and other facilities located at the Public University and designed for occupancy of approximately 254 persons known as Hillside Hall, all as more fully described in Exhibit B attached hereto.

“State” means the State of New Jersey.

“Tax Agreement” means, collectively, the Tax Representation Letter executed and delivered by the Public University and the Certificate as to Arbitrage executed and delivered by the Authority at the time of issuance and delivery of the Bonds.

“Trustee” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, with fiduciary and trust powers in the State of New Jersey, and its successors and any entity resulting from or surviving any consolidation or merger to which it or its successors may be a party, and any successor trustee at the time serving as successor trustee pursuant to the Indenture.

Words importing persons include firms, associations and corporations, and words importing the singular number include the plural number and vice versa.

ARTICLE II

THE PROJECT

SECTION 2.01 Payment of Costs.

It is hereby understood and agreed that the cost of the Project shall be paid solely from the proceeds of the Bonds issued by the Authority in connection with such portion of the Project in accordance with the Indenture and the Resolution, and other funds made available to the Authority for such purpose under the provisions of this Agreement or said Resolution.

SECTION 2.02 Use of the Project Facilities and Leased Facilities.

The Authority agrees that the Leased Facilities may be, and the Public University agrees that said Leased Facilities, the site of which is described in Exhibit A attached hereto, and the Project Facilities, shall be used by the Public University as educational facilities permitted under the Act and which, in the opinion of the Public University, are necessary, desirable and to the benefit and best interest of the Public University. The Public University further covenants and agrees, however, that at no time shall the Leased Facilities, the Project Facilities, or any part thereof, be used or be allowed to be used for sectarian instruction or as a place for religious worship.

The Public University also covenants and agrees, to the extent it is able, to enforce and require to be enforced, for the term of this Agreement, reasonable rules and regulations governing the use of the Leased Facilities and the Project Facilities and the operation thereof; that it will maintain and operate the Leased Facilities and the Project Facilities in an efficient and economical manner; that it will at all times maintain the same in good repair and in sound operating condition and will make all necessary repairs, renewals and replacements; and that it will comply with all valid acts, rules and regulations, orders and directions of any legislative, executive, administrative or judicial body, applicable to the Public University, the Leased Facilities and the Project Facilities.

The Public University covenants and agrees that it shall use and/or operate or cause the Leased Facilities and the Project Facilities to be used for or operated as educational facilities constituting an authorized "Project" under the Act. The Public University's failure to comply with this covenant shall constitute an event of default under Article VII of this Agreement. The Authority reserves the right to request that the Public University, at its expense, deliver to the Authority an Opinion of Bond Counsel, acceptable to an Authorized Officer of the Authority, to the effect that all or any portion of the Leased Facilities or the Project Facilities are being used and/or operated as educational facilities constituting an authorized "Project" under the Act.

SECTION 2.03 Cost of the Project.

The Public University represents that the proceeds of the Bonds to be issued by the Authority for the purpose of financing the Cost of the Project will be sufficient, together with investment earnings thereon (if any) and certain moneys to be made available for the Project by the Public University, to pay such Cost of the Project.

The Public University hereby agrees that it will provide the difference, if any, between the proceeds of the Bonds and the actual amount required for the Cost of the Project pursuant to the above paragraph.

SECTION 2.04 Conveyance of Real Property.

The Authority and the Public University agree and acknowledge that the Public University has, prior to the delivery of the Bonds, caused to be conveyed to the Authority the real property described in Exhibit A attached hereto and referred to herein as the Leased Facilities Site and included as part of the Leased Facilities.

SECTION 2.05 Copies of Reports.

The Public University agrees that it will make available to the Authority copies of such audit reports and other reports pertaining to the Project and the completion of the Project that from time to time may be required to be submitted to the Authority and/or the Trustee pursuant to the Indenture and this Agreement.

SECTION 2.06 Completion of the Project Facilities.

The Public University represents and warrants that the Project Facilities have been completed substantially in conformity with the description thereof contained in Exhibit B attached hereto, and that substantially all Costs therefor have been paid.

SECTION 2.07 Modification of Leased Facilities and/or Leased Facilities Site.

(a) The Public University may, at any time during the term of this Agreement, request that the Authority release all or a portion of the Leased Facilities and/or Leased Facilities Site from the terms of this Agreement (each, a "Property Release"). Subject to the provisions of this Section 2.07, the Authority, in consultation with Bond Counsel, may consider such request and may negotiate with the Public University regarding the terms and conditions of such proposed Property Release. Any such Property Release shall be at the sole discretion of the Authority, and the Authority may condition its approval upon such terms (in addition to the specific requirements set forth in this Section 2.07) as it may, in its sole discretion, deem appropriate.

(b) In all cases, the Public University shall certify to the Authority that (1) the portion of the Leased Facilities and/or Leased Facilities Site subject to the Property Release (the "Releasable Real Estate") is not necessary for the construction or completion of any portion of the Project Facilities, or for the continuing use of any of the remaining Leased Facilities, (2) the overall value and utility of the Leased Facilities and Leased Facilities Site will not be materially reduced by the release of the Releasable Real Estate, and (3) the Leased Facilities and Leased Facilities Site to be subject to this Agreement immediately following the Property Release (the "Resulting Real Estate") shall, in their totality, constitute essential facilities of the Public University, and the Public University acknowledges and agrees that the full amount of Lease Payments payable under this Agreement shall remain payable by the Public University notwithstanding such Property Release. The above certification may take into account such additional real estate (if any) as the Public University may, with the consent of the Authority,

choose to simultaneously add to the Leased Facilities and/or Leased Facilities Site, if deemed necessary and appropriate in order to offset, in whole or in part, the Property Release (such newly added real estate, the "Added Real Estate").

(c) If at the time of the proposed Property Release any tax-exempt Authority bonds (including, but not limited to, the Bonds) which financed or refinanced any costs of or relating to the Releasable Real Estate (the "Related Bonds") shall remain unpaid (which for purposes of this paragraph includes Bonds that have been economically or legally defeased, but have not yet been actually paid to the holders thereof), then in addition to the requirements contained in paragraph (b) above, there shall be delivered to the Authority and the Trustee an Opinion of Bond Counsel to the effect that the Property Release and the addition of any Added Real Estate, if deemed necessary and appropriate, shall not, in and of itself, adversely affect the tax-exempt status of the Bonds or of any of the Related Bonds. If, in the Opinion of Bond Counsel, such Opinion of Bond Counsel cannot be issued without certain remedial actions having been taken (which may include, inter alia, the redemption and/or purchase of all or a portion of the Related Bonds, whether by the defeasance escrow, tender offer or otherwise), then the implementation of such remedial actions by the Public University shall be an additional condition to such Property Release.

(d) In order to effectuate any Property Release, the Authority and the Public University shall execute and deliver an amendment to this Agreement and shall cause such amendment (or an abstract thereof) to be recorded in the applicable real estate records. The Public University shall also obtain or cause to be obtained such consents (if any) as may be required by the terms of the Indenture, and shall file or cause to be filed such notices as may be required by the terms of this Agreement. Upon completion of the above-referenced transactions, the "Leased Facilities" and the "Leased Facilities Site" shall thereafter be deemed to refer to the Resulting Real Estate (including any Added Real Estate), and the Releasable Real Estate shall no longer constitute part of the "Leased Facilities" or the "Leased Facilities Site". The Authority shall thereupon, at the request of the Public University, transfer all of its rights, title and interest in and to the Releasable Real Estate to the appropriate State entity by deed or deeds in form satisfactory to the Authority.

(e) The Public University agrees to bear all costs associated with any actual or proposed Property Release, including costs associated with the Added Real Estate, and including, but not limited to, all legal fees of the Authority, the Trustee and Bond Counsel.

ARTICLE III

THE BONDS

SECTION 3.01 Placement of the Bonds.

The Authority agrees to use its best efforts to privately place, issue and deliver the Bonds. The proceeds of the Bonds shall be used to finance the Costs of the Project, all as more fully provided for in this Agreement, the Resolution and the Indenture.

SECTION 3.02 Information as Requested by the Authority.

The Public University agrees, whenever requested by the Authority, to provide and certify such information concerning the Public University, its operations and finances, and other matters the Authority considers necessary or advisable to enable the Authority to enable it to make any reports required by law, regulation, the Indenture or any Supplemental Indenture.

ARTICLE IV

OBLIGATIONS OF THE PUBLIC UNIVERSITY, TERM AND LEASE PAYMENTS

SECTION 4.01 Nature of the Obligation.

The obligations of the Public University under this Agreement shall be general obligations, payable from any legally available funds of the Public University.

SECTION 4.02 Site of the Leased Facilities.

In addition to the terms, covenants and agreements contained herein, the Public University agrees that it will take, accept and rent the Leased Facilities from the Authority subject to the following:

(a) all covenants, easements, encumbrances, subleases, licenses, defects of title, reservations, restrictions and conditions, if any, acceptable to an Authorized Officer of the Authority affecting the whole or any part of the Leased Facilities Site to be acquired by the Authority for the Project which exist at the time of closing of the Bonds, including (without limitation) the Prior Agreements; and

(b) all present and future federal, State, county or municipal laws, ordinances, regulations, orders, assessments and levies, if any, affecting all or any part of the Leased Facilities or the use thereof.

SECTION 4.03 Term of Agreement.

The term of this Agreement shall continue until at least July 1, 2038, unless the Authority and the Public University shall sooner terminate this Agreement by mutual consent; provided, however, that the end of said term shall not be advanced nor shall this Agreement be terminated so long as the Authority shall have Outstanding and unpaid, without provision for such payment duly provided for, any of the Bonds issued for the purpose of providing moneys to pay the Cost of the Project, or any obligations under any Financing Documents.

SECTION 4.04 Rental Pledge Account.

To secure payment of the Basic Lease Payments and Additional Lease Payments hereunder, the Public University has caused to be created the "The William Paterson University of New Jersey Rental Pledge Account" (the "Rental Pledge Account") to be maintained with the Trustee. For purposes of internal accounting, the Rental Pledge Account may contain one or more subaccounts, as an Authorized Officer of the Authority or the Trustee may deem proper. The Public University covenants and agrees that it will deposit or cause to be deposited on June 1 and December 1 in each Bond Year (commencing December 1, 2019) into the Rental Pledge Account, the amounts set forth in Sections 4.05 and 4.06 hereof.

In the event that the balance remaining in the Rental Pledge Account on January 2 and July 2 of each Bond Year is in excess of the sums payable to the Trustee for or on account of the Authority in accordance with the Indenture, such balance shall be transferred by the Trustee to the Public University.

The moneys in the Rental Pledge Account may be invested at the direction of the Public University and with the approval of an Authorized Officer of the Authority, in direct obligations of the United States of America, in obligations the principal of and interest of which are guaranteed by the United States of America, in Permitted Money Market Funds or in certificates of deposit or time deposits of banks or trust companies, including the Trustee, secured by the aforesaid obligations, provided, however, that moneys shall be available in the Rental Pledge Account in the appropriate amounts on each Basic Lease Payment Date to make the payments required by Sections 4.05 and 4.06 of this Agreement.

SECTION 4.05 Basic Lease Payments.

The Public University agrees to pay the Basic Lease Payments for the use and occupancy of the Leased Facilities from any legally available funds of the Public University.

The Public University agrees to pay from any legally available funds of the Public University "Basic Lease Payments" in an amount sufficient to enable the Trustee to make the transfers and deposits required at the times and in the amounts pursuant to Section 4.06 of the Indenture. Each payment shall be made in immediately available funds.

The Principal Portion of Basic Lease Payments shall be due on each Basic Lease Payment Date in the amount of the principal or scheduled mandatory sinking fund installment, if any, due and payable on the Bonds (a) on the immediately succeeding Principal Payment Date, with respect to regularly scheduled Principal Payment Dates, and (b) on the Principal Payment Date that coincides with the Basic Lease Payment Date, in the amount of the principal or redemption price due and payable on the Bonds in the case of redemption or acceleration of the Bonds.

The Interest Portion of Basic Lease Payments shall be due (a) on each Basic Lease Payment Date, in the amount of the interest due and payable on the Bonds on the immediately succeeding Interest Payment Date, with respect to regularly scheduled Interest Payment Dates, and (b) on the Interest Payment Date that coincides with the Basic Lease Payment Date, in the amount of interest due and payable on the Bonds in the case of redemption or acceleration of the Bonds.

Notwithstanding the foregoing, the Public University agrees to make payments, or cause payments to be made, at the times and in the amounts required to be paid as principal or redemption price of, redemption premium, if any, and interest on the Bonds from time to time Outstanding under the Indenture and other amounts required to be paid under the Indenture, as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise.

Except as otherwise expressly provided herein, all amounts payable hereunder by the Public University to the Authority shall be paid to the Trustee or other parties entitled thereto as

assignee of the Authority and this Agreement and all right, title and interest of the Authority in any such payments are hereby assigned and pledged to the Trustee or other parties entitled thereto as assignee of the Authority so long as any Bonds remain Outstanding.

Notwithstanding anything to the contrary contained herein, the Public University covenants and agrees that it will pay the Basic Lease Payments at such times and in such amounts as to assure that the Authority will not be in default in the payment of the principal of, redemption premium, if any, and interest on the Bonds.

SECTION 4.06 Additional Lease Payments.

In addition to Basic Lease Payments, the Public University shall also pay to the Authority or the Trustee, as the case may be, "Additional Lease Payments," as follows:

(a) All taxes and assessments of any type or character charged to the Authority or to the Trustee affecting the amount available to the Authority or the Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or Governmental Authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Trustee and taxes based upon or measured by the net income of the Trustee; provided, however, that the Public University shall have the right to protest any such taxes or assessments and to require the Authority or the Trustee, at the Public University's expense, to protest and contest any such taxes or assessments levied upon them and that the Public University shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Authority or the Trustee;

(b) All reasonable fees, charges, expenses and indemnities of the Authority and the Trustee hereunder and under the Indenture, as and when the same become due and payable;

(c) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial statements, reports, opinions or provide such other services required under this Agreement or the Indenture;

(d) The Annual Administrative Fee of the Authority and any other expenditures for insurance, fees and expenses of auditing, and fees and expenses of the Bond Insurer and fees and expenses as required by the Indenture and not otherwise paid or provided for by the Public University and all other expenditures reasonably and necessarily incurred by the Authority by reason of the ownership, financing and leasing of the Leased Facilities and the financing of the Project, including, without limitation, performance under the Indenture, expenses incurred by the Authority to compel full and punctual performance of all of the provisions of this Agreement in accordance with the terms hereof; and

(e) All other reasonable and necessary fees and expenses attributable to the Bonds, the Indenture and this Agreement, including without limitation all payments required pursuant to the Tax Agreement (including payments of all amounts required to be deposited in the Rebate

Fund and any fees of the Authority in connection with any rebate calculations performed or caused to be performed by the Authority).

Such Additional Lease Payments shall be billed to the Public University by the Authority or the Trustee from time to time, together with a statement certifying that the amount billed has been incurred or paid for one or more of the above items. After such a demand, amounts so billed shall be paid by the Public University within thirty (30) days after receipt of the bill by the Public University. Payment of the Annual Administrative Fee (or ratable portion thereof) shall be made in each Bond Year while the Bonds are Outstanding.

Payments required to be made under this Section shall be made in legally available funds to the Trustee unless otherwise directed in an agreement pursuant to which such payments are required.

SECTION 4.07 Credits for Payments.

The Public University shall receive credit against its payments required to be made under Section 4.05, in addition to any credits resulting from payment or repayment from other sources as set forth below, on the portion of Basic Lease Payments allocable to interest in an amount equal to moneys on deposit in the applicable subaccount (if any) in the Rental Pledge Account, which amounts available to pay interest on the Bonds, to the extent such amounts have not previously been credited against such payments. The Public University may, in the sole discretion of an Authorized Officer of the Authority, receive credit against its payments required to be made under Section 4.05, in addition to any credits resulting from payment or repayment from other sources, as follows:

(a) On the portion of Basic Lease Payments allocable to interest in an amount equal to moneys on deposit in the Debt Service Fund, which amounts are available to pay interest on the Bonds, to the extent such amounts have not previously been credited against such payments;

(b) On the portion of Basic Lease Payments allocable to installments of principal in an amount equal to moneys deposited in the Debt Service Fund, which amounts are available to pay principal of the Bonds, to the extent such amounts have not previously been credited against such payments;

(c) On the portion of Basic Lease Payments allocable to installments of principal and interest in an amount equal to the principal amount of Bonds for the payment at maturity or redemption of which sufficient amounts (as determined by Section 11.01 of the Indenture) in cash or Government Obligations are on deposit as provided in Section 11.01 of the Indenture to the extent such amounts have not previously been credited against such payments, and the interest on such Bonds from and after the date fixed for payment at maturity or redemption thereof. Such credits shall be made against the installments of principal and interest which would have been used, but for such call for redemption, to pay principal of and interest on such Bonds when due; and

(d) On the portion of Basic Lease Payments allocable to installments of principal and interest in an amount equal to the principal amount of Bonds acquired by the Public University and surrendered to the Trustee for cancellation or purchased by the Trustee on behalf of the

Public University and canceled, and the interest on such Bonds from and after the date interest thereon has been paid prior to cancellation. Such credits shall be made against the installments of principal and interest which would have been used, but for such cancellation, to pay principal of and interest on such Bonds when due.

SECTION 4.08 Prepayment.

(a) The Public University shall have the right, so long as all amounts which have become due hereunder have been paid, at any time or from time to time, to prepay all or any part of the Basic Lease Payments and the Authority agrees that the Trustee shall accept such prepayments when the same are tendered. Any partial prepayment shall not affect the Authority's right, title and interest in and to the Leased Facilities, but shall be credited to the Principal Portion of Basic Lease Payments due from the Public University as determined by an Authorized Officer of the Authority. Subject to the Prior Agreements, the Public University is further hereby granted the option to prepay and purchase all of the Authority's right, title and interest in and to the Leased Facilities in whole, at the time set forth in Section 4.08(b) hereof, by paying to the Trustee the "Purchase Option Price", which for any date of calculation shall be the sum of (i) the aggregate amount of unpaid principal of the Bonds to their redemption date under the terms of the Indenture and as set forth in the Public University's notice to the Trustee of such prepayment, (ii) any interest accrued on the Bonds from the last Interest Payment Date thereof on which interest thereon was paid to the redemption date set forth in clause (i) above, (iii) the redemption premium, if any, applicable to the payment of the Bonds on the redemption date set forth in clause (i) above, and (iv) any costs of redemption or defeasance or other expenses incurred by any party to the Financing Documents in implementing such prepayment. The Purchase Option Price shall be deposited upon receipt by the Trustee in the Debt Service Fund (or in such other Trustee escrow account as may be specified by the Public University) and, at the request of and as determined by the Public University, credited against payments due hereunder or used for the redemption or purchase of Outstanding Bonds in the manner and subject to the terms and conditions set forth in the Indenture. Notwithstanding any such prepayment, as long as any Bonds remain Outstanding or any Additional Lease Payments required to be made hereunder remain unpaid, the Public University shall not be relieved of its obligations hereunder.

(b) Said option may be exercised by the Public University at any time by (i) giving written notice to the Trustee and the Authority of the exercise of such option at least sixty (60) days prior to the redemption date set forth in such notice, and (ii) complying with any other requirements of Article XI of the Indenture that may be required by the Trustee or the Authority to defease the Bonds in accordance with the terms of the Indenture, including, without limitation, a verification report from a nationally recognized accounting firm approved by an Authorized Officer of the Authority to the effect that the amount so prepaid will equal the Purchase Option Price (for a full prepayment) and will therefore be sufficient to defease the Bonds (in whole or in part, as the case may be) by paying all of the principal thereof and redemption premium, if any, thereon through and including the final maturity thereof, plus all interest accruing thereon to such redemption date. Such option shall be exercised by depositing with said notice cash and/or Government Obligations described in paragraph A of the "List of Investment Obligations", as contained in Exhibit B attached to the Indenture, which shall not be subject to redemption prior

to their maturity, in such amount as shall be sufficient, together with interest to accrue thereon, to pay the Bonds to be defeased on said redemption date.

(c) The Public University shall also have the right at any time or from time to time to prepay all or any part of the Basic Lease Payments from moneys derived from condemnation awards or the proceeds of hazard insurance relating to the Leased Facilities of the Public University, and the Authority agrees that the Trustee shall accept such prepayments when the same are tendered. Upon the acceleration of the Bonds, the Public University shall forthwith prepay and purchase all of the Leased Facilities by paying to the Trustee, immediately upon receipt of notice of such acceleration, the "Mandatory Purchase Price", which for any date of calculation shall be the sum of (i) the aggregate amount of the unpaid principal of the Bonds, (ii) any interest accrued on the Bonds from the last Interest Payment Date thereof on which interest thereon was paid to the date that the amount in clause (i) above has been paid in full, and (iii) any costs of acceleration. The Mandatory Purchase Price shall be deposited upon receipt by the Trustee in the Debt Service Fund (or in such other Trustee escrow account as may be specified by the Public University) and used for the redemption or purchase of Outstanding Bonds in the manner and subject to the terms and conditions set forth in the Indenture. Notwithstanding any such prepayment or surrender of Bonds, as long as any Bonds remain Outstanding or any Additional Lease Payments required to be made hereunder remain unpaid, the Public University shall not be relieved of its obligations hereunder.

Notwithstanding anything herein to the contrary, the application of insurance proceeds or condemnation awards as set forth in this Section 4.08 or elsewhere in this Agreement with respect to the Leased Facilities is subject to the terms of the Prior Agreements.

SECTION 4.09 Obligations Unconditional.

The obligations of the Public University hereunder are absolute and unconditional, regardless of whether the Project Facilities (or any portion thereof) are completed or are available for occupancy by the Public University, and notwithstanding any other provision of this Agreement or the Indenture. Until this Agreement is terminated and all payments hereunder are made, the Public University:

(a) will pay all amounts required hereunder without abatement, deduction or setoff except as otherwise expressly provided in this Agreement;

(b) will not suspend or discontinue any payments due hereunder for any reason whatsoever, including, without limitation, any right of setoff or counterclaim;

(c) will perform and observe all its other agreements contained in this Agreement;
and

(d) except as provided herein, will not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, damage, destruction or condemnation of the Project Facilities financed or refinanced with the proceeds of the Bonds or any part thereof, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State, or any political subdivision of either thereof or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty,

liability or obligation arising out of or connected with this Agreement. Nothing contained in this Section 4.09 shall be construed to release the Authority from the performance of any of the agreements on its part contained herein, and in the event the Authority should fail to perform any such agreement on its part, the Public University may institute such action against the Authority as the Public University may deem necessary to compel performance.

Notwithstanding the foregoing, the indemnification provisions set forth in Section 11.10(d) hereof shall survive any termination of this Agreement.

The rights of the Trustee or any party or parties on behalf of whom the Trustee is acting shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever, whether arising out of any breach of any duty or obligation of the Authority or the Trustee owing to the Public University, or by reason of any other indebtedness or liability at any time owing by the Authority or the Trustee to the Public University.

The obligations of the Public University to make payments required under this Agreement shall be absolute and unconditional without defense or set-off for any reason whatsoever, it being the intention of the parties that the payments required of the Public University under this Agreement will be paid in full when due without any credit, delay or diminution whatsoever. The Public University hereby agrees that it will take all budgetary actions necessary to enable it to make all required payments under this Agreement.

ARTICLE V

COVENANTS OF THE PUBLIC UNIVERSITY

SECTION 5.01 Liens and Encumbrances.

The Public University covenants and agrees that the Leased Facilities shall be free and clear of all liens and encumbrances which would materially affect the value or usefulness of the Leased Facilities and the Leased Facilities Site for the intended use thereof, and that it will not enter into any lease, licensing agreement or other arrangement with any other party in respect of the use and occupancy of all or any part of the Leased Facilities. The parties acknowledge that the Public University may, without violating the provisions of this Section 5.01, enter into (i) leases or contracts for the occupancy of student and/or faculty housing with individual occupants, (ii) leases or management agreements of a customary nature with third-party service providers in connection with the provision of utilities or services to the Public University, and (iii) subject to the covenants contained in Section 11.04 hereof, any other leases, licensing agreements or other arrangements with the prior written consent of an Authorized Officer of the Authority (which may be granted or withheld in his or her sole discretion).

SECTION 5.02 Additions.

All buildings and improvements erected or constructed upon the Leased Facilities Site and all buildings, improvements, fixtures, machinery and equipment installed or placed thereon by the Authority or the Public University shall be and become a part of the realty of the Leased Facilities. Any moveable equipment for the Leased Facilities paid for by the Authority, to the extent it does not become realty, shall nevertheless, be deemed to be a part of the Leased Facilities Site.

SECTION 5.03 Repairs.

The Public University covenants that it shall at all times maintain, preserve and keep the Leased Facilities, with the appurtenances and every part and parcel thereof, in good repair, working order and condition.

SECTION 5.04 Utilities.

The Public University agrees to pay, or cause to be paid, all charges for gas, electricity, light, water, sewer, heat or power, telephone or other communication service, or any other service used, rendered or supplied upon or in connection with the Leased Facilities during the term of this Agreement and to protect the Authority and save it harmless against any liability or damages on such account. At all times during the use and occupancy of the Leased Facilities, the Public University shall also at its sole cost and expense procure any and all necessary permits, licenses or other authorizations thereafter required for the lawful and proper construction, installation, operation and maintenance of the Leased Facilities of wires, pipes, conduits, tubes and other equipment and appliances for use in supplying any such services to and upon the Leased Facilities.

SECTION 5.05 Insurance.

The Public University shall, at the times specified in the following subparagraphs, procure and maintain or cause to be procured and maintained, to the extent reasonably obtainable in the opinion of an Authorized Officer of the Authority, the following insurance:

(a) At all times, Special Form perils insurance, or current equivalent, with a deductible clause in an amount not to exceed one hundred thousand dollars (\$100,000) or such other deductible provisions as are approved in writing by an Authorized Officer of the Authority (the "Deductible Amount"), on the plant, structure, machinery, equipment and apparatus comprising the Leased Facilities, plus Boiler and Machinery coverage, and Flood Insurance if the Leased Facilities are located within a Special Flood Hazard Area, each with deductible clauses and coverage sub limits acceptable to an Authorized Officer of the Authority. Coverage for Contingent Liability From Operation of Building Laws shall be included, and an Agreed Amount Endorsement shall be attached to the policy. The foregoing insurance shall be maintained as long as any of the obligations of the Authority issued with respect to the Project are outstanding and shall be in an amount not less than one hundred percent (100%) of the current estimated replacement value thereof, exclusive of excavations and foundations, or such other amount as may be approved in writing by an Authorized Officer of the Authority. The inclusion of the Leased Facilities under a blanket insurance policy or policies of such Public University insuring against the above hazards shall be complete compliance with the provisions of this subparagraph. Any such policy shall provide that the insurance company shall give at least sixty (60) days' notice in writing to the Authority of the cancellation or non-renewal of the policy, except in the event of nonpayment of premiums, in which case ten (10) days' notice, or current industry standard notice, shall be provided; provided, however, notwithstanding the foregoing, in the event that the insurance company is no longer required by law to provide such notices to the Authority, the Public University shall at all times give the Authority notice in writing within two (2) business days of receipt of notice from the insurer of any cancellation or non-renewal of the policy. In any event each such policy shall be in an amount sufficient to prevent such Public University and the Authority from becoming co-insurers under the applicable terms of such policy. In the event that such Public University or the Authority is unable to procure insurance with a loss deductible clause of not exceeding the Deductible Amount, the deposit with the Trustee on behalf of the Authority or the setting aside in a special fund of obligations of or guaranteed by the United States of America or moneys at least equal to the difference between the Deductible Amount and the amount deductible on such policy or policies shall be deemed to be complete compliance with the provisions of this subparagraph establishing a Deductible Amount;

(b) At all times, workmen's compensation insurance, disability benefits insurance and each other form of employee insurance covering loss resulting from injury, sickness, disability or death of employees which the Authority or such Public University is required by law to provide;

(c) At all times, insurance protecting the Authority and such Public University against loss or losses from liabilities imposed by law or assumed in any insured written contract and arising from bodily injury of persons or damage to the property of others caused by accident or occurrence, with limits of not less than one million dollars (\$1,000,000) combined single limit for bodily injury and property damage. The Public University's coverage status under the New

Jersey Tort Claims Act may, in the sole judgment of an Authorized Officer of the Authority, be deemed to be compliance with the requirements of this subparagraph with respect to the Public University;

(d) Fidelity insurance, in such amounts and under such terms as shall be determined by an Authorized Officer of the Authority with due regard to each of the Public University's funds and accounts; and

(e) In the event that the Authority shall re-enter the Leased Facilities, the Authority may, at its sole option, maintain business income insurance, or the current equivalent, on the Leased Facilities, covering the loss of revenues attributable to the Leased Facilities by reason of necessary interruption, total or partial, in the use of the Leased Facilities, resulting from direct physical loss or damage thereto from causes customarily insured.

If any of such insurance provided for in paragraphs (a), (b) and (c) of this Section is under a blanket insurance policy or policies of the Public University, then the Public University shall deliver to the Authority in lieu of the original policy or policies a Certificate thereof, and such delivery shall be complete compliance with the provisions of this paragraph.

The proceeds of all such property insurance (i) may be applied or cause to be applied by the Authority, in consultation with the Public University, to the repair and replacement of the damaged portions of the Leased Facilities, (ii) may be deposited by the Authority with the Trustee for payment into the Debt Service Fund, relating to the Bonds, accompanied by a certificate of an Authorized Officer of the Authority stating that such deposit is being made pursuant to this Section, or (iii) if there is substantial damage to the Leased Facilities rendering such facilities, in the opinion of an Authorized Officer of the Authority, unsuitable for use for its intended purposes, deposited by the Authority, with the consent of the Public University, in the Debt Service Fund to be applied to the "extraordinary optional redemption" of the Bonds as provided in the Indenture. Such deposit in the Debt Service Fund shall be made in amounts representing the Authorized Denomination of the Bonds and accrued interest thereon to the date of redemption. The proceeds of any business income insurance policies shall be deposited by the Authority with the Trustee for payment into the Debt Service Fund under the Indenture accompanied by a certificate of an Authorized Officer of the Authority stating that such deposit is being made pursuant to this Section.

All policies of insurance shall be payable to the Public University and the Authority as their interests may appear. The Authority shall have the sole right to receive, for the purposes of this Agreement, the proceeds of such policy or policies affecting the Leased Facilities and receipt for claims thereunder.

All insurance prescribed by this Section shall be procured from financially sound and reputable insurers qualified to do business in the State or insurers approved in writing by an Authorized Officer of the Authority. The policies shall be open to inspection by the Authority and the Trustee at all reasonable times, and a list prepared as of June 30 of each year describing such policies shall be furnished by the Authority to the Trustee annually within sixty (60) days after the beginning of each Bond Year, together with a certificate of an Authorized Officer of the Authority certifying that such insurance meets all the requirements of this Agreement. The

Trustee shall have no responsibility with respect to any such insurance except to receive such Certificates and hold the same for inspection by any Bondholders.

Notwithstanding anything herein to the contrary, the application of insurance proceeds as set forth in this Section 5.05 or elsewhere in this Agreement with respect to the Leased Facilities is subject to the terms of the Prior Agreements.

Nothing in this Section 5.05 shall be deemed to limit the Public University from obtaining insurance in excess of the requirements set forth herein.

SECTION 5.06 Compliance with Laws and Regulations.

The Public University agrees that throughout the term of this Agreement, at the Public University's sole cost and expense, it will promptly comply with (or cause to be complied with) all laws and ordinances and the orders, rules, regulations and requirements of all federal, State and local governments and agencies and departments thereof which are applicable to the Public University and the Leased Facilities, or, and whether or not the same requires structural repairs and alterations, which may be applicable to the Leased Facilities, the fixtures or equipment thereof, or the sidewalks and curbs adjoining the Leased Facilities, or the use or manner of use of the Leased Facilities. The Public University will also observe and comply with (or cause to be observed and complied with) the requirements of all policies and arrangements of insurance at any time in force with respect to the Leased Facilities and the fixtures and equipment thereof.

SECTION 5.07 Alterations and Additions to Leased Facilities.

The Public University shall have the right at any time and from time to time during the term of this Agreement, with the approval of an Authorized Officer of the Authority, to make such changes, alterations and additions, structural or otherwise, to the Leased Facilities, and the fixtures and equipment thereof, now or hereafter on or at the Leased Facilities, as they shall deem necessary or desirable in connection with the use of the Leased Facilities. All such changes, alterations and additions when completed shall be of such a character as not to reduce or otherwise adversely affect the value of the Leased Facilities or the rental value thereof. Any Authorized Officer of the Authority may, on behalf of the Authority, consent to any such changes, alterations or additions upon receipt of such documentation and assurance from the Public University as such Authorized Officer deems appropriate. The cost of any such change, alteration or addition shall be promptly paid and discharged by the Public University, so that the Leased Facilities shall at all times be free of liens for labor and materials supplied to the Leased Facilities. All alterations, additions and improvements to the Leased Facilities shall be and become a part of the Leased Facilities and shall be owned by the Authority; *provided*, that, except as provided in the last sentence of Section 5.02 hereof, any moveable equipment and any communications fixtures (*e.g.*, cell towers) installed on or in the Leased Facilities shall not be deemed to become part of the Leased Facilities.

SECTION 5.08 Permits and Approvals.

The Public University agrees that it will obtain all consents, authorizations and permits from municipal, county and State entities for the construction, use, occupancy and operation of the Project Facilities and the Leased Facilities (collectively, the "Approvals"). The Public

University will also observe and comply with the Approvals throughout the term of this Agreement. The Public University agrees that it shall remain obligated under the terms of this Agreement irrespective of whether all Approvals are granted. The Public University may use the proceeds of the Bonds to pay for the costs associated with obtaining the Approvals.

SECTION 5.09 Future Liens.

The Public University covenants to keep the Leased Facilities, and the fixtures and equipment constituting part thereof, at all times during the term of this Agreement, free and clear of mechanics' liens and other liens of like nature, and the Public University shall at all times duly protect the Authority against any and all attorneys' fees, costs and expenses which may accrue, grow out of or be incurred by reason of or on account of any such liens or claims.

SECTION 5.10 Covenants Against Waste.

The Public University covenants not to do or suffer or permit any waste or damage to the Leased Facilities or any building or improvement now or hereafter constituting the Leased Facilities or any fixture or equipment constituting part thereof.

SECTION 5.11 Affirmative and Negative Environmental Covenants.

(a) The Public University shall obtain all permits, licenses and other authorizations required under Applicable Environmental Laws with respect to the construction, use, occupancy and operation of the Leased Facilities.

(b) As of the date hereof, neither the Public University nor any of the Leased Facilities is in violation of any Applicable Environmental Laws or subject to any existing, pending or, to the knowledge of the Public University (after due inquiry), threatened investigation or inquiry by any Governmental Authority pursuant to any Applicable Environmental Laws.

(c) The Public University shall cause the Project Facilities to be constructed and maintained in accordance with all Applicable Environmental Laws. To the knowledge of the Public University after due inquiry, the activities, properties and assets of the Public University, including the Project Facilities and the Leased Facilities, are in substantial and material compliance with all terms and conditions of all required permits, licenses and authorizations, and are in substantial and material compliance with all limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in Applicable Environmental Laws. Except as otherwise disclosed in Schedule 5.11 hereof, there are no past or present events, conditions, including without limitation Environmental Conditions, circumstances, activities, practices, incidents, actions or plans which may (i) interfere with or prevent continued substantial and material compliance on the part of the Public University with Applicable Environmental Laws; (ii) give rise to any liability on the part of the Public University under Applicable Environmental Laws; or (iii) otherwise form the basis of any claim, action, suit, proceeding, request or demand for information or investigation against the Public University based on or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of, or the Release or threatened Release into the Environment of, any Hazardous Substances. The Public University shall not cause or permit any of the Leased

Facilities to be in violation of, nor shall the Public University by act or omission cause or permit any of the Leased Facilities to be subject to any Remediation obligations, under Applicable Environmental Laws. The Public University shall promptly notify the Authority in writing of any existing, pending or, to the knowledge of the Public University (after due inquiry), threatened investigation or inquiry by any Governmental Authority pursuant to or under any Applicable Environmental Laws relating to any of the Leased Facilities.

(d) The Public University covenants that it will not install or cause to be installed in, on or at any of the Leased Facilities any materials containing any Hazardous Substances, including without limitation any asbestos containing materials. In the event any such materials are found to be present in, on or at any of the Leased Facilities (to the extent installed therein or permitted to be installed therein by the Public University), the Public University shall, promptly upon discovery and at its sole cost and expense, Remediate such materials in accordance with the requirements of law, including without limitation Applicable Environmental Laws, and shall have such Remediation performed by licensed and qualified environmental engineering firms, contractors and consultants.

(e) The Public University has taken all steps necessary (including without limitation all actions necessary to meet the "all appropriate inquiry" standard set forth in N.J.S.A. 58:10-23.11g, as amended) to determine, and has determined, that there are no Environmental Conditions on, at, under or emanating from any of the Leased Facilities except as disclosed in Schedule 5.11 hereof. The use which the Public University makes and intends to make of the Leased Facilities shall not result in the Release of any Hazardous Substance on, at, under or from any of the Leased Facilities.

(f) The Public University has not received any communication, written or oral, from any Governmental Authority, including without limitation the NJDEP or the USEPA, concerning any intentional or unintentional action or omission on the Public University's part resulting in the Release of any Hazardous Substances on, at, under or from any of the Leased Facilities, except as disclosed in Schedule 5.11 hereof.

(g) None of the Leased Facilities has been used in the past, or is now being used, as a Major Facility (as such term is defined in N.J.S.A. 58:10-23.11b) and the Public University shall not use any of the Leased Facilities as a Major Facility in the future without the prior express written consent of an Authorized Officer of the Authority, which consent may be given or withheld at the Authority's sole discretion. If any of the Leased Facilities is determined to be a Major Facility in the State, then the Public University shall furnish the NJDEP with all the information required by N.J.S.A. 58:10-23.11d1 to -23.11d15, and shall duly file with the Director of the Division of Taxation in the New Jersey Department of the Treasury a tax report or return, and shall pay all taxes due therewith, in accordance with N.J.S.A. 58:10-23.11h.

(h) The Public University shall not conduct or cause or permit to be conducted on or at any of the Leased Facilities any activity, use or operation which constitutes an "Industrial Establishment" (as such term is defined under ISRA), without the prior express written consent of an Authorized Officer of the Authority, which consent may be given or withheld at the Authority's sole discretion. In the event the provisions of ISRA become applicable to any of the Leased Facilities subsequent to the date hereof, the Public University shall give prompt written

notice thereof to the Authority and the Public University shall take all requisite action, including the performance of Remediation, to ensure full compliance with ISRA. The Public University shall promptly deliver to the Authority copies of all correspondence, notices, reports, workplans, laboratory and field data and all other submissions that the Public University generates, or sends to or receives from the NJDEP, in connection with such ISRA compliance.

(i) No lien has been attached to any revenue or any personal property owned by the Public University and located in the State, including, without limitation, any of the Leased Facilities, as a result of (i) the Administrator of the New Jersey Spill Compensation Fund expending moneys from said fund to pay for Damages and/or Cleanup and Removal Costs; or (ii) the Administrator of the United States Environmental Protection Agency expending moneys from the Hazardous Substance Superfund for Damages and/or Response Action Costs. In the event any such lien has been filed, then the Public University shall, within thirty (30) days from the date the Public University is given such notice of such lien (or within such shorter period of time in the event the State or the United States has commenced steps to have any of the Leased Facilities sold), either: (i) pay the claim and remove the lien from the Leased Facilities; or (ii) furnish (a) a bond satisfactory to an Authorized Officer of the Authority in the amount of the claim out of which the lien arises, (b) a cash deposit in the amount of the claim out of which the lien arises, or (c) other security satisfactory to an Authorized Officer of the Authority in an amount sufficient to discharge the claim out of which the lien arises.

(j) During the term of this Agreement, the Public University shall take all steps necessary to determine whether any Hazardous Substances have been Released on, at, under or from any of the Leased Facilities and the Public University shall promptly upon discovery Remediate such Release in accordance with the requirements of Applicable Environmental Laws. Without in any way limiting the generality of the foregoing, in the event the Public University performs any Remediation at any of the Leased Facilities pursuant to this Section 5.11, the Public University agrees to:

- (i) Perform and cause all consultants and contractors retained by the Public University to perform all such Remediation in a workmanlike manner and consistent with all Applicable Environmental Laws;
- (ii) Comply with all Applicable Environmental Laws in connection with the implementation of such Remediation at the Leased Facilities and obtain all permits, authorizations and consents required under Applicable Environmental Laws or by any Governmental Authority in order to implement such Remediation at the Leased Facilities;
- (iii) Select and propose to the Governmental Authority Remediation that shall not interfere with the current use of any of the Leased Facilities or the operations currently conducted by the Public University nor interfere with, preclude or prevent the future use of any of the Leased Facilities for the same use or any use similar to the current use of the Leased Facilities. Without in any way limiting the generality of the foregoing, the Public University shall not select, propose or use at any of the Leased Facilities any Engineering Controls or Institutional Controls (as such terms are

defined under N.J.S.A. 58:10B-1 *et seq.*), or any remediation standards applicable to non-residential properties, without the prior written consent of an Authorized Officer of the Authority, which consent shall not be unreasonably withheld;

- (iv) Promptly upon the completion of the Remediation, restore the Leased Facilities to substantially the same condition they were in prior to the performance of the Remediation;
- (v) Provide the Authority with copies of all documents that the Public University (i) submits to any Governmental Authority in connection with the Leased Facilities at the same time the Public University submits such documents to the Governmental Authority, and (ii) receives from any Governmental Authority in connection with the Leased Facilities within three (3) business days of the Public University's receipt of same; and
- (vi) Obtain and provide to the Authority a No Further Action Letter/Covenant Not to Sue issued by the NJDEP pursuant to N.J.S.A. 58:10B-13.1 or, if the Remediation is under the supervision of a Governmental Authority other than the NJDEP, obtain a comparable determination from such other Governmental Authority.

SECTION 5.12 Municipal Property Taxes.

The Public University agrees to pay, or cause to be paid, any and all local municipal assessments for property taxes, including farmland rollback assessments, directly related to the Leased Facilities. The Public University, if applicable, shall provide the Authority with copies of all applications for exemption from municipal property taxes filed with the local municipality.

SECTION 5.13 Compliance with Prevailing Wage Act.

In connection with the Leased Facilities, the Public University hereby acknowledges that the provisions of N.J.S.A. 18A:72A-5.1 to 5.4 relating to the payment of the prevailing wage rate determined by the Commissioner of the State Department of Labor and Workforce Development pursuant to the Prevailing Wage Act (N.J.S.A. 34:11-56.25 et seq.) applies to construction and rehabilitation taken in connection with Authority financial assistance and the Public University covenants to comply with such provisions.

SECTION 5.14 P.L. 2005, c. 92.

In accordance with P.L. 2005, c. 92, the Public University covenants and agrees that all services performed under this Agreement shall be performed within the United States of America.

SECTION 5.15 Consent to Authority's Use of Photographs and Videos.

The Public University agrees that the Authority may use photographs or videos taken on the Public University's campus (whether taken by the Authority or other person) in the

Authority's newsletters, reports or other publications or materials (including PowerPoint presentations) in connection with the Authority's operations.

ARTICLE VI

CHARACTER OF AGREEMENT

SECTION 6.01 Net Lease.

It is mutually agreed by the parties hereto that this is a net lease and notwithstanding any language herein to the contrary, it is intended, and the Public University expressly covenants and agrees, that all rentals and other payments herein required to be made by the Public University to the Authority shall be net payments to the Authority, meaning that the Authority is not and shall not be required to expend any money or do any acts or take any steps affecting or with respect to the maintenance, preservation, repair, restoration, reconstruction, or protection of the Leased Facilities Site or the Leased Facilities or any part thereof.

ARTICLE VII

RIGHTS ON DEFAULT

SECTION 7.01 Entry.

The Authority and the Public University agree that, if an Event of Default (as hereinafter defined) occurs and is continuing, the Authority shall have the right to and may enter the Leased Facilities without being liable for any prosecution or damages therefor, and may relet the Leased Facilities for such term of years, which may exceed the term of this Agreement, and receive the rent therefor, upon such terms as shall be satisfactory to the Authority. Such entry by the Authority shall not relieve the Public University of its obligations under this Agreement nor operate to release the Public University from any Basic Lease Payments to be paid or covenants to be performed under this Agreement during the full term of this Agreement. For the purpose of reletting, the Authority shall be authorized to make such repairs or alterations in or to the Leased Facilities as it may deem necessary to place the same in good order and condition. The Public University shall be liable to the Authority for the cost of such repairs or alterations and all expenses of such reletting. If the sum realized or to be realized from the reletting is insufficient to satisfy the Basic Lease Payments provided in this Agreement, the Authority, at its option, may require the Public University to pay such deficiency month by month, or may hold the Public University liable in advance for the entire deficiency to be realized during the term of the reletting of the Leased Facilities in excess of the Basic Lease Payments reserved in this Agreement. Notwithstanding such entry by the Authority, the Public University agrees that: (i) all rights-of-way, easements or other rights in land conveyed or otherwise provided in accordance with this Agreement shall be continued in full force and effect; and (ii) any utility services shall be furnished by the Public University to the Leased Facilities at the expense of the Public University. Furthermore, upon such entry by the Authority, any sublease of the Leased Facilities shall immediately terminate and be of no further force and effect.

Upon entering the Leased Facilities, the Authority shall as soon as practicable, inspect the Leased Facilities and make inventories of all fixtures, furniture, equipment and effects in the Leased Facilities. The Public University shall pay to the Authority upon receipt of the properly executed vouchers therefor all sums owing to the Authority by the Public University in connection therewith.

If entry upon the Leased Facilities (or any portion thereof) is permitted under this Section 7.01, the Authority may enter upon the Leased Facilities or any portion thereof. Notwithstanding the foregoing, the Authority shall not enter upon the Leased Facilities if any Prior Agreements remain in effect unless (i) such entry is consented to by the trustees for bonds of the Authority secured by lease payments of the Public University under the Prior Agreements and (ii) such trustees and the Trustee shall have agreed upon the allocation of any revenues realized by the Authority as a result of such entry.

For purposes of this Agreement, an Event of Default shall exist if a "Lease Default Event" shall exist hereunder. The following are Lease Default Events:

(a) Upon failure by the Public University to pay in full any Lease Payments required hereunder, whether at maturity, upon a date fixed for prepayment, by declaration, or otherwise pursuant to the terms hereof or thereof;

(b) If any material representation or warranty made by the Public University herein or made by the Public University in any document, instrument or Certificate furnished to the Trustee, Capital One or the Authority in connection with the issuance of the Bonds shall at any time prove to have been incorrect in any respect as of the time made;

(c) If the Public University shall fail to observe or perform any other covenant, condition, agreement or provision in this Agreement on its part to be observed or performed, or shall breach any warranty herein contained, for a period of sixty (60) days after written notice, specifying such failure or breach and requesting that it be remedied, has been given to the Public University by the Authority, Capital One or the Trustee; except that, if such failure or breach can be remedied but not within such sixty-day period and if the Public University has taken all action reasonably possible to remedy such failure or breach within such sixty-day period, such failure or breach shall not become a Lease Default Event for so long as the Public University shall diligently proceed to remedy such failure or breach in accordance with and subject to any directions or limitations of time established by the Trustee; or

(d) Any Event of Default as defined in and under the Indenture.

ARTICLE VIII

INSPECTIONS

SECTION 8.01 Authority's Right to Inspect.

The Public University covenants and agrees to permit the Authority and the authorized agents and representatives of the Authority to enter the Leased Facilities at all times during business hours for the purpose of inspecting the same.

SECTION 8.02 Annual Inspection.

The Public University covenants and agrees that at its own expense it will upon the request from time to time of the Authority, and at least annually, cause an inspection of the Leased Facilities to be made by a professional engineer or architectural firm employed by the Public University or by the officer or employee of the Public University in charge of the grounds and plant of the Public University and that it will file with the Authority such inspection report upon completion. Said report shall set forth in its findings whether the Leased Facilities has been maintained in good repair, working order and condition as well as any recommendations as to the proper maintenance and repair of the Leased Facilities and the estimate of money necessary for such purpose.

ARTICLE IX

INTEREST IN THE PROJECT

SECTION 9.01 No Merger.

It is mutually agreed by the parties hereto that so long as any of the Bonds issued by the Authority for the purpose of providing moneys to pay the cost of the Project are Outstanding and unpaid, without provision for such payment duly provided for, the leasehold interest and estate created by this Agreement shall not be merged or deemed to be merged with any reversionary interest and estate of the Public University, if any, in the Leased Facilities.

SECTION 9.02 Conveyance Requirement.

When the term of this Agreement has expired and the Authority has certified that all of the Outstanding Bonds have been paid or provision for payment duly made, and the Trustee has certified to the Authority that all of the Outstanding Bonds, including the principal, redemption premium, if any, and interest, and all other obligations incurred by the Authority in connection with the Project have been paid, or that sufficient funds for such payment in full are held in trust by the Trustee, an Authorized Officer of the Authority shall transfer all its rights, title and interest in and to the Leased Facilities to the appropriate State entity by deed or deeds in form satisfactory to an Authorized Officer of the Authority. Notwithstanding the foregoing, in the event any of the Prior Agreements are still then in effect, the respective Leased Facilities Site shall not be so transferred until permitted by the terms of such Prior Agreement.

ARTICLE X

ASSIGNMENTS

SECTION 10.01 Assignments.

Except as permitted by Section 5.01 above, the Public University shall not assign this Agreement or any interest therein or sublet the Leased Facilities Site or any part thereof without the prior consent of the Authority; provided, however, that nothing in this Article X shall prohibit the licensing, to students of the Public University or other use of the Leased Facilities, or any part thereof, so long as the Public University does not grant an interest in or over the Leased Facilities Site without the consent of the Authority.

ARTICLE XI

REPRESENTATIONS, WARRANTIES AND COVENANTS

SECTION 11.01 Condition of Premises.

The Public University shall fully familiarize itself with the physical condition of the Leased Facilities and the improvements, fixtures and equipment constituting part thereof. The Authority makes no representations whatsoever in connection with the condition of the Leased Facilities or the improvements, fixtures or equipment constituting part thereof, and the Authority shall not be liable for any latent or patent defects therein.

SECTION 11.02 Limitation of Liability

The Public University covenants that all actions heretofore taken by the Public University in connection with the Leased Facilities and the Project Facilities, including the making of contracts, and all actions hereafter taken by the Authority in connection with the Leased Facilities and the Project Facilities upon the recommendation or request of any Authorized Officer of the Public University have been and will be in full compliance with the Indenture, the Resolution, this Agreement and with all pertinent laws applicable to the Public University or the Authority. The Public University acknowledges that any review of any such actions heretofore or hereafter taken by the Authority's staff or counsel has been or will be solely for the protection of the Authority to carry out the Project and shall not estop the Authority from enforcing the foregoing covenant.

The ownership of the Leased Facilities shall not impose any other liability on the Authority, whether contractual or otherwise. Neither the carrying out of the Project nor the ownership of the Leased Facilities by the Authority shall impose any liability on the members, officers, employees, consultants or agents of the Authority. The Public University agrees to indemnify the Authority and all such other parties and save them harmless against any liability intended to be precluded herein.

In the exercise of the powers of the Authority and the Trustee by their members, officers, employees, consultants and agents (other than the Public University) under the Indenture, the Resolution, the Financing Documents and this Agreement, including (without limiting the foregoing) the carrying out of the Project, the application of moneys, the investment of funds and reletting the Leased Facilities in the event of default by the Public University, the Authority, the Trustee and their members, officers, employees, consultants and agents shall not be accountable to the Public University for any action taken or omitted by it or them in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred. The Authority and the Trustee and all such other parties shall be protected in its or their acting upon any paper or document believed by it or them to be genuine, and it or they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action.

Pursuant to *N.J.S.A.* 18A:72A-6, all payment obligations of the Authority whatsoever arising under the Financing Documents shall constitute special and limited obligations of the Authority payable solely from amounts, if any, paid by the Public University pursuant to this Agreement or otherwise available for such purpose under the Indenture and Resolution.

SECTION 11.03 Covenant as to Arbitrage.

The Authority and the Public University hereby covenant that they will make no use of the proceeds of the Bonds which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code, Treasury Regulations Sections 1.148-0 through 1.148-11 and 1.149(d)-1, and all other applicable regulations of the Internal Revenue Service.

SECTION 11.04 Tax Covenants.

(a) The Authority and the Public University covenant that they will take no action which would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code. Accordingly, not more than ten percent (10%) of the proceeds of the Bonds will be used directly or indirectly in any trade or business carried on by any person other than a state or local governmental unit or instrumentality thereof (within the meaning of Section 141 of the Code). Not more than five percent (5%) of the proceeds of the Bonds will be used directly or indirectly in any trade or business carried on by any person other than a state or local governmental unit or instrumentality thereof (within the meaning of Section 141 of the Code) for any use unrelated to any governmental use of such proceeds or used or to be used in any “disproportionate related business use” (as defined in Section 141 of the Code). Not more than the lesser of five percent (5%) of the proceeds of the Bonds or \$5,000,000 of the Bonds will be used directly or indirectly to make or finance loans to any person other than a state or local governmental unit or instrumentality thereof (within the meaning of Section 141 of the Code). Not more than ten percent (10%) of the proceeds of the Bonds will be (i) secured directly or indirectly by any interest in property used or to be used for a private business use (within the meaning of Section 141(b) of the Code) or by payments in respect of such property, or (ii) derived directly or indirectly from payments (whether or not to the Authority) in respect of property, or borrowed money, used or to be used for a private business use.

(b) The Public University covenants to create and maintain records which, in the judgment of the Authority, are sufficient to determine the compliance of the Bonds with the requirements of Section 141 of the Code, including but not limited to (i) the allocation and use of the proceeds of the Bonds and (ii) the ownership and use of all the property financed with proceeds of the Bonds, as such records are further described in the Tax Agreement. The Authority covenants to create and retain records with respect to: (x) all investments made with Gross Proceeds of the Bonds (including without limitation records required under Treasury Regulations Section 1.148-5(d)(6)); (y) all information necessary to compute the Yield on the Bonds, including the information necessary to establish the existence of any qualified guarantee or qualified hedge (within the meaning of Treasury Regulations Section 1.148-4(f) and (h)) with respect to the Bonds, the amount and date of payments for a qualified guarantee or qualified hedge with respect to the Bonds, and the issue price of the Bonds; and (z) all information necessary to establish any exception to arbitrage rebate (within the meaning of Treasury Regulations Section 1.148-7) has been met with respect to proceeds of the Bonds, as such

records are further described in the Authority's Certificate as to Arbitrage with respect to the Bonds. The Authority and the Public University covenant to retain all such records until three years after the last scheduled maturity date of the Bonds, or in the event the Bonds are retired early, three years after the final retirement of the Bonds.

(c) The Authority and the Public University covenant that they will take no action which would cause the Bonds to be federally guaranteed (within the meaning of Section 149(b) of the Code).

(d) The Authority and the Public University covenant to comply with the provisions of the Code applicable to the Bonds and covenant that they will not take any action or fail to take any action which would cause the interest on the Bonds to lose the exclusion from gross income for purposes of federal income taxation under Section 103 of the Code.

(e) The Public University acknowledges and agrees that the Authority has adopted written Post-Issuance Compliance Procedures intended to meet the guidelines set forth in Internal Revenue Manual Section 7.2.3.4.4 (the "Authority Written Procedures"). The Public University represents that it has adopted written Post-Issuance Compliance Procedures intended to meet the guidelines set forth in Internal Revenue Manual Section 7.2.3.4.4 (the "University Written Procedures" and, together with the Authority Written Procedures, the "Written Procedures"). The Public University agrees to comply with the Written Procedures and at least once a year review the use of the Bonds and any other outstanding bonds of the Authority that have financed facilities for the Public University (together with the Bonds, the "Authority's Bonds") in order to determine whether such bonds meet all federal tax law conditions applicable to such bonds and certify its findings in writing to the Authority. In addition, the Public University shall, with respect to any of the Authority's Bonds, provide prompt written notice to the Authority of any of the acts or events listed on Exhibit D that may jeopardize the tax exempt status of the Bonds, attached hereto and made a part hereof (a "Special Notice Event"). The Public University will use its best efforts to provide advance notice, but will in any event provide notice no later than thirty (30) days after the occurrence of such Special Notice Event, whether the Public University is on notice of such Special Notice Event by its diligence or internal procedures or its own filing of any statement, tax schedule, return or document with the Internal Revenue Service which discloses that a Special Notice Event shall have occurred, by its receipt of any oral or written advice from the Internal Revenue Service that a Special Notice Event shall have occurred, or otherwise. The Public University agrees that, in consultation with the Authority, at the expense of the Public University, it shall take such actions, if any, as may be necessary or appropriate to remediate such Special Notice Event, including without limitation such actions required under Section 1.141-12 of the Treasury Regulations or a closing agreement with the Internal Revenue Service and provide to the Authority an Opinion of Bond Counsel outlining the plan of remediation and whether or not the tax exempt status of the Bonds will be preserved. In the event the Authority becomes aware of a Special Notice Event, the Authority shall have the right, upon prior written notice to the Public University, to conduct its own investigation and at the sole cost of expense of the Public University, retain Bond Counsel to determine any and all actions required to remediate such Special Notice Event.

SECTION 11.05 Rebate Requirement.

(a) The Authority and the Public University covenant and agree that no Prohibited Investments or Dispositions (as described in the Tax Agreement) will be made with respect to Gross Proceeds of the Bonds and that the Authority shall calculate or cause to be calculated the Rebate Amount at the times and in the manner set forth in the Tax Agreement and shall pay or direct in writing the Trustee to pay (but only from amounts received from the Public University under this Agreement) the Rebateable Arbitrage from the Rebate Account to the United States, in the percentage, at the times and in the manner set forth in the Tax Agreement.

(b) Notwithstanding any other provision of this Agreement, to the extent that funds and accounts held by the Trustee are less than the amount required to be caused to be deposited by the Authority in the Rebate Fund for the Bonds, the Public University will pay to the Authority the amount equal to the Rebate Amount.

(c) The provisions of Section 11.05 of the Series 2008 C Agreement relating to the Series 2008 C Bonds are hereby incorporated by reference herein and shall remain in effect as to the Series 2008 C Bonds, notwithstanding the discharge of said Series 2008 C Agreement, so long as any rebate obligations remain applicable thereto.

SECTION 11.06 Agreement Not to Purchase Bonds.

The Public University agrees that neither it nor any person related to it, within the meaning of Treasury Regulations Section 1.150-1(b), pursuant to an arrangement, formal or informal, shall purchase the Bonds in an amount related to the amount of the payments to be made pursuant to this Agreement.

SECTION 11.07 Right to Obtain Bond Counsel Opinion.

The Authority and the Public University shall not be required to comply with any one or more requirements of Sections 11.04, 11.05 and 11.06 hereof to the extent that an Opinion of Bond Counsel, reasonably acceptable to the Authority, is obtained to the effect that failure to comply with such requirements or compliance with other requirements in lieu of Sections 11.04, 11.05 and 11.06 hereof will not impair the exclusion from gross income of interest on the Bonds for purposes of federal income taxation under Section 103 of the Code.

SECTION 11.08 Review and Execution of Financing Documents.

The Public University hereby represents and warrants to the Authority and Capital One that the Public University has reviewed and has a full understanding of all the terms, conditions and risks (economic and otherwise) of each of the Financing Documents, that it is capable of assuming and willing to assume (financially and otherwise) all such risks, that it has consulted with its own legal and financial advisors (to the extent it has deemed necessary) and is not relying upon any advice, counsel or representations (whether written or oral) of the Authority, the Authority's legal and financial advisors, or Capital One, and that it has made its own investment, hedging and trading decisions (including decisions relating to the suitability of each of the Financing Documents) based upon its own judgment and upon any advice from its own legal and financial advisors as it has deemed necessary. Notwithstanding the foregoing, the

Authority acknowledges that the New Jersey Office of the Attorney General has provided legal counsel to both the Authority and the Public University. The Public University hereby acknowledges that the Authority is entering into the Financing Documents at the request of, and as an accommodation to, the Public University, and that the terms of the Financing Documents have been negotiated by, and are acceptable to, the Public University.

SECTION 11.09 Additional Representations and Warranties.

The Public University hereby makes the following representations and warranties to the Authority as of the Closing Date:

(a) Revised Article 9. The Public University covenants and agrees to cooperate with the Authority in complying with the provisions of revised Article 9 of the Uniform Commercial Code enacted by the New Jersey Legislature or by any other jurisdiction whose laws govern the perfection and enforceability of any security for the Bonds to the extent that the Authority determines that compliance therewith is required.

(b) Financial Statements. The audited financial statements of the Public University for the most recent fiscal year, including its balance sheets as of such date, correctly and fairly present, in all material respects, the financial condition of the Public University as of said dates and the results of the operations of the Public University for such period, and have been prepared in accordance with generally accepted accounting principles consistently applied except as stated in the notes thereto; and there has been no material adverse change in the condition, financial or otherwise, of the Public University since the date of such financial statements, from that set forth in said financial statements as of, and for the period ended on that date.

(c) Existence and Standing. The Public University is a public institution for higher education existing under the laws of the State, and has the necessary power and authority to execute and deliver this Agreement and any other Financing Documents to which the Public University is a party, and to perform its obligations hereunder and thereunder.

(d) Authorization and Validity. The execution and delivery by the Public University of this Agreement and any other Financing Documents to which the Public University is a party have been duly authorized by proper proceedings of the Public University, and no further approval, authorization or consents are required by law or otherwise. This Agreement and the other Financing Documents to which the Public University is a party, constitute the legal, valid and binding obligations of the Public University enforceable in accordance with their respective terms, except as future enforceability may be limited by bankruptcy, insolvency, or similar laws affecting the rights of creditors, and by general equitable principles.

(e) Compliance with Laws and Contracts. Neither the execution and delivery by the Public University of this Agreement and any other Financing Documents to which the Public University is a party, nor the consummation of the transactions herein and therein contemplated, nor compliance with the provisions hereof or thereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Public University, the Public University's organizational documents or the provisions of any indenture, instrument or agreement to which the Public University is a party or is subject, or by which it or its property is

bound, or conflict with or constitute a default under or result in the creation or imposition of any lien pursuant to the terms of any such indenture, instrument or agreement.

(f) Litigation. There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Public University, threatened against or affecting the Public University wherein an unfavorable decision, ruling or finding would materially adversely affect (i) the transactions contemplated by or the validity of this Agreement or any other Financing Documents to which the Public University is a party, (ii) the tax exempt status of the Public University or of the interest on the Bonds, or (iii) the Public University's property, assets, operations or conditions, financial or otherwise, or its ability to perform its obligations hereunder or under such other Financing Documents; or (iv) which in any way contests the existence, organization or powers of the Public University the titles of the officers of the Public University to their respective offices.

SECTION 11.10 Additional Covenants.

During the term of this Agreement, and until the Public University has paid in full all of its obligations hereunder, the Public University hereby covenants and agrees as follows:

(a) Existence. The Public University shall maintain its existence as a public institution of higher education formed under the laws of the State of New Jersey, and shall not merge, consolidate, liquidate or sell substantially all of its assets.

(b) Compliance With Laws. The Public University shall comply with all laws, rules and regulations, and with all final orders, writs, judgments, injunctions, decrees or awards to which it may be subject and which are material to the Bonds, this Agreement or any other Financing Documents to which the Public University is a party, or the operations, affairs, properties, condition (financial or otherwise) or prospects of the Public University; provided, however, that the Public University may contest the validity or application thereof and appeal or otherwise seek relief therefrom, and exercise any and all of the rights and remedies which it may have with regard thereto, so long as such acts do not affect the Public University's power and authority to execute and deliver this Agreement and such other Financing Documents, and to perform its obligations and pay all amounts payable by it hereunder and thereunder.

(c) Maintain Existence of Authority "Project". The Public University shall operate and use or cause the Project Facilities and the Leased Facilities and each portion thereof to be operated and used as educational facilities constituting an authorized "Project" under the Act.

(d) Indemnification. The Public University shall indemnify the Authority as follows:

(i) The Public University shall protect, exonerate, defend, indemnify and save the Authority and its members, directors, officers, employees, agents, consultants and attorneys (collectively, the "Indemnified Parties") harmless from and against any and all losses, including, but not limited to personal injury, death, loss or damage to property suffered or incurred by any person, entity, firm or corporation arising out of or attributable to the financing of the Project, the use, operation or maintenance of the Project Facilities, Leased Facilities and/or the Project, arising from the use or

occupancy of the Project Facilities, Leased Facilities and the Project by the Public University, its agents, contractors, servants, employees, licensees, invitees or sublessees, if any; and from and against any and all losses incurred in or about the defense of any such claims, actions or proceedings brought thereon.

- (ii) The Public University's obligations hereunder shall survive the payment of the sums due hereunder and the expiration of the term of this Agreement. In addition, the Public University shall release the Indemnified Parties from, agrees that the Indemnified Parties shall not be liable for, and agrees to hold the Indemnified Parties harmless against any losses because of any action taken by an Indemnified Party in good faith with respect to this Agreement, the Project, the Leased Facilities and the Project Facilities.
- (iii) The Indemnified Parties, respectively, will give prompt written notice to the Public University of any claim asserted against it or them, as the case may be, which claim, if sustained, may result in liability on the part of an Indemnified Party which is indemnified hereunder; provided, however, that the failure on the part of the Indemnified Party to give such notice shall not relieve the Public University from its obligation under this Section. Upon receipt of such notification, the Public University shall assume the defense thereof, with full power to litigate, compromise or settle the same in its sole discretion, but with the Indemnified Party's consent, all without cost to the Indemnified Parties, including any costs incurred by any Indemnified Party prior to such notification. Any Indemnified Party shall have the right to employ separate counsel in any such claim and to participate in the defense thereof.
- (iv) The Authority shall be protected in its acting upon any paper or documents believed by it to be genuine, and it may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action.

(e) Compliance With Bond Insurer Provisions of Indenture. The Public University acknowledges the provisions of the Indenture pertaining to the Bond Insurer, and agrees, so long as the Bonds are outstanding and the Bond Insurer is not in default under the Bond Insurance Policy (subject to any rights of the Bond Insurer to the extent it has become subrogated to the Holders of any Bonds), to comply with the provisions thereof, including, without limitation, providing the notices and information required under Section 12.10(f) of the Indenture, making the payments that may be required under Section 12.10(h), (i) and (j) of the Indenture, and complying with the prohibition on purchasing the Bonds set forth in Section 12.10(l) of the Indenture.

(f) Upon request, the Public University shall furnish or cause to be furnished to Capital One, at the Public University's expense, as soon as available after the close of each fiscal year, the audited financial statements of the Public University at the close of and for such fiscal

year, all in reasonable detail, with supporting schedules, audited by and with the report of the Public University's auditor (the "Audit"), which may be in electronic .pdf format. In the event the Audit is filed on the "EMMA" website of the Municipal Securities Rulemaking Board (the "MSRB"), to satisfy this requirement the Public University may email a link to the posted Audit to Capital One. The electronic Audit or EMMA link may be sent to the following email address (or such other address as Capital One supplies to the Public University in writing): Yvonne2.foley@capitalone.com (Yvonne Foley). In the event that the Audit is not available, the Public University will furnish unaudited financial statements to Capital One in the manner described in this Section, and will then supply the Audit immediately upon the availability thereof.

(g) In the event the Public University delivers or permits, authorizes or consents to the delivery of this Agreement or any of the other Financing Documents to any Person for delivery to the MSRB, prior to such delivery the Public University agrees that it shall redact all personally identifying information, address and account information of Capital One, email addresses, telephone and facsimile numbers, names and signatures of Capital One officers and employees and such other information contained herein as Capital One and the Public University shall have previously agreed may be redacted consistent with SEC Release No. 34-83885 (August 20, 2018), 83 Fed. Reg. 44700 (August 31, 2018) with respect to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. Only such copy of this Agreement or the other Financing Documents reflecting such redacted material shall be delivered to the MSRB.

SECTION 11.11 Reports and Records Furnished by Public University. The Public University shall, if and when reasonably requested by the Authority, provide the following reports and records to the Trustee and the Authority concerning the Project Facilities and the condition of the Public University:

(a) The Public University shall deliver to the Authority any records required by Section 11.04(b) of this Agreement and the Tax Agreement. The Public University also shall furnish annually to the Authority a certification to the effect that the Public University has retained such records. The Public University will retain all such records until three years after the last scheduled maturity date of the Bonds, or in the event the Bonds are retired early, three years after the final retirement of the Bonds.

(b) The Public University acknowledges that the Authority shall have the right at any time, and in the sole and absolute discretion of the Authority, to redetermine the particular records required under Section 11.04(b) of this Agreement. The Public University also acknowledges that if, in the judgment of the Authority, the records retained by the Public University are insufficient, the Authority shall have the right to obtain from the Public University all information necessary to construct the records necessary to demonstrate compliance with Sections 141 of the Code. Additionally, the Authority may, with reasonable cause, retain counsel to construct or review such records. The Public University hereby agrees to be bound by any such records or review, absent manifest error, and to pay the reasonable expenses of the Authority and the reasonable fees and expenses of counsel retained by the Authority as Additional Lease Payments.

SECTION 11.12 Additional Reporting Requirements of the Public University.

The Public University shall furnish or cause to be furnished to the Bond Insurer:

(a) As soon as practicable after they are available but in no event more than one hundred eighty (180) days after the last day of each fiscal year, the audit report and audited financial statements of the Public University for such fiscal year certified by an independent certified public accountant, covering the operations of the Public University for such fiscal year and containing a statement of net assets as of the end of such fiscal year, a statement of revenues, expenses and changes in net assets, and a statement of cash flows for such fiscal year, showing in each case in comparative form the financial figures for the preceding fiscal year;

(b) Any notice, report or certificate required to be delivered by the Public University to the Trustee under the Indenture and/or this Agreement;

(c) Prior to issuing additional debt, a copy of any disclosure document pertaining to such additional debt, which disclosure document shall include, without limitation, the applicable maturity schedule, interest rate or rates, and redemption and security provisions pertaining to any such additional debt; and

(d) Notice of any material adverse change in the financial condition of the Public University, including notice of any litigation or investigation that may have a material adverse effect on the financial position of the Public University, within sixty (60) days following notice of such litigation or investigation.

ARTICLE XII

MISCELLANEOUS

SECTION 12.01 Severability.

In case any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

SECTION 12.02 Paragraph Headings.

The paragraph headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this Agreement.

SECTION 12.03 Notices.

All notices required to be given or authorized to be given by any party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail to the office of the other party or parties as set forth in the Indenture. All notices required to be given or authorized to be given to the Trustee by either party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail to the Principal Office of the Trustee at the address of such Principal Office.

SECTION 12.04 Rights Cumulative.

All rights and remedies herein given or granted to the Authority are cumulative, nonexclusive and in addition to any and all rights and remedies that the Authority may have or be given by reason of any law, statute, ordinance or otherwise.

SECTION 12.05 Amendments or Modification.

This Agreement shall not be amended or modified in any manner without the written consent of the Authority and the Public University and in accordance with the provisions of the Indenture.

SECTION 12.06 Resolution and Indenture Controlling.

In the event any provisions of this Agreement shall be incompatible with the Resolution or the Indenture, the provisions of said Resolution and the Indenture shall be controlling.

SECTION 12.07 Capital One and Bond Insurer as Beneficiaries.

(a) Capital One is hereby explicitly recognized as being a third-party beneficiary hereunder, and may enforce any right, remedy or claim conferred, given or granted to it hereunder.

(b) To the extent this Agreement confers upon or gives or grants to the Bond Insurer any, right, remedy or claim under or by reason of this Agreement, the Bond Insurer is hereby explicitly recognized as being a third-party beneficiary hereunder, and may enforce any such right, remedy or claim conferred, given or granted to it hereunder.

SECTION 12.08 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 12.09 Governing Law.

This Agreement shall be governed exclusively by and construed in accordance with the laws of the State of New Jersey without regard to conflict of law principles.

IN WITNESS WHEREOF, the New Jersey Educational Facilities Authority has caused these presents to be executed by its Executive Director and The William Paterson University of New Jersey has caused these presents to be executed by the _____ of the Public University, all as of the day and year first hereinabove set forth.

NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY

Attest:

Steven P. Nelson
Assistant Secretary

By: _____
Eric D. Brophy, Esq.
Executive Director

Attest:

THE WILLIAM PATERSON UNIVERSITY
OF NEW JERSEY

Stephen O. Bolyai
Senior Vice President for Administration
and Finance

By: _____
[Name]
[Title]

STATE OF NEW JERSEY)
)
) SS.
COUNTY OF PASSAIC)

BE IT REMEMBERED that on May ____, 2019 before me the subscriber, a Notary Public of the State of New Jersey, personally appeared _____, who being by me duly sworn according to law on his oath, says that ____ is the _____ of THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY, the Public University named in the within instrument; and that this person thereupon acknowledged that the instrument signed and delivered by said _____, as and for ____ voluntary act and deed and as and for the voluntary act and deed of said Public University

Notary Public

STATE OF NEW JERSEY)
)
COUNTY OF MIDDLESEX) SS.

BE IT REMEMBERED that on May ____, 2019 before me the subscriber, a Notary Public of the State of New Jersey, personally appeared Eric D. Brophy, Esq., who being by me duly sworn according to law on his oath, says that he is the Executive Director of the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, the Authority named in the within instrument; and that this person thereupon acknowledged that the instrument signed and delivered by said Executive Director, as and for his voluntary act and deed and as and for the voluntary act and deed of said Authority.

Notary Public

EXHIBIT A

PROPERTY DESCRIPTION OF THE LEASED FACILITIES SITE

[To describe the parcel containing Science Hall]

EXHIBIT B

DESCRIPTION OF THE PROJECT FACILITIES

The Series 1991 F Project consists of the construction of a three-story dormitory facility with related lounge, study and other facilities located at the Public University and designed for occupancy of approximately 254 persons known as Hillside Hall.

The Series 1991 F Project provides suite-style standard dormitory accommodations with two double rooms sharing bath facilities. The facility also provides lounge areas and study rooms for residents on each floor. Additionally, it is located in near proximity to other dormitory facilities and food service facilities.

EXHIBIT C

Schedule of Basic Lease Payments

(Included for Informational Purposes Only)

EXHIBIT D

SPECIAL NOTICE EVENTS

The following events shall be considered Special Notice Events:

1. **Private business use of the Bond Financed Property** -- if any portion of the financed and/or refinanced projects will be used by anyone other than a State or local governmental unit or members of the general public who are not using the property in the conduct of a trade or business (e.g., use by a person as an owner, lessee, purchaser of the output of facilities under a “take and pay” or “take or pay” contract, purchaser or licensee of research, a manager or independent contractor under certain management or professional service contracts or any other arrangement that conveys special legal entitlements, including an arrangement that conveys priority rights to the use or capacity of the financed property, for beneficial use of the property financed with proceeds of tax-exempt debt or an arrangement that conveys a special economic benefit). Use of bond financed facilities by the federal government or a 501(c)(3) corporation, or with respect to solar facilities, or a cell tower by a private entity are considered private business use;
2. **Private Loans of Bond Proceeds** -- if any portion of the proceeds of the Bonds (including any investment earnings thereon) are to be loaned by the Public University;
3. **Naming rights agreements for the Bond Financed Property** -- if any portion of the financed and/or refinanced projects will become subject to a naming rights agreement, other than a “brass plaque” dedication;
4. **Research using the Bond Financed Property** -- if any portion of the financed and/or refinanced projects has been or will be used for the conduct of research under the sponsorship, or for the benefit of, any entity other than a State or local governmental unit, other than a qualified research contract described in Rev. Proc. 2007-47;
5. **Management agreement or service agreement** -- if any portion of the financed and/or refinanced projects is to be used under a management contract (e.g., food service, bookstore, or parking management) or service contract, other than (i) a contract for services that are solely incidental to the primary function of the financed and/or refinanced projects, such as janitorial services or office equipment repair, or (ii) a qualified management contract described in Rev. Proc. 2017-13 (and to the extent provided in Rev. Proc. 2017-13, Rev. Proc. 97-13, as amended and supplemented) (Note: a contract that results in the payment of a concession or similar fee to the Public University is not a qualified contract);
6. **Joint Ventures** -- if any portion of the financed and/or refinanced projects will be or has been used in any joint venture arrangement with any person other than a State or local governmental unit;
7. **Sinking fund or pledge fund** -- if the Public University, or any organization related to the Public University, identifies funds which are expected to be used to pay debt

service on the Bonds or secure the payment of debt service on the Bonds, other than those funds or accounts described in the bond documents for the Bonds; or

8. **Unexpected Payments or Proceeds** -- if the Public University receives funds related to the Bond financed and/or refinanced property or the Bonds, including without limitation, charitable gifts, insurance payments and settlements of litigation or other disputes.

Schedule 5.11

The following items are disclosed pursuant to Section 5.11(c), 5.11(e) and 5.11(f) hereof:

None.



Siebert
Cisneros
Shank & Co., L.L.C.

100 Wall Street, 18th Floor
New York, New York 10005
(646) 775-4850

May 1, 2019

The New Jersey Educational Facilities Authority
103 College Road East, 2nd Floor
Princeton, NJ 08540-6612

Re: \$5,070,000
New Jersey Educational Facilities Authority Revenue Refunding Bonds
The William Paterson University of New Jersey Issue, Series 2019 A

Ladies and Gentlemen:

The New Jersey Educational Facilities Authority (the "Issuer") proposes to issue, offer, and sell in a private placement the above-referenced obligations of the Issuer (the "Bonds") issued in a single authorized denomination equal to the aggregate principal amount of \$5,070,000 for the purpose of refunding its Series 2008 C Revenue Bonds maturing on and after July 1, 2020, pursuant to the Resolution Authorizing the Issuance of the New Jersey Educational Facilities Authority Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2019 A, adopted by Issuer on April 23, 2019 (the "Resolution").

This Placement Agent Engagement Agreement (the "Agreement") confirms the agreement among the Issuer, The William Paterson University of New Jersey (the "Obligor"), and Siebert Cisneros Shank & Co., L.L.C. (the "Placement Agent") as follows:

1. **Engagement.** The Issuer and the Obligor hereby engage the Placement Agent as their exclusive agent to assist the Issuer in placing the Bonds with Capital One Public Funding, LLC (the "Purchaser") on a private placement basis (the "Placement"). The Purchaser has certified that it is an "accredited investor" as defined in Rule 501 of Regulation D under the Securities Act of 1933 (the "Securities Act"). The Issuer and the Obligor acknowledge and agree that the Placement Agent's engagement hereunder is not an agreement by the Placement Agent or any of its affiliates to underwrite or purchase the Bonds or otherwise provide any financing to the Issuer or the Obligor. The Placement Agent hereby accepts this engagement upon the terms and conditions set forth in this Agreement.

2. **Fees and Expenses.** For its services under this Agreement, the Obligor agrees to pay the Placement Agent a fee of five dollars (\$5.00) per \$1,000 principal amount of the Bonds.

3. **Disclosure and Due Diligence.**

(a) The Purchaser and the Placement Agent have reviewed certain operating data relating to the University for FY 2017 and FY 2018 and the University's audited financial statements for FY 2017 and FY 2018, each as uploaded to the MSRB's Electronic Municipal Markets Access System, and the University's budget for FY 2017 and FY 2018 (together, the "Information Package"), together with the Resolution, the Trust Indenture dated as of May 1, 2019 by and between the Authority and U.S. Bank National Association, as trustee (the "Indenture"), and the Lease and Agreement, Escrow Letter of

Instructions and Bond Insurance Policy (each as defined in the Indenture), and other legal documents to be used in connection with the Placement (together with all supplements, modifications, and additions thereto, the "Placement Materials"). The Issuer acknowledges and agrees that it prepared and is solely responsible for the completeness, truth, and accuracy of the information regarding the Issuer in the Placement Materials and that the Placement Agent and the Purchaser may rely upon, as complete, true, and accurate, the information regarding the Issuer contained in the Placement Materials and all information provided by the Issuer to the Placement Agent for use in connection with the information regarding the Issuer in the Placement and that the Placement Agent does not assume any responsibility therefor. The Obligor acknowledges and agrees that it has prepared and is solely responsible for the completeness, truth, and accuracy of the information regarding the Obligor in the information regarding the Obligor contained in the Placement Materials and that the Placement Agent and the Purchaser may rely upon, as complete, true, and accurate, the Placement Materials and all information provided by the Obligor to the Placement Agent for use in connection with the information regarding the Obligor in the Placement and that the Placement Agent does not assume any responsibility therefor.

(b) The Issuer and the Obligor each: made available to the Purchaser and the Placement Agent such documents and other information which the Purchaser or the Placement Agent requested, provided access to its officers, directors, employees, accountants, counsel and other representatives, and provided Purchaser and the Placement Agent the opportunity to ask questions and receive answers from knowledgeable individuals, including Bond Counsel (whose opinions each has received and upon which they may rely) concerning the Issuer, the Obligor, the Bonds, and the security therefor; it being understood that the Purchaser and the Placement Agent will rely upon such information supplied by the Issuer and the Obligor and their respective representatives.

4. **Representations, Warranties, and Agreements of the Issuer.** As of the date of this Agreement, unless otherwise stated, the Issuer represents, warrants, and agrees with the Placement Agent that:

(a) The Issuer is duly organized and validly existing under the laws of the State of New Jersey (the "State") with the power to adopt the Resolution, perform the agreements on its part contained therein and in the agreements approved thereby and cause the issuance of the Bonds.

(b) The Issuer has complied, and in all respects is in compliance, with all of the provisions of applicable law of the State.

(c) The Issuer has: (1) duly authorized and approved the execution and delivery of this Agreement; (2) duly adopted the Resolution; (3) duly authorized and approved the Placement Materials and the delivery thereof to Purchaser; and (4) duly authorized and approved the execution and delivery of the Bonds and any documents necessary for the issuance and security for the Bonds (the "Issuer Financing Documents"), and the performance of its obligations and the consummation by it of all other transactions contemplated thereby.

(d) The Issuer Financing Documents have been duly authorized, executed, and delivered by the Issuer, and, assuming due authorization, execution and delivery by the other parties thereto, as applicable, constitute legal, valid and binding agreements of the Issuer enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if sought and by the limitations on legal remedies imposed on actions against the Issuer in the State.

(e) As of the date hereof, the Issuer is not in violation of any applicable law or administrative regulation of the State or any department, division, agency or instrumentality thereof, or any applicable judgment or decree, or in breach of or default under, in any material respect, any loan agreement, note, resolution, certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject, which breach or default would materially and adversely affect the Issuer or its ability to perform its duties and obligations under the Issuer Financing Documents, and the execution and delivery of the Issuer Financing Documents, the adoption of the Resolution and the issuance of the Bonds and compliance with the provisions of each will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State or under any certificate, agreement or other instrument to which the Issuer is a party or is otherwise subject, which breach or default would materially and adversely affect the Issuer or its ability to perform its duties under the Issuer Financing Documents and the Bonds.

(f) As of the date hereof, no action, suit, proceeding or investigation at law or in equity before or by any court, governmental agency, public board or body is pending or, to the knowledge of the Issuer, threatened: (i) in any way affecting the existence of the Issuer or the titles of the members of the New Jersey Educational Facilities Authority to their respective offices, (ii) seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds or the use of the proceeds thereof by or for the benefit of the Obligor, or collection or payment by the Issuer of any amounts pledged or to be pledged as security to pay the principal of and interest on Bonds, (iii) in any way contesting or affecting the validity or enforceability of, or the power or authority of the Issuer to issue, adopt or to enter into (as applicable), the Bonds, the Resolution or the Issuer Financing Documents, (iv) contesting in any way the completeness, truth, or accuracy of the Placement Materials, (v) except as disclosed in the Placement Materials, wherein an unfavorable decision, ruling or finding would materially adversely affect the financial position or condition of the Issuer or would result in any material adverse change in the ability of the Issuer to pledge or apply the security or source of payment of, or to pay debt service on the Bonds, or (vi) contesting the status of the interest on the Bonds as excludable from gross income for federal income tax purposes or as exempt from any applicable state tax, in each case as described in the Placement Materials.

(g) Regarding information provided by the Issuer to the Placement Agent:

(1) The Issuer has furnished the Placement Agent and the Purchaser with the information regarding the Issuer contained in the Information Package. The Issuer represents and warrants that all information regarding the Issuer made available to the Placement Agent by the Issuer or contained in the Information Package is complete, true, and accurate in all material respects.

5. **Representations, Warranties, and Covenants of the Obligor.** As of the date of this Agreement, unless otherwise stated, the Obligor represents, warrants, and agrees with the Placement Agent that:

(a) The Obligor (i) is a component unit of the State, duly organized and validly existing under the laws of the State and authorized to do business under the laws of the State, (ii) has duly authorized and approved the execution and delivery of this Agreement; (iii) has the full right, power, and authority to own its properties and assets, and to carry on its business as now being conducted by it, and as contemplated by this Agreement, the Lease and Agreement and any other documents relating to the Bonds to which the Obligor is a party (the "Obligor Financing Documents"; and, together with the Issuer Documents, the "Financing Documents"), and (iv) has the full right, power, and authority to execute and deliver the Obligor Financing Documents and to perform all the undertakings of the Obligor thereunder.

(b) As of the date hereof, the Obligor is not in any material respect in violation of, breach of, or default under any applicable law of the State or of any state in which the Obligor is authorized to do business or of the United States, or any order, rule, or regulation of any court or governmental agency or body having jurisdiction over the Obligor or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note agreement (including, without limitation, the Obligor Financing Documents) or the other agreement or instrument to which the Obligor is a party or by which the Obligor or any of its property or assets is bound, which violation or breach of or default would have a material adverse effect upon the transactions contemplated by this Agreement, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default under any such instruments; and the execution and delivery of the Obligor Financing Documents, the performance by the Obligor of its obligations thereunder, the consummation by the Obligor of the transactions contemplated thereby and compliance with the provisions on the Obligor's part contained therein, do not and will not conflict with or constitute on the part of the Obligor a violation or breach of or default under any law of the State, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Obligor or any of its activities, properties or assets, or any indenture, mortgage, deed of trust, resolution, note agreement (including, without limitation, the Obligor Financing Documents) or other agreement or instrument to which the Obligor is a party or by which the Obligor or any of its property or assets are bound which violation, breach or default would have a material adverse effect upon the transactions contemplated by this Agreement, nor will any such execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Obligor or under the terms of any such law, regulation, or instrument, except as provided by the Bonds or the Obligor Financing Documents.

(c) The Obligor Financing Documents constitute the valid, legal and binding obligations of the Obligor (assuming due authorization, execution and delivery by the respective other parties thereto, where necessary), enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws of general applicability affecting the enforcement of creditors' rights and to general principles of equity, regardless of whether such enforceability is considered in equity or in law.

(d) No consent, approval, authorization or order of any court or governmental body is required for the consummation by the Obligor of the transactions contemplated by this Agreement and the other Obligor Financing Documents.

(e) As of the date hereof, there is no action, suit, proceeding, inquiry or investigation of which the Obligor has been notified, at law or in equity, before or by any judicial or administrative court or governmental agency or body, state, federal or other, pending or, to the best knowledge of the Obligor, threatened against the Obligor, affecting the existence of the Obligor or the titles of its officers executing this Agreement to their respective offices, or contesting or affecting as to the Obligor the validity or enforceability of the Bonds, any of the Obligor Financing Documents or the execution and delivery or adoption by the Obligor of any of the Obligor Financing Documents, or in any way contesting or challenging the powers of the Obligor or its authority with respect to the Obligor Financing Documents or the consummation of the transactions contemplated hereby or thereby; nor, to the best knowledge of the Obligor, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the financial condition or operations of the Obligor or the validity of the authorization, execution, delivery or performance by the Obligor of any of the Obligor Financing Documents.

(f) Any certificate signed by the Obligor and delivered to the Placement Agent and the Issuer shall be deemed a representation and warranty by the Obligor to the Placement Agent and the Issuer as to the statements made therein.

(g) Regarding information provided by the Obligor to the Placement Agent:

- (1) The Obligor has furnished the Placement Agent and the Purchaser with the information regarding the Obligor contained in the Information Package. The Obligor represents and warrants that all information regarding the Obligor made available to the Placement Agent by the Obligor or contained in the Information Package is complete, true, and accurate in all material respects;
- (2) Except as otherwise indicated to the contrary in the Obligor's financial statements, all historical financial statements of the Obligor provided to the Placement Agent and the Purchaser were prepared in accordance with generally accepted accounting principles and practices then in effect in the United States and fairly present the financial condition and operations of the entities covered thereby in all material respects; and
- (3) Any forecasted financial or market information with respect to the Obligor or its market provided to the Placement Agent and the Purchaser by the Obligor has been prepared in good faith with a reasonable basis for the assumptions and the conclusions reached therein.

6. **Representations, Warranties, and Agreements of the Placement Agent.** As of the date of this Agreement, unless otherwise stated, the Placement Agent represents, warrants, and agrees with the Issuer and the Borrower that:

(a) The Placement Agent has been duly authorized to execute this Agreement and any other instrument upon or in connection with the delivery of the Bonds. The Placement Agent has not entered into any undisclosed financial or business relationship, arrangements, or practices required to be disclosed in connection with the placement of the Bonds, pursuant to Securities and Exchange Commission Release No. 33-7049; 34-33741; FR 42; File No. S7-4-94 (March 9, 1994) or required to be disclosed pursuant to Municipal Securities Rulemaking Board ("MSRB") rules.

(b) The Placement Agent has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to N.J.S.A. 19:44A-20.27 (P.L. 2005, c. 271, Section 3) if the Placement Agent enters into agreements or contracts, such as this Placement Agreement, with a public entity, such as the Issuer, and receives compensation or fees in excess of \$50,000 or more in the aggregate from public entities, such as the Issuer, in a calendar year. It is the Placement Agent's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties upon the Placement Agent by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

(c) The Placement Agent represents and warrants that all information, certifications, and disclosure statements previously provided in connection with P.L. 2005, c. 51 which codified Executive Order No. 134 (McGreevey 2004) and Executive Order No. 117 (Corzine 2008) ("Executive Order 117") are true and correct as of the date hereof and that all such statements have been made with full knowledge

that the Issuer shall rely upon the truth of the statements contained therein and herein in engaging the Placement Agent in connection with the issuance of the Bonds. The placement Agent further agrees to execute and deliver at Closing a "P.L. 2005, c. 51 and Executive Order 117 Certification of No Change" in the form attached hereto as Exhibit A.

(d) The Placement Agent represents and warrants that it has complied with the requirements of N.J.S.A. 52:32-58 and has filed a certification with the Issuer that it is not identified on the list of persons engaging in investment activities in Iran.

(e) The Placement Agent represents and warrants that in accordance with L. 2005, c. 92, all services provided under this Agreement will be performed in the United States of America.

7. **Executive Order No. 9 (Codey 2004) Compliance.** Pursuant to Executive Order No. 9 (Codey 2004) ("Executive Order No. 9"), dated and effective as of December 6, 2004, it is the policy of the State that in all cases where bond underwriting services are or may be required by the State or any of its departments, agencies or independent authorities, such department, agency or independent authority shall deal directly with the principals of the underwriting firms or their registered lobbyists. The department, agency or independent authority shall not discuss, negotiate or otherwise interact with any third-party consultant, other than the principals of the underwriting firms and their registered lobbyists, with respect to the possible engagement of the firm to provide bond underwriting services. Compliance with Executive Order No. 9 is a material term and condition of this Agreement and binding upon the parties hereto, including the Placement Agent.

8. **Regulatory Disclosure.** The Issuer and the Obligor each acknowledge, in connection with the purchase and sale of the Bonds, the offering of the Bonds for sale, and the discussions and negotiations relating to the terms of the Bonds pursuant to and as set forth in this Agreement, that:

(a) The Placement Agent has acted at arm's length, is acting solely for its own account and is not an agent of or advisor to (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), and owes no fiduciary duty to the Issuer or any other person;

(b) The Placement Agent's duties and obligations to the Issuer and/or the Obligor shall be limited to those contractual duties and obligations set forth in this Agreement;

(c) The Placement Agent may have interests that differ from those of the Issuer and/or the Obligor; and

(d) The Issuer and the Obligor each has consulted its legal and financial advisors to the extent it deemed appropriate in connection with the offering and sale of the Bonds. The Issuer and the Obligor each further acknowledges and agrees that it is responsible for making its judgment with respect to the offering and sale of the Bonds and the process leading thereto. The Issuer and the Obligor each agrees that it will not claim that the Placement Agent acted as a Municipal Advisor to it or rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to it, in connection with the offering or sale of the Bonds or the process leading thereto.

9. **Survival of Certain Representations and Obligations.** The respective agreements, covenants, representations, warranties and other statements of the Issuer and the Obligor and their respective officers set forth in or made pursuant to this Agreement shall survive delivery of and payment

for the Bonds and shall remain in full force and effect, regardless of any investigation, or statements as to the results thereof, made by or on behalf of the Placement Agent.

10. **Notices.** Any notice or other communication to be given to a party hereto may be given by delivering the same in writing at the address set forth below.

If to Issuer:

The New Jersey Educational Facilities Authority
Attn: Executive Director
103 College Road East, 2nd Fl.
Princeton, NJ 08540-6612

If to Obligor:

The William Paterson University
Attn: Vice President for Administration and Finance
300 Pompton Way
Wayne, New Jersey 07470

If to Placement Agent:

Siebert Cisneros Shank & Co., L.L.C.,
Attention: John Carter
100 Wall Street, 18th Floor
New York, NY 10005

11. **No Assignment.** This Agreement has been made by the Issuer and the Placement Agent, and no person shall acquire or have any right under or by virtue of this Agreement.

12. **Applicable Law.** This Agreement shall be interpreted, governed and enforced in accordance with the laws of the State of New Jersey.

13. **Effectiveness.** This Agreement shall become effective upon its execution by duly authorized officials of all parties hereto and shall be valid and enforceable from and after the time of such execution.

14. **Severability.** In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

[Remainder of Page Intentionally Left Blank]

15. **Counterparts.** This Agreement may be executed in several counterparts (including counterparts exchanged by email in PDF format), each of which shall be an original and all of which shall constitute but one and the same instrument.

Very truly yours,

SIEBERT CISNEROS SHANK & CO., L.L.C.

By: _____

John Carter
Senior Managing Director

Accepted and Agreed to this
14th day of May, 2019

THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY

THE WILLIAM PATERSON UNIVERSITY
OF NEW JERSEY

By: _____

Eric D. Brophy
Executive Director

By: _____

Stephen Bolyai
Vice President

EXHIBIT A

Siebert Cisneros Shank & Co., L.L.C., as placement agent (the "Placement Agent") for the New Jersey Educational Facilities Authority Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2019 A (the "Bonds") under the Placement Agent Engagement Agreement dated May 14, 2019, hereby certifies that all information, certifications, and disclosure statements previously provided by the Placement Agent in connection with P.L. 2005, c. 51, which codified Executive Order 134 (McGreevey 2004) and Executive Order 117 (Corzine 2008), are true and correct as of the date hereof and that all such statements have been made with full knowledge that the New Jersey Educational Facilities Authority shall rely upon the truth of the statements contained herein and therein and in the Placement Agreement in engaging the Placement Agent in connection with the placement of the Bonds.

IN WITNESS WHEREOF, the undersigned has executed this Certificate this 14th day of May, 2019.

SIEBERT CISNEROS SHANK & CO., L.L.C.

By: _____
John Carter
Senior Managing Director

TRUST INDENTURE

by and between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of May 1, 2019

Relating to

\$_____ New Jersey Educational Facilities Authority Revenue Refunding Bonds,
The William Paterson University of New Jersey Issue, Series 2019 A

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EXHIBIT A FORM OF BOND

EXHIBIT B LIST OF INVESTMENT OBLIGATIONS

TRUST INDENTURE

This **TRUST INDENTURE** (this “Indenture”), dated as of May 1, 2019, by and between the **NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**, a public body corporate and politic of the State of New Jersey (the “Authority”), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America with trust and fiduciary powers in the State of New Jersey, and being duly qualified to accept and administer the trusts created hereby (the “Trustee”),

WITNESSETH:

WHEREAS, the Authority is a public body corporate and politic of the State of New Jersey (the “State”), created under the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented, N.J.S.A. 18A:72A-1 et seq.) (the “Act”); and

WHEREAS, the Authority has heretofore issued its Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2008 C (the “Series 2008 C Bonds”) on behalf of The William Paterson University of New Jersey (the “Public University”); and

WHEREAS, the Public University has determined it is necessary and advisable to undertake a project (collectively, the “Project”) consisting of: (i) the current refunding of the outstanding \$4,975,000 principal amount of the Series 2008 C Bonds maturing on July 1 of the years 2020 through 2038, inclusive, and (ii) paying certain costs incidental to the issuance of the Bonds, all as presented, submitted and approved by the Public University Board; and

WHEREAS, pursuant to a Resolution of the Authority adopted on April 23, 2019, the Authority determined that it was necessary and in keeping with its authorized purposes to issue a series of bonds to be designated “New Jersey Educational Facilities Authority Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2019 A” (the “Bonds”), for the purpose of providing funds to finance all or a portion of the Project; and

WHEREAS, the repayment of the Bonds will be secured by a Lease and Agreement dated the date hereof by and between the Authority and the Public University (the “Lease Agreement”) pursuant to which the Authority will lease the Leased Facilities (as defined therein) to the Public University; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid, legal and binding, special and limited obligations of the Authority and to constitute this Indenture a valid, legal and binding agreement and pledge of the property, rights, interests and revenues herein pledged and assigned, have been done and performed, and the execution and delivery of this Indenture and the issuance and delivery of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the acceptance of the Bonds by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the principal of, redemption premium, if any, and interest on all of

the Bonds issued and Outstanding under this Indenture from time to time according to their tenor and effect, and to secure the performance and observance by the Authority of all the covenants, agreements and conditions herein and in the Bonds contained, the Authority does hereby transfer, pledge and assign to the Trustee and its successors and assigns in trust forever, and does hereby grant a security interest unto the Trustee and its successors in trust and its assigns, in the property described in the Granting Clauses below (said property being herein referred to as the "Trust Estate"), to wit:

GRANTING CLAUSE FIRST

All right, title and interest of the Authority in and to all payments received or receivable by the Authority from the Public University under the Lease Agreement (but excluding the Authority's rights to payment of its fees and expenses, to indemnification and as otherwise expressly set forth in the Lease Agreement), and any amounts pledged by the Public University thereunder to the extent provided in the Lease Agreement.

GRANTING CLAUSE SECOND

All moneys and securities from time to time held by the Trustee under the terms of this Indenture, including but not limited to those amounts held in the Construction Fund and the Debt Service Fund (except moneys and securities held in the Rebate Fund).

GRANTING CLAUSE THIRD

Any and all other property (real, personal or mixed) of every kind and nature from time to time hereafter by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the Authority or by anyone on its behalf or with its written consent, to the Trustee, which 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.

TO HAVE AND TO HOLD, with all rights and privileges hereby transferred, pledged, assigned and/or granted or agreed or intended so to be, to the Trustee and its successors and assigns in trust forever;

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future holders of the Bonds, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of one bond over or from the others, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided;

PROVIDED, NEVERTHELESS, and these presents are upon the express condition that, if the Authority or its successors or assigns shall well and truly pay or cause to be paid the principal of such Bonds with interest, according to the provisions set forth in the Bonds or shall provide for the payment or redemption of such Bonds by depositing or causing to be deposited with the Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions hereof, and shall also pay or cause to be paid all other sums payable hereunder by the Authority, then these presents and the estate and rights hereby granted shall cease, determine and become void, and thereupon the Trustee, on payment

of its lawful charges and disbursements then unpaid, on demand of the Authority and upon the payment of the costs and expenses thereof, shall duly execute, acknowledge and deliver to the Authority such instruments of satisfaction or release as may be necessary or proper to discharge this Indenture of record, and if necessary shall grant, reassign and deliver to the Authority, its successors or assigns, all the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Indenture shall be and remain in full force and effect.

NOW, THEREFORE, it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and that all the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority does hereby agree and covenant with the Trustee and with the respective Owners from time to time of the Bonds, as their interests may appear, as follows:

ARTICLE I
DEFINITIONS, RULES OF CONSTRUCTION

Section 1.01 Definitions of Words and Terms. In addition to words and terms elsewhere defined herein, the following words and terms as used in this Indenture and in the Lease Agreement shall have the following meanings, unless some other meaning is plainly intended:

“Act” means New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented, N.J.S.A. 18A:72A-1 et seq.).

“Authority” means the New Jersey Educational Facilities Authority, a public body corporate and politic, with corporate succession, constituting a political subdivision of the State, organized and existing under and by virtue of the Act.

“Authorized Denomination” means the aggregate principal amount of all Bonds then Outstanding.

“Authorized Officer” means (i) in the case of the Authority, the Chair, Vice Chair, Treasurer, Executive Director, Deputy Executive Director, Director of Project Management, Director of Compliance Management, Secretary, Assistant Treasurer or any Assistant Secretary, and when used with reference to any act or document also means any other person authorized by resolution of the Authority to perform such act or execute such document or serving in an interim or acting capacity; (ii) in the case of the Public University, the Chair or Vice Chair of the Public University Board, the President or the Vice President for Administration and Finance, and when used in reference to any act or document also means any other person or persons authorized by a resolution of the Public University Board to perform any act or execute any document; and (iii) in the case of the Trustee, means the President, Executive Vice President, Senior Vice President, any Vice President, any Assistant Vice President, any Corporate Trust Officer, any Trust Officer, any Assistant Trust Officer or any Assistant Secretary of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee.

“Basic Lease Payments” means an amount of money payable in accordance with the Lease Agreement, as more fully provided for in Section 4.05 of the Lease Agreement.

“Basic Lease Payment Date” means (i) with respect to the Principal Portion of a Basic Lease Payment, December 20 and June 20 prior to any regularly scheduled Principal Payment Date or, if such date is not a Business Day, the Business Day next preceding such date, (ii) with respect to the Interest Portion of a Basic Lease Payment, December 20 and June 20, as applicable, prior to any regularly scheduled Interest Payment Date and (iii) with respect to a prepayment or acceleration, the date of payment of the Purchase Option Price or Mandatory Purchase Price, as the case may be.

“Bond Documents” means, collectively, this Indenture, the Resolution, the Bonds, the Lease Agreement, the Escrow Letter of Instructions and the Tax Agreement and any and all

future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

“Bond Insurance Policy” means the municipal bond insurance policy issued by the Bond Insurer that guarantees payment of principal of and interest on the Bonds.

“Bond Insurer” means Assured Guaranty Municipal Corp., or any successor thereto or assignee thereof.

“Bond Payment Obligations” means, for any period or payable at any time, the principal of (whether on a Principal Payment Date, at stated maturity, by mandatory sinking fund redemption, if any, by acceleration or otherwise) and premium, if any, and interest on the Bonds for that period or due and payable at that time as the case may be.

“Bond Register” means the registration books of the Authority kept by the Trustee to evidence the registration and transfer of the Bonds.

“Bond Registrar” means the Trustee when acting as such, and any other bank or trust company designated and at the time serving as bond registrar under this Indenture.

“Bondowner” “Holder” “Owner” or “Registered Owner” means the Person in whose name a Bond is registered on the Bond Register.

“Bond Year” shall have the meaning assigned to such term in the Tax Agreement.

“Bonds” means the Series 2019 A Bonds.

“Business Day” means a day other than a day (i) on which banks located in the City of New York, New York, the State of New Jersey or the city in which the Principal Office of the Trustee is located, are required or authorized by law or executive order to close, and (ii) on which the New York Stock Exchange is closed.

“Capital One” means Capital One Public Funding, LLC.

“Capital One Certificate” means the certificate delivered by Capital One on the Closing Date in connection with the issuance and delivery of the Bonds.

“Certificate” means a certificate or report, in form and substance satisfactory to the Authority (such satisfaction to be assumed if such certificate or report is mailed to the Authority and it does not object in writing within ten (10) days after such mailing), executed: (a) in the case of an Authority Certificate, by the Chair, Vice Chair, Treasurer, Executive Director, Deputy Executive Director, Director of Project Management, Director of Compliance Management, Secretary, Assistant Treasurer or any Assistant Secretary, including those serving in an interim or acting capacity; (b) in the case of a Public University Certificate, by the Chair or Vice Chair of the Public University Board, the President or the Vice President for Administration and Finance and by its Secretary or Assistant Secretary; and (c) in the case of a Certificate of any other Person, by such Person, if an individual, and otherwise by an officer, 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.

“Certified Public Accountant” or **“Accountant”** shall mean any firm of certified public accountants (not an individual) who shall be Independent, appointed by the Public University Board or the Authority, as the case may be, actively engaged in the business of public accounting, and duly certified as a certified public accountant under the laws of the State.

“Certified Resolution” means, as the context requires: (a) one or more resolutions of the Authority, certified by the Secretary, an Assistant Secretary or the Assistant Treasurer of the Authority under its official common seal, to have been duly adopted and to be in full force and effect as of the date of certification; or (b) one or more resolutions of the Public University Board or duly authorized committee thereof, certified by the Secretary of the Public University Board or any authorized officer of the Public University as authorized by resolution of the Public University Board, under its corporate seal, to have been duly adopted and to be in full force and effect as of the date of certification.

“Closing Date” means the date of initial delivery of and payment for the Bonds.

“Construction Fund” means the fund by that name created pursuant to Section 4.01(a) hereof.

“Costs of Issuance” means issuance costs with respect to the Bonds described in Section 147(g) of the Internal Revenue Code, including but not limited to the following: (a) counsel fees (including bond counsel, underwriters’ counsel, the Public University’s counsel, if any, Trustee’s counsel, as well as any other specialized counsel fees incurred in connection with the borrowing); (b) financial advisor fees of any financial advisor to the Authority or the Public University incurred in connection with the issuance of the Bonds; (c) rating agency fees; (d) trustee, registrar and paying agent fees; (e) accountant fees and other expenses related to issuance of the Bonds; (f) printing costs for the Bonds; and (g) fees and expenses of the Authority incurred in connection with the issuance of the Bonds.

“Costs of Issuance Account” means the account so designated, created and established in the Construction Fund pursuant to Section 4.01(a) hereof.

“Counsel” shall mean an attorney at law or law firm duly authorized to engage in the practice of law (which may include counsel to the Public University) satisfactory to the Authority.

“Debt Service Fund” means the Fund by that name created by Section 4.01(b) hereof.

“Escrow Letter of Instructions” or **“Escrow Letter”** means the Escrow Letter of Instructions dated May 14, 2019 from the Authority to The Bank of New York Mellon, in its capacity as trustee for the Series 2008 C Bonds, executed in connection with the redemption and defeasance of the Series 2008 C Bonds to be refunded.

“Event of Default” means (a) with respect to this Indenture, any “Event of Default” as defined in Section 7.01, and (b) with respect to the Lease Agreement, any “Lease Default Event” as defined in Section 7.01 of the Lease Agreement.

“Extraordinary Services” and **“Extraordinary Expenses”** means all services rendered and all reasonable expenses properly incurred by the Trustee or any of its agents under this Indenture, other than Ordinary Services and Ordinary Expenses.

“Final Computation Date” shall have the meaning assigned to that term in Section 4.07(b) hereof.

“Financing Documents” shall have the meaning assigned to that term in the Lease Agreement.

“Fiscal Year” means the fiscal year of the Public University, currently the 12-month period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year, or such other period of 12 months as may be adopted by the Public University Board from time to time as its Fiscal Year.

“Fitch” means Fitch Ratings, a division of Fitch Group, and its successors and assigns.

“GASB” means those accounting principles applicable in the preparation of financial statements of institutions of higher learning, as promulgated by the Governmental Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certified Public Accountants or any successor body.

“Government Obligations” shall mean any of the investment types identified in paragraphs A, B and C of the “List of Investment Obligations”, as contained in Exhibit B attached hereto.

“Holder” shall have the same meaning as the term “Bondowner.”

“Indenture” means this Trust Indenture as originally executed by the Authority and the Trustee, as from time to time may be amended and supplemented by Supplemental Indentures.

“Independent” shall mean, with respect to any Person, one which is not a member of the Authority, a member of the Public University Board, a corporate officer or employee of the Authority or a corporate officer or employee of the Public University, or which is not a partnership, corporation or association having a partner, director, corporate officer, member or substantial stockholder who is a member of the Authority or a member of the Public University Board, a corporate officer or employee of the Authority or a corporate officer or employee of the Public University; provided, however, that the fact that such Person is retained regularly by or transacts business with the Authority or the Public University shall not make such Person an employee within the meaning of this definition.

“Initial Fee” means the fee paid or payable to the Authority for its services in connection with the issuance of the Bonds, calculated at the rate of 1/5 of 1% of the principal amount of the Bonds, with a maximum initial fee of \$125,000.

“Interest Payment Date” means each January 1 and July 1, commencing January 1, 2020, through and including the maturity date for the Bonds and for Bonds subject to redemption on any date, the date of such redemption.

“Internal Revenue Code” or **“Code”** means the Internal Revenue Code of 1986, as amended, and, when appropriate, any statutory predecessor or successor thereto, and all applicable regulations (whether proposed, temporary or final) thereunder and any applicable official rulings, announcements, notices, procedures and judicial determinations relating to the foregoing.

“Investment Obligations” means any of the investment types identified in Exhibit B attached hereto.

“Lease Agreement” means the Lease and Agreement dated as of the date hereof relating to the Bonds, by and between the Authority and the Public University, and as from time to time may be amended by Supplemental Lease Agreements.

“Leased Facilities” shall have the meaning ascribed to that term in the Lease Agreement.

“Letter of Instructions” means the Letter of Instructions provided by GluckWalrath LLP in connection with the execution of this Indenture and attached to the Certificate as to Arbitrage as Exhibit A, as such letter may be amended from time to time, as a source of guidance for compliance with the Internal Revenue Code.

“Moody’s” means Moody’s Investors Service, Inc. and its successors and assigns.

“Net Proceeds” when used with respect to any insurance proceeds or any condemnation award, means the amount remaining after deducting all expenses (including attorneys’ fees and disbursements) incurred in the collection of such proceeds or award from the gross proceeds thereof.

“Obligations” shall have the meaning assigned to that term in Section 12.06 hereof.

“Opinion of Counsel” means an opinion in writing signed by legal counsel, which legal counsel may be an employee of or counsel to the Public University, acceptable to the Public University and, to the extent the Authority is asked to take action in reliance thereon, to an Authorized Officer of the Authority.

“Ordinary Services” and **“Ordinary Expenses”** means those services normally rendered and those expenses normally incurred, by a trustee under instruments similar to this Indenture, but not those services rendered and those expenses incurred following the occurrence and during the continuation of an Event of Default under Section 7.01 hereof.

“Outstanding” means, when used with reference to Bonds, as of a particular date, all Bonds theretofore authenticated and delivered, except: (a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation pursuant to Section 2.11; (b) Bonds which are deemed to have been paid in accordance with Article XI; and (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to Article II.

“Owner” has the same meaning as the term “Bondowner.”

“Paying Agent” means the Trustee and any other commercial bank or trust institution organized under the laws of any state of the United States of America or any national banking association designated by this Indenture or any Supplemental Indenture as paying agent for the Bonds at which the principal of and redemption premium, if any, and interest on such Bonds shall be payable.

“Payment Default” means an Event of Default described in Section 7.01(a) or (b).

“Person” means any natural person, firm, joint venture, association, partnership, business, trust, corporation, public body, agency or political subdivision thereof or any other similar entity.

“Prime Rate” means the rate from time to time publicly announced by the Trustee’s primary commercial banking affiliate as its “prime rate” or “base rate.”

“Principal Office” means, with respect to any entity performing functions under any Bond Document, the designated office of that entity or its affiliate at which those functions are performed.

“Prior Agreements” shall have the meaning provided therefor in the Lease Agreement.

“Project Account” means the account so designated, created and established in the Construction Fund pursuant to Section 4.01(a) hereof.

“Project Facilities” shall have the meaning assigned to that term in the Lease Agreement.

“Public University” means the public institution for higher education authorized and created pursuant to State law, the name of which is The William Paterson University of New Jersey, located in Wayne, New Jersey.

“Public University Board” means the Board of Trustees of the Public University, as the governing body vested with the power of management of the Public University, or a duly authorized committee thereof.

“Rebatable Arbitrage” shall have the meaning assigned to that term in Section 4.07(b) hereof.

“Rebate Fund” means the fund by that name created by Section 4.01(c).

“Rebate Computation Date” shall have the meaning assigned to that term in Section 4.07(b) hereof.

“Record Date” means the fifteenth day of the month immediately preceding each Interest Payment Date.

“Registered Owner” shall have the same meaning as the term “Bondowner.”

“Rental Pledge Account” means The William Paterson University of New Jersey Rental Pledge Account created by the Public University to be maintained with the Trustee pursuant to Section 4.04 of the Lease Agreement.

“Resolution” means the resolution of the Authority, adopted April 23, 2019, authorizing, among other things, the execution and delivery of this Indenture and the Lease Agreement and the issuance of the Bonds.

“S&P” means Standard & Poor’s Global Ratings, a Standard & Poor’s Financial Services LLC business, and its successors and assigns.

“Series 2019 A Bonds” means the New Jersey Educational Facilities Authority Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2019 A, in the original principal amount of \$ _____, issued pursuant to the Resolution and this Indenture.

“State” means the State of New Jersey.

“Supplemental Indenture” means any indenture supplemental or amendatory to this Indenture entered into by the Authority and the Trustee pursuant to Article IX hereof.

“Supplemental Lease Agreement” means any agreement supplemental or amendatory to the Lease Agreement entered into by the Authority and the Public University pursuant to Article X hereof.

“Tax Agreement” means, collectively, the Tax Representation Letter executed and delivered by the Public University and the Certificate as to Arbitrage executed and delivered by the Authority at the time of issuance and delivery of the Bonds.

“Trustee” means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America with fiduciary and trust powers in the State of New Jersey, and its successors and any entity resulting from or surviving any consolidation or merger to which it or its successors may be a party, and any successor trustee at the time serving as successor trustee hereunder.

“Trust Estate” means the Trust Estate described in the Granting Clauses of this Indenture.

“Written Request” means a request in writing signed by an Authorized Officer of the Authority or Public University, as applicable.

“Yield” shall have the meaning assigned to that term in the Tax Agreement.

Section 1.02 Rules of Construction. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Indenture:

- (a) The terms defined in this Article I include the plural as well as the singular.
- (b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with GASB to the extent applicable.
- (c) The words “herein,” “hereof,” “hereunder,” “hereto” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.
- (d) The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.
- (e) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

**ARTICLE II
THE BONDS**

Section 2.01 Amount of Bonds; Purpose. No Bonds may be issued under this Indenture except in accordance with this Article. The Bonds shall be issued and secured under this Indenture for the purposes set forth in the Recitals. The total principal amount of Bonds that may be issued as provided in Section 2.02 is hereby expressly limited to \$ _____.

Section 2.02 Issuance of the Bonds.

The Bonds are hereby authorized to be issued and secured hereunder as follows:

(a) Designation, Denominations, Numbering and Dating. The Bonds shall be designated “New Jersey Educational Facilities Authority Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2019 A”. The Bonds shall be issuable as fully registered Bonds without coupons in the Authorized Denomination and shall be numbered consecutively from 1 upward in the order of their issuance. The Bonds shall initially be dated the date of their initial issuance and delivery, and thereafter shall be dated the date of authentication; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds shall be in default, Bonds issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered.

(b) Principal Amount, Maturity and Interest. The Bonds shall be issued in an aggregate principal amount of \$ _____, shall bear interest payable on January 1, 2020 and thereafter semiannually on January 1 and July 1 of each year, at the rate of three and forty-five one-hundredths percent (3.45%) per annum, and shall be payable (subject to prior redemption as provided in Article III) in semiannual principal installments payable on January 1 on July 1 of each year, commencing January 1, 2020, as set forth in the form of the Bond contained in Exhibit A hereto, through and including the final maturity date of July 1, 2038. The amount of interest payable with respect to any Bonds on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months.

Section 2.03 Determination of Interest Rates.

The Bonds shall bear interest from the most recent Interest Payment Date next preceding the date of such Bonds to which interest has been paid, unless the date of such Bond is an Interest Payment Date, in which case interest shall be payable from such date, or unless the date of such Bond is prior to the first Interest Payment Date of the Bonds, in which case interest shall be payable from the dated date of the Bonds, or unless the date of such Bond is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

Section 2.04 Conditions To Delivery of Bonds.

(a) The Bonds shall be executed substantially in the form and manner set forth in Section 2.07 and furnished to the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Bonds by the Trustee there shall be filed or deposited with the Trustee the following:

(i) A copy, certified as true and correct by the Secretary or Assistant Secretary of the Authority, of the Resolution adopted by the Authority authorizing the issuance of the Bonds and the execution of this Indenture, the Lease Agreement and any other Bond Documents to which it is a party.

(ii) A copy, duly certified as true and correct by the Secretary of the Public University Board (or other officer serving in a similar capacity), of the resolution(s) adopted and approved by the Public University Board authorizing the execution and delivery of the Lease Agreement, and any other Bond Documents to which it is a party, and approving this Indenture and the issuance of the Bonds.

(iii) An original executed counterpart of this Indenture, the Lease Agreement and each of the other Bond Documents.

(iv) A request and authorization to the Trustee on behalf of the Authority, executed by an Authorized Officer of the Authority, to authenticate the Bonds and deliver the Bonds to Capital One upon payment to the Trustee, for the account of the Authority, of the purchase price thereof. The Trustee shall be entitled to rely conclusively upon such request and authorization as to the name of Capital One and the amount of such purchase price.

(v) An opinion or opinions of bond counsel, dated as of the Closing Date.

(vi) Such other certificates, statements, receipts, opinions and documents as the Authority shall reasonably require for the delivery of the Bonds.

(b) When the documents specified in subsection (a) shall have been filed with the Trustee, and when the Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver the Bonds to or upon the order of Capital One, but only upon payment to the Trustee of the purchase price of the Bonds as specified in the request and authorization by the Authority. The net proceeds of the Bonds shall be immediately paid over to the Trustee, and the Trustee shall deposit and apply such proceeds as provided in Article IV.

Section 2.05 Forms and Denominations of Bonds.

(a) The Bonds and the Trustee's Certificate of Authentication to be endorsed thereon shall be in substantially the form set forth in Exhibit A hereto, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture or any Supplemental Indenture. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

(b) The Bonds shall be issuable in the form of fully registered Bonds without coupons in the Authorized Denomination.

Section 2.06 Method and Place of Payment of Bonds.

(a) The Trustee is hereby designated as the Authority's Paying Agent for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

(b) The principal of, redemption premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

(c) The principal of and the redemption premium, if any, on all Bonds shall be payable by check or draft at maturity or upon earlier redemption to the Persons in whose names such Bonds are registered on the Bond Register at the maturity or redemption date thereof, upon the presentation and surrender of such Bonds at the Principal Office of the Trustee or of any Paying Agent named in the Bonds; provided, however, that so long as Capital One is the Registered Owner of the Bonds, no presentment for payment of the principal of and the redemption premium, if any, shall be required except upon final maturity.

(d) The interest payable on each Bond on any Interest Payment Date shall be paid by the Trustee to the Person in whose name such Bond is registered on the Bond Register at the close of business on the Record Date for such interest, (i) by check or draft mailed on the applicable Interest Payment Date to such Registered Owner at his address as it appears on such Bond Register or at such other address as is furnished to the Trustee in writing by such Owner or (ii) by electronic transfer in immediately available funds, at the written request addressed to the Trustee by any Owner of Bonds in the aggregate principal amount of at least \$1,000,000 or the aggregate principal amount of the Bonds Outstanding, whichever is less, such request to be signed by such Owner, containing the name of the bank (which shall be in the continental United States), its address, its ABA routing number, the name and account number to which credit shall be made and an acknowledgment that an electronic transfer fee is payable, and to be filed with the Trustee no later than ten Business Days before the applicable Record Date preceding such Interest Payment Date.

Section 2.07 Execution and Authentication of Bonds.

(a) The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chair, Vice Chair, Executive Director or Deputy Executive Director and attested by the manual or facsimile signature of its Executive Director, Secretary or any Assistant Secretary or Assistant Treasurer, including those serving in an interim or acting capacity (provided that the person executing the Bonds may not also make its attestation), and shall have the official common seal of the Authority or a facsimile thereof affixed thereto or imprinted thereon. In case any officer whose signature or facsimile thereof appears on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such Person had remained in office until delivery. Any Bond may be signed by such Persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such Persons may not have been such officers.

(b) The Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Exhibit A hereto, which shall be manually executed by the Trustee. No Bond shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee. Such executed Certificate of Authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Certificate of Authentication on any Bond shall be deemed to have been duly executed if signed by any Authorized Officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the Certificate of Authentication on all of the Bonds that may be issued hereunder at any one time.

Section 2.08 Registration, Transfer and Exchange of Bonds.

(a) The Trustee is hereby appointed Bond Registrar and as such shall keep the Bond Register at its Principal Office.

(b) Any Bond may be transferred only upon the Bond Register upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the Authority shall execute and the Trustee shall authenticate and deliver in exchange for such Bond, a new Bond or Bonds registered in the name of the transferee, of any Authorized Denomination or Denominations, in an equal aggregate principal amount and of the same maturity and bearing interest at the same rate.

(c) Any Bonds, upon surrender thereof at the Principal Office of the Trustee, together with an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of the Authorized Denomination, and bearing interest at the same rate.

(d) In all cases in which Bonds shall be exchanged or transferred hereunder, the Authority shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with this Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee.

(e) The Authority or the Trustee may make a charge against the Bondowner requesting the same for every such transfer or exchange of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any such new Bond shall be delivered. The reasonable fees and charges of the Trustee for making any transfer or exchange hereunder and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the Public University. In the event any Bondowner fails to provide a correct taxpayer identification number to the Trustee, the Trustee may impose a charge against such Bondowner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Internal Revenue Code, such amount may be deducted by the Trustee from amounts otherwise payable to such Bondowner hereunder or under the Bonds.

(f) The Trustee shall not be required to transfer or exchange (i) any Bond during a period beginning at the opening of business 15 days before the day of mailing of any notice of redemption of Bonds and ending at the close of business on the day of such mailing, (ii) any Bond so selected for redemption in whole or in part, or (iii) any Bond during a period beginning at the opening of business on any Record Date and ending at the close of business on the relevant Interest Payment Date.

(g) The Person in whose name any Bond shall be registered on the Bond Register shall be deemed and regarded as the absolute Owner of such Bond for all purposes, and payment of or on account of the principal of and redemption premium, if any, and interest on any such Bond shall be made only to or upon the order of the Registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

(h) At reasonable times upon prior Written Request and under reasonable regulations established by the Trustee, the Bond Register may be inspected and copied by the Public University, the Authority or by the Owners (or a designated representative thereof) of 10% or more in principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

(i) Notwithstanding anything herein to the contrary, the Bonds may only be transferred to (i) an affiliate of Capital One or (ii) one or more banks, insurance companies or other financial institutions, and only in accordance with applicable federal and state law and upon delivery to the Trustee of a certificate executed by the transferee in substantially the form of the Capital One Certificate (or as may otherwise be approved by an Authorized Officer of the Authority).

Section 2.09 Temporary Bonds.

(a) Until definitive Bonds are ready for delivery, the Authority may execute, and upon the Written Request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same limitations and conditions as definitive Bonds, temporary printed, engraved, lithographed or typewritten Bonds.

(b) If temporary Bonds shall be issued, the Authority shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it at its Principal Office of any temporary Bond shall cancel the same and authenticate and deliver in exchange therefor, without charge to the Owner thereof, a definitive Bond in the same aggregate principal amount and of the same maturity and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds to be issued and authenticated hereunder.

Section 2.10 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond shall become mutilated, or be lost, stolen or destroyed, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond of like date and tenor as the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond

shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together, in either such case, with such security or indemnity as may be required by the Trustee to save the Authority, the Public University and the Trustee harmless. In the event any such Bond shall have matured or shall have been selected for redemption, instead of issuing a substitute Bond, the Trustee in its discretion may pay, with funds available under this Indenture for such purpose, such Bond without surrender thereof (except in the case of a mutilated Bond). Upon the issuance of any substitute Bond, the Authority and the Trustee may require the payment of an amount by the Bondowner sufficient to reimburse the Authority and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 2.11 Cancellation and Destruction of Bonds Upon Payment. All Bonds which have been paid or redeemed or which the Trustee has purchased or which have otherwise been surrendered to the Trustee under this Indenture, either at or before maturity, shall be canceled and destroyed by the Trustee in compliance with all applicable laws and regulations and the record retention requirements of the Trustee upon the payment, redemption or purchase of such Bonds and the surrender thereof to the Trustee. The Trustee shall execute a certificate in triplicate describing the Bonds so canceled and destroyed, and shall file executed counterparts of such certificate with the Authority and the Public University.

**ARTICLE III
REDEMPTION OF BONDS**

Section 3.01 Redemption of Bonds Generally. The Bonds shall be subject to redemption prior to maturity in accordance with the terms and provisions set forth in this Article.

Section 3.02 Redemption of Bonds. The Bonds are subject to redemption prior to maturity, at the option of the Authority with the consent of the Public University, in whole on any January 1 or July 1 on or after July 1, 2027, at a redemption price equal to: (a) if redeemed prior to July 1, 2029, 102% of the principal amount to be redeemed, together with accrued interest to the date of redemption, or (b) if redeemed on or after July 1, 2029, 100% of the principal amount to be redeemed, together with accrued interest to the date of redemption.

Section 3.03 Selection of Bonds to be Redeemed.

(a) If less than all of the Bonds are to be redeemed prior to maturity, such Bonds shall be called for redemption in inverse order of maturity.

(b) If it is determined that a portion, but not all, of the Bonds are to be selected for redemption, then upon notice of intention to redeem such portion, the Owner of such Bond or such Owner's attorney or legal representative shall forthwith present and surrender such Bond to the Trustee (i) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the principal amount called for redemption, and (ii) for exchange, without charge to the Owner thereof for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, said Bond shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount called for redemption (and to that extent only).

(c) The Trustee shall call Bonds for redemption and payment as herein provided upon receipt by the Trustee at least 60 days prior to the redemption date of a Written Request of the Authority. Such request shall specify the principal amount of the Bonds and their principal maturities so to be called for redemption, the applicable redemption price or prices and the provision or provisions above referred to pursuant to which such Bonds are to be called for redemption.

Section 3.04 Notice and Effect of Call for Redemption. Official notice of any such redemption shall be given by the Trustee on behalf of the Authority by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the redemption date to each Registered Owner of the Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Trustee, and such mailing shall be a condition precedent to such redemption.

All official notices of redemption shall be dated and shall state: (i) the redemption date; (ii) the redemption price; (iii) if less than all Outstanding Bonds are to be redeemed, the identification number and the respective principal amounts to be redeemed of the Bonds to be redeemed; (iv) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall

cease to accrue from and after said date; and (v) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office of the Trustee for the payment of Bonds.

Any notice of redemption of any Bonds pursuant to Section 3.02 may specify that the redemption is contingent upon the deposit of moneys with the Trustee in an amount sufficient to pay the redemption price of all the Bonds or portions thereof which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Authority shall default in the payment of the redemption price) such Bonds, or portions thereof shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Trustee in accordance with Section 2.11 and shall not be reissued.

Failure of any Owner to receive a copy of such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other Bonds. Any notice mailed shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives the notice.

**ARTICLE IV
CREATION OF FUNDS AND ACCOUNTS;
APPLICATION OF BOND PROCEEDS AND OTHER MONEYS**

Section 4.01 Creation of Funds and Accounts. There are hereby created and ordered to be established in the custody of the Trustee the following special trust funds in the name of the Authority to be designated as follows:

(a) “New Jersey Educational Facilities Authority Construction Fund, The William Paterson University of New Jersey Series 2019 A” (the “Construction Fund”) from which moneys deposited into the Construction Fund shall be expended in accordance with the provisions of the Lease Agreement, and which Fund shall have a “Costs of Issuance Account” therein.

(b) “New Jersey Educational Facilities Authority Debt Service Fund, The William Paterson University of New Jersey Series 2019 A” (the “Debt Service Fund”), and which Fund shall have the following accounts therein: (i) an “Interest Account” (which shall be used to pay interest on the Bonds) and (ii) a “Principal Account” (which shall be used to pay principal or redemption price of the Bonds).

(c) “New Jersey Educational Facilities Authority Rebate Fund, The William Paterson University of New Jersey Series 2019 A” (the “Rebate Fund”).

(d) The Trustee shall establish such additional accounts or subaccounts within such funds as are called for by the provisions hereof at such time or times as such accounts or subaccounts are required or become applicable or as directed by the Authority.

Section 4.02 Deposit of Bond Proceeds. The aggregate principal amount of the Bonds, less the premium for the Bond Insurance Policy in the amount of \$ _____ (which shall be paid by Capital One directly to the Bond Insurer, on behalf of the Authority), shall be applied as follows:

(a) \$ _____ from the proceeds of the Bonds shall be deposited in the Costs of Issuance Account of the Construction Fund; and

(b) \$4,975,000.00 from the proceeds of the Bonds shall be transferred to The Bank of New York Mellon, in its capacity as trustee for the Series 2008 C Bonds, for deposit in the 2019 Escrow Account established pursuant to the terms of the Escrow Letter of Instructions.

Section 4.03 Application of Moneys in Construction Fund. As soon as practicable after the delivery of the Bonds, the Authority shall direct, in writing, the Trustee to pay from the Costs of Issuance Account to the firms, corporations or Persons entitled thereto the Costs of Issuance, including but not limited to the legal, administrative, financing and incidental expenses of the Authority and the Public University relating to the issuance of the Bonds. Payments pursuant to this Section 4.03 shall be made in accordance with a Certificate or Certificates signed by an Authorized Officer of the Authority stating the names of the payees, the purpose of each payment in terms sufficient for identification and the respective amounts of each such payment.

If the Public University requests a copy of any Certificate issued by the Authority under this Section 403, the Authority shall comply with such request.

Section 4.04 Use of Money in the Construction Fund Upon Default. If the Bonds shall be accelerated pursuant to Section 7.02 hereof, any balance remaining in the Construction Fund shall, without further authorization, be transferred into the Debt Service Fund, for deposit into the Principal Account therein (unless otherwise directed by an Authorized Officer of the Authority).

Section 4.05 Close-Out of the Construction Fund. Not later than the one hundred eightieth (180th) day following the issuance of the Bonds (which date may be extended by notice from an Authorized Officer of the Authority to the Trustee), the Authority shall, by a Certificate filed with the Trustee, specify the amount of moneys, if any, to be retained by the Trustee in the Costs of Issuance Account for the payment of any Costs of Issuance of the Bonds not then due and payable, which amounts shall be applied to the payment of such costs as soon as practicable after delivery to the Trustee of such Certificate.

Any amount not to be retained in the Costs of Issuance Account for payment of Costs of Issuance, and any amount retained but not subsequently applied to the payment of Costs of Issuance as provided in the foregoing paragraph, shall be transferred by the Trustee to the Debt Service Fund, for deposit into such account therein as shall be directed by an Authorized Officer of the Authority. Written advice of the transfer of such amount to the Debt Service Fund shall be provided by the Trustee to the Authority, and, at the written direction of an Authorized Officer of the Authority with the consent of the Public University and subject to the conditions hereinafter set forth, such amount shall be applied by the Trustee as follows: (i) to pay principal and interest on the Bonds as the same becomes due, (ii) to redeem, or to cause the redemption of, Bonds on the earliest redemption date permitted by this Indenture without a premium or (iii) for any other purpose, *provided* that the Trustee is furnished with an opinion of bond counsel to the effect that such use is lawful under the Act and, in the case of amounts attributable to the Bonds, will not cause the interest on said Bonds to be included in gross income for federal income tax purposes. Until used for one or more of the foregoing purposes, such segregated amount may only be invested as permitted by this Indenture at a Yield not in excess of the Yield on the applicable Bonds.

Section 4.06 Debt Service Fund.

(a) The Trustee shall make deposits and credits to the applicable accounts in the Debt Service Fund, as and when received, as set forth below and in accordance with the written direction of an Authorized Officer of the Authority.

(i) To the Interest Account and/or the Principal Account, as applicable, on each Basic Lease Payment Date, from the applicable subaccount in the Rental Pledge Account established with the Trustee pursuant to the Lease Agreement, such Basic Lease Payments on deposit therein payable by the Public University to the Authority specified in Section 4.04 of the Lease Agreement, sufficient to pay the amounts when due described in Section 4.06(c) below;

(ii) To the Principal Account (unless otherwise directed by an Authorized Officer of the Authority), the balance of the Net Proceeds of condemnation awards, sale under threat of condemnation or insurance received by the Trustee pursuant to the Lease Agreement.

(iii) To the Interest Account (unless otherwise directed by an Authorized Officer of the Authority), interest earnings and other income on Investment Obligations required to be deposited in the Debt Service Fund pursuant to Section 5.02.

(iv) To the Principal Account and/or the Interest Account, as applicable, all other moneys received by the Trustee under the Lease Agreement or any other Bond Document, when accompanied by directions from the Person depositing such moneys that such moneys are to be paid into the Debt Service Fund.

(b) Except as otherwise provided in Article VII or elsewhere herein, moneys in each account in the Debt Service Fund shall be expended solely as follows: (i) to pay interest on the Bonds as the same becomes due; (ii) to pay principal of the applicable Bonds as the same mature or become due; and (iii) to pay principal of and redemption premium, if any, on the Bonds as the same become due upon redemption prior to maturity.

(c) The Authority hereby authorizes and directs the Trustee to withdraw sufficient funds from the applicable account(s) in the Debt Service Fund to pay principal of and redemption premium, if any, and interest on the Bonds as the same become due and payable at maturity or upon redemption, and to make said funds so withdrawn available to the Trustee and any Paying Agent for the purpose of paying said principal, redemption premium, if any, and interest.

(d) Whenever there is on deposit in the Debt Service Fund moneys sufficient to redeem all or a portion of the Bonds Outstanding and to pay interest to accrue thereon prior to such redemption and redemption premium, if any, the Trustee shall, upon Written Request of the Authorized Officer of the Authority with the consent of the Public University, take and cause to be taken the necessary steps to redeem all such Bonds on the next succeeding redemption date for which the required redemption notice may be given or on such later redemption date as may be specified by the Public University. Any moneys in the Debt Service Fund may be used to redeem a part of the Bonds Outstanding, in accordance with Article III, so long as the Public University is not in default with respect to any payments under the Lease Agreement and to the extent said moneys are in excess of the amounts required to be on deposit therein pursuant to Section 4.05 of the Lease Agreement and the amount required for payment of Bonds theretofore matured or called for redemption and past due interest in all cases when such Bonds have not been presented for payment.

(e) After payment in full of the principal of and redemption premium, if any, and interest on the Bonds (or after provision has been made for the payment thereof as provided in this Indenture), payment in full of all rebatable arbitrage to the United States of America and the fees, charges and expenses of the Trustee, any Paying Agent and the Authority, and any other amounts required to be paid under this Indenture and the Lease Agreement, all amounts

remaining in the Debt Service Fund shall be paid to the Public University upon the expiration or sooner termination of the Lease Agreement.

Section 4.07 Rebate Fund.

(a) The Rebate Fund shall be held for the benefit of the United States of America and not for the benefit of the Holders of the Bonds, which Holders shall have no rights in or to such fund.

(b) Subject to subsection (c) of this Section 4.07, as of the last day of each fifth Bond Year (the "Rebate Computation Date"), the Authority shall calculate, or cause to be calculated, the amount required to be paid to the United States of America (the "Rebatable Arbitrage") pursuant to Section 148 of the Internal Revenue Code. On or before the sixtieth day after such date, the Trustee at the written direction of an Authorized Officer of the Authority, and upon the receipt of funds from the Public University shall deposit in the accounts (if any) in the Rebate Fund the amount, if any, needed to increase the amount in the accounts (if any) in such Rebate Fund to an amount equal to one-hundred percent (100%) of the Rebatable Arbitrage for the period from the date of issuance of the Bonds to the Rebate Computation Date at issue, or shall transfer from the Rebate Fund to the Debt Service Fund, for deposit into the Interest Account therein (unless otherwise directed by an Authorized Officer of the Authority), the amount, if any, needed to reduce the amount in the Rebate Fund to 90% of the amount of the Rebatable Arbitrage for such period.

Subject to subsection (c) of this Section 4.07, as of the last day on which the last Bond remaining Outstanding is retired (the "Final Computation Date"), the Authority shall calculate, or cause to be calculated, the amount required to be paid to the United States of America pursuant to Section 148 of the Internal Revenue Code. On or before the sixtieth day after such date, the Trustee at the written direction of the Authority, and upon the receipt of funds from the Public University, shall deposit in the accounts (if any) in the Rebate Fund the amount, if any, needed to increase the amount in the accounts in such Rebate Fund to an amount equal to the Rebatable Arbitrage for the period from the date of issuance of the Bonds to the Final Computation Date, or shall transfer from the Rebate Fund to the Debt Service Fund, for deposit into the Interest Account therein (unless otherwise directed by an Authorized Officer of the Authority), the amount, if any, needed to reduce the amount in the Rebate Fund to the amount of the Rebatable Arbitrage for such period.

After making any transfer required for a Rebate Computation Date and the Final Computation Date, the Authority shall immediately pay or cause to be paid to the United States of America the amount in the Rebate Fund. The amounts in the Rebate Fund shall not be subject to the claim of any party, including any Holder, and shall not be paid to any party other than the United States of America.

All amounts in the Rebate Fund shall be used and withdrawn by the Authority or the Trustee solely for the purposes set forth in this Section. In the event the amount in the Rebate Fund is for any reason insufficient to pay to the United States of America the amounts due as calculated in this Section, the Public University, or the Trustee at the written direction of an

Authorized Officer of the Authority and upon the receipt of funds from the Public University, shall deposit in the Rebate Fund the amount for such deficiency.

(c) Notwithstanding the provisions of this Section 4.07, the Authority hereby agrees to calculate or cause to be calculated the amount to be deposited in the Rebate Fund and the amount to be rebated to the United States of America pursuant to Section 148(f) of the Internal Revenue Code in a manner not inconsistent with its arbitrage covenants set forth in the Tax Agreement. Such calculation shall give regard to all regulations applicable to such Section 148(f) including any temporary regulations heretofore or hereafter released.

(d) The Authority and the Public University agree that the Trustee shall not be liable for any damages, costs or liabilities resulting from the performance of the Trustee's duties and obligations under this Section 4.07, except that the Trustee shall be liable for its negligence or willful misconduct. In making any deposit or transfer to or payment from the Rebate Fund, the Trustee shall be entitled to rely conclusively and solely on the written instructions of the Authority and shall have no duty to examine such written instruments to determine the accuracy of the Authority's calculation of the Rebateable Arbitrage or the amounts to be paid to the United States. In the event that the Public University or the Authority shall not comply with their respective obligations under this Section 4.07, the Trustee shall have no obligation to cause compliance on their respective behalf.

Section 4.08 Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of principal or of redemption premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds shall be a Saturday, a Sunday or a legal holiday or other day that is not a Business Day, then payment of principal, redemption premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 4.09 Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Authority to the Owner thereof for the payment of such Bond, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee, to hold such funds in trust in a separate trust account, uninvested and without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on or with respect to said Bond. Thereupon it shall be the duty of the Trustee to comply with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 et seq. with respect to such funds in accordance with the Trustee's escheat policies and procedures, which must not be in conflict with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 et seq. Any money held by the Trustee pursuant to this Section 4.09 shall be held uninvested and without any liability for interest.

Section 4.10 Reports From Trustee. The Trustee shall furnish monthly to the Authority and the Public University a report on the status of each of the funds and accounts established under this Article which are held by the Trustee, showing at least the balance in each

such fund or account as of the first day of the preceding month, the total of deposits to and the total of disbursements from each such fund or account, the dates of such deposits and disbursements, and the balance in each such fund or account on the last day of the preceding month.

Section 4.11 Certain Verifications. The Authority, from time to time, with notice to the Public University, may cause a firm of attorneys, consultants or Independent accountants or an investment banking firm acceptable to the Authority to supply the Authority or the Public University with such information as the Authority or the Public University may request in order to determine in a manner reasonably satisfactory to the Authority or the Public University all matters relating to (a) the Yields on the Bonds as the same may relate to any data or conclusions necessary to verify that the Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code, and (b) compliance with rebate requirements of Section 148(f) of the Internal Revenue Code. Payment for costs and expenses incurred in connection with supplying the foregoing information shall be paid by the Public University. The Authority and the Public University authorize the Trustee to provide to such firm(s) such information as may be required by such firm(s) to make such determinations which the Trustee has maintained on its records pursuant to this Indenture.

ARTICLE V
DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS
AND INVESTMENT OF FUNDS

Section 5.01 Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee for the funds and accounts held under this Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of this Indenture shall be held by the Trustee or Paying Agent in trust and shall be applied only in accordance with this Indenture and the Lease Agreement, and, until used or applied as herein provided, shall (except for moneys in the Rebate Fund) constitute part of the Trust Estate and be subject to the lien, terms and provisions hereof and shall not be commingled with any other funds of the Authority or the Public University except as provided under Section 5.02 for investment purposes. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon in writing.

Section 5.02 Investment of Moneys. Moneys held in each of the funds and accounts hereunder shall, pursuant to the written direction of an Authorized Officer of the Authority, be invested and reinvested by the Trustee in accordance with the provisions hereof in Investment Obligations which mature or are subject to redemption by the Owner thereof prior to the date such funds are expected to be needed. Notwithstanding any other provision of this Indenture, if the Trustee fails to receive written directions of the Authority regarding investment of funds pursuant to this Section, moneys held in any fund or account hereunder shall be invested or reinvested in shares of an open-end, diversified investment company which is registered under the Investment Company Act of 1940, as amended, and which invests its assets exclusively in obligations of or guaranteed by the United States of America or any instrumentality or agency thereof, and for which the Trustee may or may not act as the investment manager or advisor. The Trustee may make any investments permitted by this Section through its own or its affiliate's bond department or investment department and may pool moneys for investment purposes, except moneys held in the yield restricted portion of any fund or account, which shall be invested separately. Any such Investment Obligations shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund or account in which such moneys are originally held. The interest accruing on and any profit realized from such Investment Obligations (other than any amounts required to be deposited in the Rebate Fund pursuant to Section 4.07) shall be credited to such fund or account, and any loss resulting from such Investment Obligations shall be charged to such fund or account. The Trustee shall sell and reduce to cash a sufficient amount of such Investment Obligations whenever the cash balance in such fund or account is insufficient for the purposes of such fund or account. The Trustee shall not be responsible for any loss or decrease in value of the investments made pursuant to this Article V. The Trustee shall not be required to provide brokerage confirmations so long as the Trustee provides periodic statements that include investment activity to the Authority.

Section 5.03 Record Keeping. The Trustee shall maintain records of the investments made pursuant to this Article and Article IV for at least six years after the payment of all of the Outstanding Bonds.

**ARTICLE VI
PARTICULAR COVENANTS AND PROVISIONS**

Section 6.01 Special and Limited Obligations. The Bonds and the interest thereon, each in accordance with their terms and the provisions of this Indenture, shall be special and limited obligations of the Authority payable (except to the extent paid out of Bond proceeds or the income from the temporary investment thereof and under certain circumstances from insurance proceeds and condemnation awards) solely out of the Basic Lease Payments and other payments derived by the Authority under the Lease Agreement (except for fees and expenses payable to the Authority, the Authority's right to indemnification as set forth in the Lease Agreement and any payments made by the Trustee or the Public University to meet the rebate requirements of Section 148(f) of the Internal Revenue Code) as provided herein, and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners of the Bonds, as provided in this Indenture. Notwithstanding anything to the contrary in the Resolution, the Bonds or this Indenture, the Bond Payment Obligations shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof other than the Authority (to the limited extent set forth herein) within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit or the taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent set forth herein), and shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to make any appropriation for their payment. The State or any political subdivision thereof other than the Authority (to the limited extent set forth herein) shall not in any event be liable for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any political subdivision thereof other than the Authority (to the limited extent set forth herein) or any charge upon its general credit or against its taxing power. The Authority has no taxing power.

Section 6.02 Punctual Payment. The Authority represents and warrants and agrees that it will deposit or cause to be deposited in the Debt Service Fund all Basic Lease Payments and any and all other payments and sums received under the Lease Agreement and this Indenture promptly to meet and pay the principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable at the place, on the dates and in the manner provided herein and in the Bonds according to the true intent and meaning thereof.

Section 6.03 Authority to Issue Bonds and Execute Indenture. The Authority represents and warrants that it is duly authorized under the Constitution and laws of the State to execute this Indenture and the other Bond Documents to which it is a party, to issue the Bonds and to pledge and assign the Trust Estate in the manner and to the extent herein set forth; that all action on its part for the execution and delivery of this Indenture and the issuance of the Bonds has been duly and effectively taken, and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable, special and limited obligations of the Authority according to the import thereof.

Section 6.04 Performance of Covenants. The Authority covenants that it will (to the extent within its control) faithfully perform or cause to be performed at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in the Bonds and in all proceedings pertaining thereto.

Section 6.05 Instruments of Further Assurance. The Authority agrees that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments, financing statements and other documents as the Trustee may reasonably require for the better assuring, transferring, pledging and assigning to the Trustee, and granting a security interest unto the Trustee in and to the Trust Estate and the other property and revenues herein described to the payment of the principal of, redemption premium, if any, and interest on the Bonds, all at the expense of the Public University. The Lease Agreement, all Supplemental Lease Agreements and all other documents, instruments or policies of insurance required hereunder or under the Lease Agreement shall be delivered to and held by the Authority or its designee.

Section 6.06 Inspection of Books. The Authority agrees that all books and documents in its possession relating to this Indenture, the Lease Agreement, and any other Bond Documents and the transactions relating thereto shall at all times be open to inspection by such accountants or other agencies as the Trustee may from time to time designate.

Section 6.07 Enforcement of Rights. The Authority agrees that the Trustee, as assignee, transferee, pledgee, and owner of a security interest hereunder in its name or in the name of the Authority may enforce all rights of the Authority and/or the Trustee and all obligations of the Public University under and pursuant to the Lease Agreement for and on behalf of the Bondowners, whether or not the Authority is in default hereunder.

Section 6.08 Tax Covenants. The Authority covenants, and the Public University has covenanted in the Lease Agreement and the Tax Representation Letter, not to take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 and Sections 141 through 150, inclusive, of the Internal Revenue Code. The Authority and the Public University will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Authority or the Public University, or take or omit to take any action that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Internal Revenue Code. To that end, the Authority and the Public University will comply with all requirements of Section 148 of the Internal Revenue Code to the extent applicable to the Bonds. In the event that at any time the Authority or the Public University is of the opinion that for purposes of this Section 6.08 it is necessary to restrict or limit the yield on the investment of any moneys held by the Trustee under this Indenture, the Lease Agreement or otherwise, the Authority or the Public University shall so instruct the Trustee, in writing, and the Trustee shall take such action as shall be set forth in such instructions. The covenants of the Authority contained in the Lease Agreement are fully incorporated herein by reference and are made a part of this Indenture as if fully set forth herein.

Without limiting the generality of the foregoing, the Authority and the Public University agree that there shall be paid from time to time all amounts required to be rebated to the United

States of America pursuant to Section 148(f) of the Internal Revenue Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Bonds from time to time. This covenant shall survive payment in full or defeasance of the Bonds. The Authority and the Public University specifically covenant to pay or cause to be paid to the United States of America at the times and in the amounts determined under Section 4.07 hereof the Rebtable Arbitrage, as described in the Tax Agreement.

Notwithstanding any provision of this Section and Section 4.07 hereof, if the Authority, at the expense of the Public University, shall provide to the Public University and the Trustee an opinion of nationally recognized bond counsel to the effect that any action required under this Section and Section 4.07 hereof is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of interest on the Bonds, the Authority, the Trustee and the Public University may rely conclusively on such opinion.

**ARTICLE VII
DEFAULT AND REMEDIES**

Section 7.01 Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to be and to constitute an “Event of Default” under this Indenture:

(a) default in the due and punctual payment of any interest on any Bond when the same becomes due and payable;

(b) default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when the same becomes due and payable, whether at the stated maturity or accelerated maturity thereof, or upon proceedings for redemption thereof;

(c) the Authority shall for any reason be rendered incapable of fulfilling its obligations hereunder, or the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture or any Supplemental Indenture on the part of the Authority to be performed, and such incapacity or default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority and the Public University by the Trustee (which notice shall be given at the written request of the Owners of not less than 10% in aggregate principal amount of the affected Bonds then Outstanding); provided that, if any such default shall be correctable but is such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Authority or the Public University within such period and diligently pursued until the default is corrected; or

(d) any Event of Default as specified in the Lease Agreement has occurred and is continuing and has not been waived or cured.

With regard to any alleged default concerning which notice is given to the Public University under this Section, the Authority hereby grants the Public University full authority for account of the Authority to perform any covenant or obligation, the nonperformance of which is alleged in said notice to constitute a default, in the name and stead of the Authority, with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts in order to remedy such default. Upon the occurrence of a default or Event of Default for which the Trustee has received notice pursuant to Section 8.03 or under which Section the Trustee is required to take notice, the Trustee shall, within 30 days, give written notice thereof by first class mail to all Bondowners.

In determining whether a payment default has occurred or whether a payment on the Bonds has been made hereunder, no effect shall be given to payments under the Bond Insurance Policy.

Section 7.02 Acceleration of Maturity in Event of Default. (a) If an Event of Default under Section 7.01(a) or (b) hereof occurs, then, without other further action, all Bonds Outstanding shall become and be immediately due and payable, anything in the Bonds or herein to the contrary notwithstanding. In addition, if any other Event of Default shall have occurred

and be continuing, the Trustee may, and if requested by the Owners of not less than 25% in principal amount of the Bonds Outstanding, the Trustee shall by notice in writing delivered to the Authority and the Public University, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable; provided that if at any time after the principal of the Bonds then Outstanding shall have so become due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such acceleration or before the completion of the enforcement of any other remedy under this Indenture, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect to which such default shall have occurred, and all arrears of payments of principal when due, as the case may be, and all fees and expenses of the Trustee in connection with such default shall have been paid or provided for, then the acceleration of the Bonds then Outstanding and the consequences of such acceleration shall be annulled or rescinded, but no such annulment or rescission shall extend to or affect any subsequent acceleration of the Bonds then Outstanding, or impair any right consequent thereon.

(b) Notwithstanding any other provision of this Indenture to the contrary, (i) any acceleration of principal of the Bonds shall be subject to the prior written consent of the Bond Insurer and (ii) any annulment of such declaration of acceleration of principal of the Bonds shall be subject to the prior written consent of the Bond Insurer.

Section 7.03 Appointment of Receivers in Event of Default. If an Event of Default shall have occurred and be continuing, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondowners under this Indenture, 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 Basic Lease Payments, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 7.04 Exercise of Remedies by the Trustee.

(a) Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or equity by suit, action, mandamus or other proceeding (including any rights of a secured party under the State Uniform Commercial Code) to enforce the payment of the principal of, redemption premium, if any, and interest on the Bonds then Outstanding, to realize on or to foreclose any of its interests or liens hereunder or under any other of the Bond Documents, to exercise any rights or remedies available to the Trustee, to enforce and compel the performance of the duties and obligations of the Authority as herein set forth and to enforce or preserve any other rights or interests of the Trustee hereunder with respect to any of the Trust Estate or otherwise existing at law or in equity.

(b) If an Event of Default shall have occurred and be continuing, and if requested in writing so to do by the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding, and if indemnified as provided in Section 8.02(e) or Section 8.04, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondowners or as otherwise directed by Capital One so long as it is the sole Owner of the Bonds, subject to the provisions of Section 12.10(g) hereof.

(c) All rights of action under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and 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, and any recovery of judgment shall, subject to Section 7.07, be for the equal benefit of all the Owners of the Outstanding Bonds.

Section 7.05 Limitation on Exercise of Remedies by Bondowners. No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in Section 8.03 or of which by said Section the Trustee is deemed to have notice, (b) such default shall have become an Event of Default, (c) the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee, shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and shall have offered to the Trustee indemnity as provided in Section 8.02(e) or Section 8.04, and (d) the Trustee shall thereafter fail or refuse to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Owners of the Bonds shall have the right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided, and for the equal benefit of the Owners of all Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondowner to payment of the principal of and interest on any Bond at and after the maturity thereof or the obligation of the Authority to pay the principal of, redemption premium, if any, and interest on each of the Bonds to their respective Owners at the time, place, from the source and in the manner expressed herein and in the Bonds or affect or interfere with the right of any Owner to institute suit for the enforcement of any such payment.

Section 7.06 Right of Bondowners to Direct Proceedings. Notwithstanding Section 7.05, the Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, custodian or any other proceedings hereunder, provided that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture and provided, further, that the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall determine that the proceedings so directed would involve it in personal liability for which it has not been indemnified.

Section 7.07 Application of Moneys in Event of Default. Any moneys held or received by the Trustee (after the deductions for payment of costs and expenses of proceedings

resulting in the collection of such moneys) together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or redemption premium, if any, or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: To the payment of all amounts due the Trustee hereunder or under the Lease Agreement;

Second: To the payment of the whole amount then due and unpaid upon the Outstanding Bonds for principal and redemption premium, if any, and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Bonds) on overdue principal and redemption premium, if any, and on overdue installments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Bonds, then to the payment of such principal, redemption premium, if any, and interest, without any preference or priority, ratably according to the aggregate amount so due;

Third: To the payment of any amounts due and owing to the Bond Insurer hereunder or under the Lease Agreement; and

Fourth: To the payment of the remainder, if any, to the Public University or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Whenever moneys are to be applied pursuant to this Section, such moneys shall be applied at such times and from time to time as the Authority shall determine, having due regard to the amount of such moneys available and which may become available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Authority shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all of the Bonds and interest thereon have been paid under this Section, and all fees, expenses and charges of the Trustee and the Authority, including attorneys' fees and expenses, have been paid, and all amounts owing to the United States of America under Section 148 of the Internal Revenue Code have been paid, any balance remaining in the Debt Service Fund shall be paid to the Public University.

Section 7.08 Remedies Cumulative. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the Bondowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to

any other remedy given to the Trustee or to the Bondowners hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every case the Authority, the Public University, the Trustee and the Bondowners shall be restored to their former positions and all rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 7.09 Waivers of Events of Default. The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of principal upon the written direction of the Owners of at least a majority in aggregate principal amount of all Bonds then Outstanding, provided that there shall not be waived without the consent of the Owners of all the Bonds Outstanding (a) an Event of Default in the payment of the principal of any Outstanding Bonds at the date of maturity specified therein, or (b) any default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission of the Event of Default referred to in clause (a) or (b) above, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect to which such default shall have occurred, and all arrears of payments of principal when due, as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every case the Authority, the Public University, the Trustee and the Bondowners shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 7.10 Cancellation of Bonds Owned by the Public University. Upon the occurrence of any Event of Default, any Bonds owned by the Public University shall be deemed to be canceled and shall be surrendered to the Trustee, unless the Event of Default has been waived.

**ARTICLE VIII
THE TRUSTEE**

Section 8.01 Acceptance of Trusts; Certain Duties and Responsibilities. The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the following terms and conditions:

- (a) Except during the continuance of an Event of Default,
 - (i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and
 - (ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.
- (b) If an Event of Default has occurred and is continuing, 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 prudent trustee would exercise or use under the circumstances.
- (c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that
 - (i) this subsection shall not be construed to limit the effect of subsection (a);
 - (ii) the Trustee shall not be liable for any error of judgment made in good faith by an Authorized Officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;
 - (iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and
 - (iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 8.02 Certain Rights of Trustee. Except as otherwise provided in Section 8.01:

(a) The Trustee may rely conclusively and shall be protected in acting or refraining from acting upon any resolution, Certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Trustee shall be entitled to rely conclusively upon a Certificate of Authorized Officer of the Authority or a Certificate of an Authorized Officer of the Public University as to the sufficiency of any request or direction of the Public University or the Authority, as applicable, mentioned herein, the existence or non-existence of any fact or the sufficiency or validity of any instrument, paper or proceeding, or that a resolution in the form therein set forth has been adopted by the Public University Board or a resolution of the Authority has been duly adopted, and is in full force and effect.

(c) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon a Certificate of Authorized Officer of the Authority or a Certificate of an Authorized Officer of the Public University, as applicable.

(d) The Trustee may consult with counsel, and the advice or opinions of such counsel or any Opinion of Counsel may be conclusively relied upon by the Trustee and shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon.

(e) Notwithstanding anything elsewhere in this Indenture contained, before taking any action under this Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the payment or reimbursement of all reasonable fees, costs and expenses to which it may be put and to protect it against all liability which it may incur in or by reason of such action, including those arising in connection with any environmental claim and the fees and expenses of attorneys, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, Certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Authority or the Public University, personally or by agent or attorney.

(g) The Trustee assumes no responsibility for the correctness of the recitals contained in this Indenture and in the Bonds, except the certificate of authentication on the Bonds. The Trustee makes no representations to the value or condition of the Trust Estate or any part thereof, or as to the title thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the Authority or the Public University of any of the Bonds or the proceeds thereof or of any money paid to or upon the order of the Authority or the Public University under any provision of this Indenture.

(h) The Trustee or any of its affiliates, in its individual or any other capacity, may become the Owner or pledgee of Bonds and may otherwise deal with the Authority or the Public University with the same rights it would have if it were not Trustee.

(i) All money received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law or by this Indenture. The Trustee shall be under no liability for interest on any money received by it hereunder except for accounting for earnings on Investment Obligations.

(j) The Trustee may execute any of the trusts and powers hereunder or perform any duties hereunder either directly or, to the extent that it may reasonably determine is necessary or appropriate to the conduct of its duties hereunder, by or through agents, attorneys or receivers, and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, attorney or receiver appointed by it with due care hereunder, taking into account the duties with respect to which such Person is appointed, and the Trustee shall not be required to give any bond or surety in respect of the execution, delivery or administration of this Indenture. This subparagraph shall not be interpreted as absolving the Trustee of responsibility with respect to duties customarily performed by corporate trustees in the ordinary course of business without the employment of agents, attorneys or receivers.

(k) The Trustee may elect not to proceed in accordance with the directions of the Owners without incurring any liability to the Owners if in the opinion of the Trustee such direction may result in liability to the Trustee, in its capacity as Trustee or in an individual capacity for which the Trustee has not received indemnity pursuant to Section 8.02(e) from the Owners, and the Trustee may conclusively rely upon an Opinion of Counsel addressed to the Authority and the Trustee in determining whether any action directed by Owners or the Authority may result in such liability.

(l) Notwithstanding any other provision of this Indenture to the contrary, any provision intended to provide authority to act, right to payment of fees and expenses, protection or immunity to the Trustee shall be interpreted to include any action of the Trustee whether it is deemed to be in its capacity as Trustee, Bond Registrar or Paying Agent.

(m) Except as otherwise expressly provided hereunder, the Trustee shall not be required to give or furnish any notice, demand, report, reply, statement, advice or opinion to any Owner, the Public University, the Authority or any other Person, and the Trustee shall not incur

any liability for its failure or refusal to give or furnish the same unless obligated or required to do so by express provisions hereof.

(n) In acting or omitting to act pursuant to the Lease Agreement or any of the other Bond Documents, the Trustee shall be entitled to all of the rights and immunities accorded to it under this Indenture, including but not limited to this Article VIII.

(o) The Trustee shall have no responsibility with respect to any information in any offering memorandum or other disclosure material distributed with respect to the Bonds or for compliance with securities laws in connection with the issuance of the Bonds.

(p) The Trustee shall have no responsibility with respect to compliance by the Authority or the Public University with Section 148 of the Internal Revenue Code or any covenant in this Indenture or in the Lease Agreement regarding yields on investments.

(q) The Trustee shall not be required to give a bond or surety to act under this Indenture.

(r) The Trustee shall have no duty or obligation to record or file the initial financing statements or any mortgage or similar document relating to this Indenture, the Lease Agreement, or the Project.

(s) The Trustee shall have no duty or obligation to expend its own funds in the administration of the trusts hereunder, provided the foregoing shall not be construed to permit the Trustee to delay or fail to take actions in the administration of the trusts hereunder for which the Trustee's fees and expenses associated therewith would customarily and in the ordinary course of business be paid on a reimbursement basis.

(t) The Trustee shall have no duty to review any evidence of insurance delivered to it pursuant to this Indenture or the Lease Agreement and shall not be responsible to determine the validity or sufficiency of same.

The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

Section 8.03 Notice of Defaults. The Trustee shall not be required to take notice or be deemed to have notice of any default or Event of Default hereunder except failure by the Authority to cause to be made any of the payments to the Trustee required to be made by Article IV, unless the Trustee shall be specifically notified in writing of such default or Event of Default by the Authority, the Public University or the Owners of at least 10% in principal amount of all Bonds Outstanding, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid. Within 30 days after the occurrence of any Event of Default hereunder of which the Trustee is required to take notice or has received notice as provided in this Section, the Trustee shall give written notice of such Event of Default by first-class mail to all Owners of Bonds as shown on the Bond Register maintained by the Trustee, unless such Event of Default shall have been cured or waived; provided that, except in the case of a default in the payment of the principal of (or redemption

premium, if any) or interest on any Bond, the Trustee shall be protected in withholding such notice from Bondowners if and so long as the Trustee in good faith determines that the withholding of such notice is in the interests of the Bondowners. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 8.04 Compensation and Reimbursement. The Trustee shall be entitled to payment or reimbursement:

(a) from time to time for reasonable compensation for Ordinary Services and Extraordinary Services (which in the case of compensation for the Trustee's Ordinary Services shall be agreed upon by the Authority), which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust; and

(b) except as otherwise expressly provided herein, upon its request, for all Ordinary Expenses and Extraordinary Expenses (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence, willful misconduct or bad faith.

Pursuant to the Lease Agreement, the Public University has agreed to pay to the Trustee all reasonable fees, charges, advances and expenses of the Trustee, and the Trustee agrees to look only to the Public University for the payment of all reasonable fees, charges, advances and expenses of the Trustee and any Paying Agent as provided in the Lease Agreement. The Trustee agrees that the Authority shall have no liability for any fees, charges and expenses of the Trustee.

As security for the payment of such compensation, expenses, reimbursements and indemnity under this Section, the Trustee shall be secured under this Indenture by a lien prior to the Bonds, and shall have the right to use and apply any trust moneys held by it under Articles IV and VII except for funds and investments held pursuant to Section 4.07.

All indemnity provisions in favor of the Trustee under this Indenture shall survive the termination of this Indenture and the removal or resignation of the Trustee.

Section 8.05 Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder which shall be a bank, national banking association or trust company organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority, having a corporate trust office located in the State, and having a combined capital and surplus of at least \$75,000,000 or having its obligations hereunder guaranteed by an affiliated entity with a combined capital and surplus of at least \$75,000,000. If such corporation or association publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with this Section, it shall resign immediately in the manner and with the effect specified in this Article.

Section 8.06 Resignation and Removal of Trustee.

(a) The Trustee may resign at any time by giving written notice thereof to the Authority, the Public University, the Bond Insurer and each Owner of Bonds Outstanding as their names and addresses appear in the Bond Register maintained by the Trustee. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may, at the expense of the Public University, petition any State court of competent jurisdiction for the appointment of a successor Trustee.

(b) The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Authority and the Trustee signed by the Owners of a majority in principal amount of the Outstanding Bonds. In addition, the Authority at the written direction of the Public University (so long as the Public University is not in default under this Indenture or the Lease Agreement and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default) may remove the Trustee at any time for any reason. The Authority, the Public University or any Bondowner may at any time petition any State court of competent jurisdiction for the removal for cause of the Trustee.

(c) If at any time:

(i) the Trustee shall cease to be eligible under Section 8.05 and shall fail to resign after written request therefor by the Authority, the Public University or by any such Bondowner, or

(ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (a) the Authority may remove the Trustee, or (b) the Public University or any Bondowner may petition any State court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(d) The successor Trustee shall give notice of such resignation or such removal of the Trustee and such appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Registered Owners of Bonds as their names and addresses appear in the Bond Register maintained by the Trustee. Each notice shall include the name of the successor Trustee and the address of its Principal Office.

(e) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Sections 8.07 and 8.08.

Section 8.07 Appointment of Successor Trustee. If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Trustee for any cause, the Authority with the written consent of the Public University (so long as no

Event of Default and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default hereunder or under the Lease Agreement has occurred and is continuing) with the written consent of the Owners of a majority in principal amount of Bonds Outstanding (if an Event of Default hereunder or under the Lease Agreement has occurred and is continuing), by an instrument or concurrent instruments in writing delivered to the Authority, the Public University, the Owners of the Bonds and the retiring Trustee, shall promptly appoint a successor Trustee acceptable to the Bond Insurer and Capital One. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a temporary successor to fill such vacancy until a new Trustee shall be so appointed by the Authority or the Bondowners. If a successor Trustee shall be appointed in the manner herein provided, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the retiring Trustee and any temporary successor Trustee appointed by such receiver or trustee. If, within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, no successor Trustee shall have been so appointed and accepted appointment in the manner herein provided, the Authority (so long as no Event of Default hereunder or under the Lease Agreement has occurred and is continuing and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default) or the Owners of a majority in principal amount of Bonds Outstanding may appoint, or the Authority, the Public University or the retiring Trustee, at the expense of the Public University, or any Bondowner may petition any State court of competent jurisdiction for the appointment of, a temporary successor Trustee, until a successor shall have been appointed as above provided. The temporary successor so appointed shall immediately and without further act be superseded by any successor Trustee appointed as above provided. Every such successor Trustee appointed pursuant to this Section shall be a bank or national banking association with trust powers or trust company in good standing under the laws of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of this Article.

Section 8.08 Acceptance of Appointment by Successor. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Authority, the Public University and the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee, but, on request of an Authorized Officer of the Authority, the Public University or the successor Trustee, such retiring Trustee shall, upon payment of its fees and charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 8.04 and thereupon, all duties and obligations of the retiring Trustee hereunder shall cease and terminate. Upon request of any such successor Trustee, the Authority shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

Section 8.09 Merger, Consolidation and Succession to Business. Any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article, and shall be vested with all of the title to the whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger or consolidation to such authenticating Trustee may adopt such authentication and deliver such Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

Section 8.10 Designation of Paying Agents. The Trustee is hereby designated and agrees to act as principal Paying Agent for and in respect to the Bonds. The Authority, or the Public University on behalf of the Authority, may cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of the principal of, redemption premium, if any, and interest on the Bonds, or at the Principal Office of said alternate Paying Agents. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and Paying Agent for principal of, redemption premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee and Paying Agent unless a separate Paying Agent or Agents are appointed in connection with the appointment of any successor Trustee.

Section 8.11 Advances by Trustee. If the Public University shall fail to make any payment or perform any of its covenants in the Lease Agreement, the Trustee may (but shall in no case be required), at any time and from time to time, use and apply any moneys held by it under this Indenture, or make advances, to effect payment or performance of any such covenant on behalf of the Public University. All moneys so used or advanced by the Trustee, together with interest at the Prime Rate plus 2%, shall be repaid by the Public University upon demand and such advances shall be secured under this Indenture prior to the Bond Payment Obligations. For the repayment of all such advances the Trustee shall have the right to use and apply any moneys at any time held by it (except the moneys in the Rebate Fund) under this Indenture but no such use of moneys or advance shall relieve the Public University from any default hereunder.

Section 8.12 P.L. 2005, c. 92 Covenant. In accordance with P.L. 2005, c. 92, the Trustee covenants and agrees that all services performed under this Indenture shall be performed within the United States of America.

Section 8.13 Compliance with P.L. 2005, c. 51 and Executive Order No. 117. The Trustee represents and warrants that all information, certifications and disclosure statements previously provided in connection with P.L. 2005, c. 51, and Executive Order No. 117 (Corzine, 2008) ("Executive Order 117"), are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority has relied upon the truth of the statements contained therein in engaging the Trustee in connection with the Bonds. The

Trustee agrees that it will maintain continued compliance with P.L. 2005, c. 51, Executive Order 117 and any regulations pertaining thereto. The Trustee acknowledges that upon its failure to make required filings thereunder or the making of a contribution prohibited thereunder the Authority may remove the Trustee as trustee under this Indenture and may exercise any remedies afforded to it at law or in equity.

Section 8.14 Compliance with P.L. 2005, c. 271 Reporting Requirements. The Trustee hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (“ELEC”) pursuant to *N.J.S.A.* 19:44A-20.13 (P.L. 2005, c. 271, section 3) if the Trustee enters into agreements or contracts, such as this Indenture, with a New Jersey public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from New Jersey public entities, such as the Authority, in a calendar year. It is the Trustee’s responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

Section 8.15 Compliance with N.J.S.A. 52:32-58. The Trustee represents and warrants that it has complied with the requirements of N.J.S.A. 52:32-58 and has filed a certification with the Authority that it is not identified on the list of persons engaging in investment activities in Iran.

**ARTICLE IX
SUPPLEMENTAL INDENTURES**

Section 9.01 Supplemental Indentures Not Requiring Consent of Bondowners. The Authority and the Trustee may from time to time, without the consent of or notice to any of the Bondowners, enter into one or more Supplemental Indentures, for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture or to release property from the Trust Estate which was included by reason of an error or other mistake;

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

(c) To subject to this Indenture additional revenues, properties or collateral;

(d) To modify, amend or supplement this Indenture or any indenture supplemental thereto in such manner as to permit the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States;

(e) To evidence the appointment of a separate Trustee or the succession of a new Trustee hereunder; or

(f) To make any other change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondowners (in making such determination, the Trustee shall be entitled to rely conclusively upon an opinion of bond counsel).

Section 9.02 Supplemental Indentures Requiring Consent of Bondowners. With the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, the Authority and the Trustee may from time to time enter into such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary or desirable by the Trustee for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided that nothing in this Section contained shall permit or be construed as permitting without the consent of the Owners of all of the Bonds then Outstanding:

(a) an extension of the maturity of the principal of or the scheduled date of payment of interest on any Bond, or

(b) a reduction in the principal amount, redemption premium, or any interest payable on any Bond, or

(c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or

(d) a reduction in the aggregate principal amount of Bonds the Owners of which are required for consent to any such Supplemental Indenture.

If at any time the Authority shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed by first-class mail to each Bondowner. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondowners. If within 60 days or such longer period as shall be prescribed by the Authority following the mailing of such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 9.03 Public University's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, so long as the Public University is not in default under the Lease Agreement, a Supplemental Indenture under this Article which affects any rights of the Public University shall not become effective unless and until the Public University shall have consented in writing to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture, together with a copy of the proposed Supplemental Indenture, to be mailed by first-class mail to the Public University at least 15 days prior to the proposed date of execution and delivery of any such Supplemental Indenture.

Section 9.04 Opinion of Bond Counsel. Notwithstanding anything to the contrary in Sections 9.01 or 9.02, concurrently with the entry by the Authority and the Trustee into any Supplemental Indenture pursuant to Section 9.01 or 9.02, there shall have been delivered to the Authority, Capital One and the Trustee an opinion of bond counsel. The Trustee may conclusively rely on such opinion when consenting to such Supplemental Indenture, which shall, in addition to its other elements, opine to the effect that such Supplemental Indenture is permitted under this Article IX and is duly authorized, validly executed and delivered and is legally valid and binding upon the Authority and that the execution and delivery of the Supplemental Indenture will not adversely affect the exclusion of interest on the Bonds from gross income of the Owners for purposes of federal income taxation.

**ARTICLE X
SUPPLEMENTAL LEASE AGREEMENTS**

Section 10.01 Supplemental Lease Agreements Not Requiring Consent of Bondowners. The Authority and the Trustee may, without the consent of or notice to the Bondowners, consent to the execution of any Supplemental Lease Agreement by the Authority and the Public University as may be required:

(a) For the purpose of curing any ambiguity or formal defect or omission in the Lease Agreement, or

(b) For the purpose of modifying the scope of the Project, the Leased Facilities and/or the Leased Facilities Site in accordance with the Lease Agreement, or

(c) In connection with any other change therein which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondowners (in making such determination, the Trustee shall be entitled to rely conclusively upon an opinion of bond counsel).

Section 10.02 Supplemental Lease Agreements Requiring Consent of Bondowners. With the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, the Authority and the Trustee may consent to the execution of any Supplemental Lease Agreements by the Authority and the Public University; provided that no such Supplemental Lease Agreement shall be entered into which permits without the consent of the Owners of all of the Bonds then Outstanding (a) an extension of the date of payment of any Basic Lease Payment under Section 4.05 of the Lease Agreement, or (b) a reduction in the amount of any Basic Lease Payment under Section 4.05 of the Lease Agreement.

If at any time the Authority and the Public University shall request the consent of the Trustee to any such proposed Supplemental Lease Agreement, the Trustee shall cause notice of such proposed Supplemental Lease Agreement to be mailed in the same manner as provided by Section 9.02 with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed Supplemental Lease Agreement and shall state that copies of the same are on file at the Principal Office of the Trustee for inspection by all Bondowners.

Section 10.03 Opinions. Anything to the contrary in Sections 10.01 or 10.02 notwithstanding, concurrently with the entry by the Authority and the Public University into any Supplemental Lease Agreement, there shall have been delivered to the Authority, Capital One and the Trustee an opinion of bond counsel; which shall, in addition to its other elements, opine to the effect that such Supplemental Lease Agreement is permitted under this Article X and is duly authorized, validly executed and delivered and is legally valid and binding upon the Authority, and an Opinion of Counsel to the effect that such Supplemental Lease Agreement is duly authorized, validly executed and delivered and is legally valid and binding upon the Public University and that the execution and delivery of the Supplemental Lease Agreement will not adversely affect the exclusion of interest on the Bonds from gross income of the Owners for purposes of federal income taxation.

ARTICLE XI
SATISFACTION AND DISCHARGE OF INDENTURE

Section 11.01 Bonds Deemed To Be Paid. Any Bond or Bonds shall be deemed to be paid and no longer Outstanding under this Indenture and shall cease to be entitled to any lien, benefit or security under this Indenture if the Authority shall pay or provide for the payment of such Bond or Bonds in any one or more of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on such Bond or Bonds, as and when the same become due and payable;

(b) by delivering and surrendering to the Trustee, for cancellation by it, such Bond or Bonds; or

(c) by depositing with the Trustee, in trust, (i) cash or noncallable Government Obligations or both in such amounts and with maturities which will be, together with other moneys deposited therein and together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bond or Bonds at or before their respective maturity dates and to pay the interest thereon as it comes due, and (ii) in the case of Bonds which do not mature or will not be redeemed within 90 days of the deposit referred to in clause (i) above, a verification report of a nationally recognized Independent Certified Public Accountant or a nationally recognized firm providing verification services as to the adequacy of the trust funds to fully pay the Bonds deemed to be paid. For purposes of this subsection (c), Government Obligations shall mean and include only those investments of the type identified in paragraph A of the "List of Investment Obligations", as contained in Exhibit B attached hereto, which shall not be subject to redemption prior to their maturity.

Notwithstanding the foregoing, in the case of any Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (i) or (ii) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed prior to their respective stated maturities, proper notice of such redemption shall have been given in accordance with Article III or irrevocable instructions shall have been given to the Trustee to give such notice.

Notwithstanding any provisions of any other Section of this Indenture which may be contrary to this Section, all moneys or Government Obligations set aside and held in trust pursuant to this Section for the payment of Bonds (including redemption premium thereon, if any) shall be held irrevocably in trust for the Owners of such Bonds and applied to and used solely for the payment of the particular Bonds (including redemption premium thereon, if any) with respect to which such moneys and Government Obligations have been so set aside in trust.

Section 11.02 Satisfaction and Discharge of the Indenture. If the principal of, redemption premium, if any, and interest on all of the Bonds shall have been paid in accordance with their terms, or provision has been made for such payment as provided in Section 11.01, and provision shall also be made for paying all other sums payable hereunder, including the payment

of any Rebutable Arbitrage to the United States of America, all amounts due and owing to the Bond Insurer, and the fees, charges and expenses of the Authority, the Trustee, any Paying Agent, including attorneys' fees and expenses, to the date of retirement of the Bonds, then the right, title and interest of the Trustee in respect hereof shall thereupon cease, determine and be void, and thereupon the Trustee, upon Written Request of the Public University, and upon receipt by the Trustee, Capital One, the Bond Insurer and the Authority of a favorable opinion of bond counsel, which shall, in addition to its other elements, opine that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall cancel, discharge and release this Indenture and shall execute, acknowledge and deliver to the Authority, Capital One, the Bond Insurer and the Public University such instruments of satisfaction and discharge or release as shall be reasonably requested to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the Authority, the Public University, Capital One or other Person entitled thereto as their respective interests may appear, any property and revenues at the time subject to this Indenture which may then be in its possession, other than moneys or obligations held by the Trustee for the payment of the principal of and interest and redemption premium, if any, due or to become due on the Bonds.

Upon provision for the payment of all Outstanding Bonds in accordance with this Section, and compliance with the other payment requirements of Section 11.01, and subject to this Section, the Indenture may be discharged in accordance with the provisions hereof, provided that the obligation of the Authority in respect of such Bonds shall nevertheless continue but the Owners thereof shall thereafter be entitled to payment only out of the moneys or Government Obligations deposited with the Trustee as aforesaid.

Provision for payment of the Bonds Outstanding hereunder may not be made as aforesaid nor may this Indenture be discharged if under any circumstances the interest on such Bonds is thereby made subject to federal income taxation. In determining the foregoing, the Trustee may conclusively rely upon a favorable opinion of bond counsel.

Section 11.03 Payment of Bonds After Discharge. Notwithstanding the discharge of the lien hereof as in this Article provided, the Trustee shall nevertheless retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer, exchange and replacement of Bonds as provided herein. Thereupon it shall be the duty of the Trustee to comply with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 et seq. with respect to such funds in accordance with the Trustee's escheat policies and procedures, which must not be in conflict with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 et seq. Any such delivery shall be in accordance with the customary practices and procedures of the Trustee and the State escheat laws. Any money held by the Trustee pursuant to this Section 11.03 shall be held uninvested and without any liability for interest.

**ARTICLE XII
MISCELLANEOUS PROVISIONS**

Section 12.01 Consents and Other Instruments by Bondowners. Any consent, request, direction, approval, objection or other instrument required by this Indenture (other than the assignment of any Bond) to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such 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 shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such instrument acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds owned by the Public University shall be disregarded and deemed not to be Outstanding under this Indenture, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds with respect to which the Trustee has received written notice of such ownership shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Public University.

Section 12.02 Limitation of Rights Under this Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied by this Indenture or the Bonds is intended or shall be construed to give any Person other than the parties hereto, the Paying Agent, the Bond Registrar, the Bond Insurer and the Owners of the Bonds, any right, remedy or claim under or in respect to this Indenture, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Paying Agent, the Bond Registrar, the Bond Insurer and the Owners of the Bonds as herein provided.

Section 12.03 Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by this Indenture to be given to or filed with the Authority, the Trustee, the Public University or Capital One if the same shall be duly mailed by certified or registered mail addressed (provided that notice to the Trustee shall be effective only upon receipt):

(a) To the Authority at:

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540-6612
Attention: Executive Director

(b) To the Trustee at:

U.S. Bank National Association
333 Thornall Street, 4th Floor
Edison, New Jersey 08837
Attention: Corporate Trust Services

(c) To the Public University at:

The William Paterson University of New Jersey
300 Pompton Road
Wayne, New Jersey 07470
Attention: Senior Vice President for Administration and Finance

(d) To Capital One at:

Capital One Public Funding, LLC
1307 Walt Whitman Road, 3rd Floor
Melville, New York 11747
Attention: Jonathan Lewis

All notices, demands, directions and requests to the Trustee shall be in writing unless expressly stated herein.

It shall be sufficient service of any notice, request, complaint, demand or other paper permitted or required by this Indenture to be given or filed with the Bondowners if the same is duly mailed by first-class mail, postage prepaid, addressed to each of the Bondowners at the time Outstanding at the addresses shown by the Bond Register. Neither the failure to receive such notice, nor any defect in any notice so mailed, to any particular Bondowner shall affect the sufficiency of such notice with respect to other Bondowners. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Bondowners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

Section 12.04 Suspension of Mail Service. If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of the Authority shall constitute a sufficient notice.

Section 12.05 Immunity of Officers, Employees and Members of Authority. No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained against any past, present or future officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of such Bonds.

Section 12.06 Limitation on Authority Obligations. Any other term or provision in this Indenture, the Lease Agreement, the Tax Agreement or any other Bond Document to the contrary notwithstanding:

(a) Any and all obligations (including fees, claims, demands, payments, damages, liabilities, penalties, assessments and the like) of or imposed upon the Authority or its members, officers, agents, employees, representatives, advisors or assigns, whether under this Indenture or any of the Bond Documents or elsewhere and whether arising out of or based upon a claim or claims of tort, contract, misrepresentation, or any other or additional legal theory or theories whatsoever (collectively the "Obligations"), shall in all events be absolutely limited obligations and liabilities, payable solely out of the following, if any, available at the time the Obligation in question is asserted:

(i) Bond proceeds and investments therefrom; and

(ii) Payments derived from the Bonds, the Indenture (including the Trust Estate to the extent provided in this Indenture) and the Lease Agreement (except for the fees and expenses of the Authority and the Authority's right to indemnification under the Lease Agreement under certain circumstances),

The above provisions (i) and (ii) being collectively referred to as the "exclusive sources of the Obligations".

(b) The Obligations shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein) within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit or taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein), but shall be payable solely from and out of the exclusive sources of the Obligations and shall otherwise impose no liability whatsoever, primary or otherwise, upon or any charge upon the general credit or taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein). The Authority has no taxing power.

(c) In no event shall any member, officer, agent, employee, representative or advisor of the Authority, or any successor or assign of any such Person or entity, be liable, personally or otherwise, for any Obligation.

(d) In no event shall this Indenture be construed as:

(i) depriving the Authority of any right or privilege; or

(ii) requiring the Authority or any member, officer, agent, employee, representative or advisor of the Authority to take or omit to take, or to permit or suffer the taking of any action by itself or by anyone else,

which deprivation or requirement would violate or result in the Authority's being in violation of the Act or any other applicable State or federal law.

(e) At no time and in no event will the Public University permit, suffer or allow any of the proceeds of the Bonds to be transferred to any Person in violation of, or to be used in any manner which is prohibited by, the Act or any other State or federal law.

Section 12.07 Severability. If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this Indenture contained shall not affect the remaining portions of this Indenture, or any part thereof.

Section 12.08 Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.09 Governing Law. This Indenture shall be governed exclusively by and construed in accordance with the laws of the State without regard to conflict of laws principles.

Section 12.10 Provisions Relating to the Bond Insurance Policy.

(a) Application of this Section. This Section 12.10 shall apply so long as the Bond Insurance Policy shall be in effect and the Bond Insurer is not in default of its obligations under the Bond Insurance Policy and notwithstanding any provisions to the contrary in this Indenture; and provided, the Bond Insurer shall always retain any rights to the extent it has become subrogated to Holders of any Bonds.

(b) Amendments and Supplements. The Bond Insurer shall be given prior written notice of any amendment or supplement to this Indenture or the Lease Agreement which does not require the consent of the Holders of the Bonds. Any amendment or supplement to this Indenture which requires the consent of the Holders of the Bonds, shall be subject to the prior written consent of the Bond Insurer. Any rating agency then rating the Bonds shall receive notice of any amendment and a copy thereof. Notwithstanding any other provision of this Indenture or the Lease Agreement, in determining whether the rights of Holders of the Bonds will be adversely affected by any action taken pursuant to the terms and provisions thereof, the

Trustee shall consider the effect on the Holders of the Bonds as if there were no Bond Insurance Policy. Any provision of this Indenture expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner that affects the rights of the Bond Insurer under this Indenture without the prior written consent of the Bond Insurer.

(c) Holder Consents. For purposes of any action under this Indenture with respect to the Bonds requiring the approval or consent of Holders of a percentage of the principal amount of Outstanding Bonds or exercising any voting right or privilege or giving any consent or direction or taking any other action that such Holders are entitled to take pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee, the Bond Insurer, shall be deemed the Holder of 100% of the principal amount of Outstanding Bonds; provided, that, the Bond Insurer shall be deemed a Holder, together with the actual Holders of the Bonds, with respect to amendments or modifications set forth in Section 9.02 of this Indenture requiring the consent of the Holders of all Bonds Outstanding.

(d) Trustees. The Bond Insurer shall be furnished with written notice of any name change of the Trustee or of the resignation, removal or termination of the Trustee, Bond Registrar or Paying Agent.

(e) Defeasance Provisions.

(i) In the event that the principal and/or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority, and the assignment and pledge of the Trust Estate under this Indenture and all covenants, agreements and other obligations of the Authority to the registered owners shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such registered owners including, without limitation, any rights that such owners may have in respect of securities law violations arising from the offer of the Bonds.

(ii) In addition to the requirements of Section 11.01 hereof, the following shall be conditions shall be required in connection with the defeasance of the Bonds:

(A) An escrow agreement and an opinion of counsel regarding the validity and enforceability of the escrow agreement. Such escrow agreement shall provide that:

(1) Any substitution of securities shall require verification by an independent certified public accountant and the prior written consent of the Bond Insurer;

(2) The Public University will not exercise any optional redemption of Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement, if any, for the refunding bonds, and (ii) as a condition of any such redemption there shall be provided to the Bond Insurer a verification of an independent certified

public accountant as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following such redemption; and

(3) The Public University shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Bond Insurer.

(f) Reporting Requirements. The Bond Insurer shall be provided with the following:

(i) Notice of any material event pursuant to Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

(ii) Such additional information as the Bond Insurer may reasonably request from time to time.

(g) Default Related Provisions.

(i) For all purposes of this Indenture governing events of default and remedies, except the giving of notice of default to Bondholders, the Bond Insurer shall be deemed to be the sole Holder of the Bonds.

(ii) In furtherance thereof and as a term of this Indenture and the Bonds, the Trustee and each Holder of the Bonds appoint the Bond Insurer as their agent and attorney-in-fact with respect to the Bonds and agree that the Bond Insurer may at any time during the continuation of any proceeding by or against the Public University under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Trustee and each Holder of the Bonds delegate and assign to the Bond Insurer, to the fullest extent permitted by law, the rights of the Trustee and each Holder of the Bonds with respect to the Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(h) Payments Pursuant to the Bond Insurance Policy. So long as the Bond Insurance Policy shall be in effect, the Trustee, the Bond Registrar and the Paying Agent shall observe the following provisions respecting the Bond Insurance Policy and the Bonds:

(i) If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under this Indenture, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent")

by telephone or telecopy of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall make a claim under the Bond Insurance Policy and give notice to the Bond Insurer and the Bond Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Bond Insurer and the Bond Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Bond Insurance Policy.

(ii) The Trustee shall designate any portion of payment of principal on Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Holder of the Bonds, and shall issue a replacement Bond to the Bond Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Authority on any Bond or the subrogation rights of the Bond Insurer.

(iii) The Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(iv) Upon payment of a claim under the Bond Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of the Holders of the Bonds referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Bond Insurance Policy in trust on behalf of the Holders of the Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Holders of the Bonds in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Authority agrees to pay to the Bond Insurer (A) a sum equal to the total of all amounts paid by the Bond Insurer under the Bond Insurance Policy (the "Insurer Advances") and (B) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). "Late Payment Rate" means the lesser of (X) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3% and (ii) the then applicable highest rate

of interest on the Bonds, and (Y) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Authority hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Bonds.

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

(vi) The Bond Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Bond Insurance Policy. Each obligation of the Authority to the Bond Insurer under this Indenture and the Lease Agreement shall survive discharge or termination of this Indenture and the Lease Agreement.

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

(i) The Authority hereby agrees to pay or reimburse the Bond Insurer, to the extent permitted by law and solely from funds available under this Indenture and the Lease Agreement, any and all charges, fees, costs and expenses which the Bond Insurer may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, in connection with (i) any accounts established to facilitate payments under the Bond Insurance Policy, (ii) the administration, enforcement, defense or preservation of any rights in respect of this Indenture or the Lease Agreement including defending, monitoring or participating in any litigation or proceeding (including any bankruptcy proceeding in respect of the Public University or any affiliate thereof) relating to this Indenture or any other Financing Document, any party to this Indenture or any other Financing Document or the transaction contemplated by the Financing Documents, (iii) the foreclosure against, sale or other disposition of any collateral securing any Bonds under this Indenture or any other Financing Document, or the pursuit of any remedies under this Indenture or any other Financing Document, to the extent such costs and expenses are not recovered from such foreclosure, sale or other disposition, or (iv) any amendment, waiver or other action with respect to, or related to, this Indenture or any other Financing Document whether or not executed or completed; costs and expenses shall include a reasonable allocation of compensation and overhead attributable to time of employees of the Bond Insurer spent in connection with the actions described in clauses (ii) – (iv) above. In addition, the Bond Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of this Indenture or any other Financing Document. The Public University will pay interest on the amounts owed in this paragraph from the date of any payment due or paid, at the per annum rate of interest publicly announced from time to time by JP Morgan

Chase Bank, National Association at its principal office in New York, New York as its prime lending rate (any change in such prime rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank, National Association) plus three percent (3%) per annum (the "Reimbursement Rate"). The Reimbursement Rate shall be calculated on the basis of the actual number of days elapsed over a 360-day year. In the event JPMorgan Chase Bank ceases to announce its prime rate publicly, the prime rate shall be the publicly announced prime rate or base lending rate of such national bank, as the Bond Insurer shall specify. The provisions of this paragraph shall survive the redemption, defeasance or termination of the Bonds or the terminations of any Financing Document.

(j) In addition to any and all rights of reimbursement, subrogation and any other rights pursuant hereto or under law or in equity, the Public University agrees to pay or reimburse the Bond Insurer, to the extent permitted by law and solely from funds available under the Financing Documents, any and all charges, fees, costs, claims, losses, liabilities (including penalties), judgments, demands, damages, and expenses which the Bond Insurer or its officers, directors, shareholders, employees, agents and each Person, if any, who controls the Bond Insurer 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, may reasonably pay or incur, including, but not limited to, fees and expenses of attorneys, accountants, consultants and auditors and reasonable costs of investigations, of any nature in connection with, in respect of or relating to the transactions contemplated by this Indenture or any other Financing Document by reason of:

(i) any omission or action (other than of or by the Bond Insurer) in connection with the issuance, remarketing or delivery of the Bonds;

(ii) the negligence, bad faith, willful misconduct, misfeasance, malfeasance or theft committed by any director, officer, employee or agent of the Authority or Public University in connection with any transaction arising from or relating to this Indenture or any other Financing Document;

(iii) the violation by the Public University of any law, rule or regulation, or any judgment, order or decree applicable to it;

(iv) the breach by the Public University of any representation, warranty or covenant under this Indenture or any other Financing Document or the occurrence, in respect of the Public University, under this Indenture or any other Financing Document of any "event of default" or any event which, with the giving of notice or lapse of time or both, would constitute any "event of default"; or

(v) any untrue statement or alleged untrue statement of a material fact contained in any official statement relating to the Bonds, if any, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as such claims arise out of or are based upon any untrue statement or omission in information included in an official statement, if any, and furnished by the Bond Insurer in writing expressly for use therein.

(k) The Bond Insurer as Third Party Beneficiary. To the extent that the Financing Documents confer upon or give or grant to the Bond Insurer any right, remedy or claim under or by reason of the Financing Documents, the Bond Insurer is explicitly recognized as being a third party beneficiary thereunder and may enforce any such right, remedy or claim conferred, given or granted thereunder.

(l) No Purchase by Authority or Public University. Without the prior written consent of the Bond Insurer, no Bonds shall be purchased by the Authority or the Public University, or any of their respective affiliates, unless such Bonds are redeemed, defeased or terminated.

IN WITNESS WHEREOF, the Authority has caused these presents to be signed in its name and behalf by its duly Authorized Officer, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf by its duly Authorized Officer, all as of the day and year first above written.

**NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY**

By: _____
Eric D. Brophy, Esq., Executive Director

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

By: _____
Paul D. O'Brien, Vice President

Acknowledged and Accepted:

THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY

By: _____
[Name]
[Title]

**EXHIBIT A
TO TRUST INDENTURE**

(FORM OF BOND)

THIS BOND MAY NOT BE TRANSFERRED BY THE REGISTERED OWNER HEREOF TO ANY PERSON OTHER THAN (I) AN AFFILIATE OF CAPITAL ONE PUBLIC FUNDING, LLC OR (II) ONE OR MORE BANKS, INSURANCE COMPANIES OR OTHER FINANCIAL INSTITUTIONS (EACH, AN "ELIGIBLE TRANSFEREE"). EACH TRANSFEREE, BY TAKING DELIVERY OF THIS BOND, IS DEEMED TO HAVE REPRESENTED THAT IT IS AN ELIGIBLE TRANSFEREE.

**Registered
No. R-**

**Registered
\$ _____**

**UNITED STATES OF AMERICA
STATE OF NEW JERSEY**

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

**REVENUE REFUNDING BONDS,
THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY ISSUE, SERIES 2019 A**

<u>Interest Rate</u>	<u>Principal Payment Dates</u>	<u>Maturity Date</u>	<u>Dated Date</u>
3.45%	See Schedule A	July 1, 2038	May 14, 2019

REGISTERED OWNER: CAPITAL ONE PUBLIC FUNDING, LLC

PRINCIPAL AMOUNT: _____ DOLLARS

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, a public body corporate and politic of the State of New Jersey (herein called the "Authority"), for value received, promises to pay, but solely from the sources hereinafter referred to, to the Registered Owner specified above, or registered assigns, the Principal Amount specified above, in semiannual principal installments (the "Principal Payments") payable on the semiannual payment dates (the "Principal Payment Dates") as set forth on Schedule A attached hereto, through and including the Maturity Date specified above, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on the portion of said Principal Amount from time to time Outstanding at the interest rate per annum determined as described herein and in the Indenture hereinafter referred to from the Dated Date specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date as described in the Trust Indenture dated as of May 1, 2019 (said Trust Indenture, as may be

amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Indenture”), between the Authority and U.S. Bank National Association, as Trustee (the “Trustee”), until said Principal Amount is paid.

Method of Payment. The principal of and interest on this Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of and redemption premium, if any, on this Bond shall be payable by check or draft to the Registered Owner at the maturity or redemption date hereof upon presentation and surrender of this Bond at the Principal Office of the Trustee; provided, however, that so long as Capital One Public Funding, LLC (“Capital One”) is the Registered Owner of this Bond, no presentment for payment of the principal of and the redemption premium, if any, shall be required except upon final maturity. The interest payable on this Bond on any Interest Payment Date shall be paid by the Trustee to the Registered Owner appearing on the registration books of the Authority (the “Bond Register”) maintained by the Trustee, as Bond Registrar, at the close of business on the Record Date next preceding such Interest Payment Date and shall be paid (i) by check or draft of the Trustee mailed on the applicable Interest Payment Date to such Registered Owner at his address as it appears on such Bond Register or at such other address furnished in writing by such Registered Owner to the Trustee or (ii) by electronic transfer in immediately available funds, at the written request addressed to the Trustee by any Owner of Bonds in the aggregate principal amount of at least \$1,000,000 or the aggregate principal amount of the Bonds Outstanding, whichever is less, such request to be signed by such Owner, containing the name of the bank (which shall be in the continental United States), its address, its ABA routing number, the name and account number to which credit shall be made and an acknowledgment that an electronic transfer fee is payable, and to be filed with the Trustee no later than ten Business Days before the applicable Record Date preceding such Interest Payment Date.

Authorization. This Bond is one of a duly authorized series of bonds of the Authority designated “New Jersey Educational Facilities Authority Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2019 A” in the aggregate principal amount of \$_____ (the “Bonds”). The Bonds are issued for the purpose of providing funds to The William Paterson University of New Jersey (herein called the “Public University”) to finance a project (collectively, the “Project”) consisting of: (i) the current refunding of the outstanding \$4,975,000 principal amount of the Authority’s Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2008 C maturing on July 1 of the years 2020 through 2038, inclusive, and (ii) paying certain costs incidental to the issuance of the Bonds, all as presented, submitted and approved by the Public University’s Board of Trustees, all by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and statutes of the State of New Jersey, including particularly the New Jersey Educational Facilities Authority Law constituting Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented, *N.J.S.A. 18A:72A-1 et seq.* (the “Act”) and pursuant to a resolution adopted by the Authority on April 23, 2019. The funding will be made pursuant to the Lease and Agreement, dated as of May 1, 2019 (said Lease and Agreement, as may be amended and supplemented from time to time in accordance with the provisions thereof, being herein called the “Lease Agreement”), by and between the Authority and the Public University.

Security. The Bonds are issued under and are equally and ratably secured and entitled to the protection given by the Indenture pursuant to which the rights of the Authority under the Lease Agreement (other than its rights to payment of fees and expenses and indemnification) are pledged and assigned by the Authority to the Trustee as security for the Bonds. Reference is hereby made to the Indenture for a description of the property pledged and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security for the Bonds, and the rights, duties and obligations of the Authority, the Trustee and the Owners of the Bonds, and a description of the terms upon which the Bonds are issued and secured, upon which provision for payment of the Bonds or portions thereof and defeasance of the lien of the Indenture with respect thereto may be made and upon which the Indenture may be deemed satisfied and discharged prior to payment of the Bonds. Capitalized terms not defined herein are used with the meanings given to them in the Indenture.

Pursuant to the Lease Agreement, Lease Payments sufficient for the prompt payment when due of the principal of, redemption premium, if any, and interest on the Bonds are to be paid by the Public University directly to the Trustee for the account of the Authority and deposited in a special account created by the Indenture and designated the "New Jersey Educational Facilities Authority Debt Service Fund, The William Paterson University of New Jersey Series 2019 A" and all Lease Payments under the Lease Agreement have been duly pledged and assigned to the Trustee for that purpose.

Interest Rate. The Bonds shall bear interest from the most recent Interest Payment Date next preceding the date of such Bonds to which interest has been paid, unless the date of such Bond is an Interest Payment Date, in which case interest shall be payable from such date, or unless the date of such Bond is prior to the first Interest Payment Date of the Bonds, in which case interest shall be payable from the Dated Date of the Bonds, or unless the date of such Bond is between a Record Date, and the next succeeding Interest Payment Date, in which case from such Interest Payment Date. The amount of interest payable with respect to any Bonds on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months.

Redemption. The Bonds are subject to optional redemption prior to their stated maturity as provided in the Indenture.

Limitation on Rights; Acceleration; Modifications. The Owner of this Bond shall have no right to enforce the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Bonds or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

Transfer. This Bond may only be transferred to (i) an affiliate of Capital One or (ii) one or more banks, insurance companies or other financial institutions, and only in accordance with applicable federal and state law and upon delivery to the Trustee of a certificate executed by the

transferee in substantially the form of the certificate delivered by Capital One on the Dated Date in connection with the issuance and delivery of the Bonds (or as may otherwise be approved by an Authorized Officer of the Authority).

Special and Limited Obligations. The Bonds and the interest thereon are special and limited obligations of the Authority payable solely out of Basic Lease Payments derived by the Authority under the Lease Agreement and the Trust Estate and are secured by a pledge and assignment of the Basic Lease Payments and the Trust Estate. The Bonds shall never constitute a debt or liability of the State of New Jersey or of any political subdivision thereof other than the Authority (to the limited extent as set forth in the Indenture) within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit or the taxing power of the State or any political subdivision thereof other than the Authority (to the limited extent as set forth in the Indenture) but shall be payable solely from the funds provided for in the Lease Agreement and in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to make any appropriation for their payment. The State or any political subdivision thereof other than Authority (to the limited extent as set forth in the Indenture) shall not in any event be liable for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon or any charge upon the general credit or taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth in the Indenture). The Authority has no taxing power.

No Recourse. No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future officer, director, member, employee or agent of the Authority, or any incorporator, officer, director, member, trustee, employee or agent of any successor corporation or body politic, as such, either directly or through the Authority or any successor corporation or body politic, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, trustees, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance of any of the Bonds.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in 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 law.

IN WITNESS WHEREOF, NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY has caused this Bond to be executed in its name by the manual or facsimile signature of its Chair, Vice Chair, Executive Director or Deputy Executive Director and attested by the manual or facsimile signature of its Executive Director (provided that this Bond is not executed by the Executive Director), Secretary, an Assistant Secretary or Assistant Treasurer, including those serving in an interim or acting capacity, and its official common seal or a facsimile thereof to be affixed or imprinted hereon, all as of the Dated Date specified above.

(SEAL)

**NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY**

By: _____

ATTEST:

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture.

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

By: _____
Authorized Signatory

Date of Authentication: May 14, 2019

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Please Print or Typewrite Name, Address and Social Security
Number or Taxpayer Identification Number of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney

to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution as defined by SEC Rule 17Ad-15 (12 CFR 240.17Ad-15) or any similar rule which the Trustee deems applicable)

By: _____
Title: _____

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. ("AGM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on the Bonds to U.S. Bank National Association, Edison, New Jersey, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

SCHEDULE A

Principal Payment Date	Principal Payment
January 1, 2020	\$
July 1, 2020	
January 1, 2021	
July 1, 2021	
January 1, 2022	
July 1, 2022	
January 1, 2023	
July 1, 2023	
January 1, 2024	
July 1, 2024	
January 1, 2025	
July 1, 2025	
January 1, 2026	
July 1, 2026	
January 1, 2027	
July 1, 2027	
January 1, 2028	
July 1, 2028	
January 1, 2029	
July 1, 2029	
January 1, 2030	
July 1, 2030	
January 1, 2031	
July 1, 2031	
January 1, 2032	
July 1, 2032	
January 1, 2033	
July 1, 2033	
January 1, 2034	
July 1, 2034	
January 1, 2035	
July 1, 2035	
January 1, 2036	
July 1, 2036	
January 1, 2037	
July 1, 2037	
January 1, 2038	
July 1, 2038	

**EXHIBIT B
TO TRUST INDENTURE**

LIST OF INVESTMENT OBLIGATIONS

Investment Types

- A. U.S. Treasury and other government obligations that carry the full faith and credit guarantee of the United States for the payment of principal and interest.
- B. Federal Agency or U.S. government sponsored enterprises (GSE) obligations, participations or other instruments.
- C. Bonds or notes issued by any state or municipality.
- D. Negotiable bank certificates of deposit, deposit notes or other deposit obligations issued by a nationally or state chartered bank, credit union or savings association, or by a federally or state-licensed branch of a foreign bank or financial institution.
- E. Commercial paper.
- F. Corporate bonds and medium term notes.
- G. Asset-backed securities.
- H. Investment agreements or guaranteed investment contracts (GICs).
- I. Certificates of deposit of any bank, savings and loan or trust company organized under the laws of the United States or any state thereof, including the trustee or any Holder of the Bonds, provided that such certificates of deposit shall be fully collateralized (with a prior perfected security interest), to the extent they are not insured by the Federal Deposit Insurance Corporation (FDIC), by Investment Obligations described in (A) and (B) above having a market value at all times equal to the uninsured amount of such deposit.
- J. Repurchase agreements that meet the following requirements:
 - a. Must be governed by a written SIFMA Master Repurchase Agreement which specifies securities eligible for purchase and resale, and which provides the unconditional right to liquidate the underlying securities should the counterparty default or fail to provide full timely repayment.
 - b. Counterparty must be a Federal Reserve Bank, a Primary Dealer as designated by the Federal Reserve Bank of New York, or a nationally chartered commercial bank.
 - c. Securities underlying repurchase agreements must be delivered to a third party custodian under a written custodial agreement that may be of deliverable or tri-

party form. Securities must be held in the Authority's custodial account or in a separate account in the name of the Authority.

- d. Acceptable underlying securities include only securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States, including U.S. Agency-issued mortgage-backed securities.
- e. Underlying securities must have an aggregate current market value, including accrued interest, of at least 102% (or 100% if the counterparty is a Federal Reserve Bank) of the purchase price plus current accrued price differential at the close of each business day.

K. Shares in open-end and no-load money market mutual funds that are backed by U.S. government securities, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7.

L. New Jersey Cash Management Fund.

Collateralization

All demand deposits, time deposits, and certificates of deposit shall be collateralized for amounts over and above Federal Deposit Insurance Corporation coverage. All collateral shall be permitted investments as set out in the below chart. There shall be a written custodial agreement that, among other things, specifies the circumstances under which collateral may be substituted. The Authority should not accept a pledge of a proportionate interest in a pool of collateral. The market value and accrued interest of collateral should, at least, equal the value of the investment and any accrued interest at all times. The recorded value of collateral backing any investment should be compared with current market values (mark- to-market) at the time of the initial investment and monthly thereafter to be certain that it continues to be at least equal to the value of the investment plus accrued interest. The mark-to-market reviews should use "bid" prices from a constant source.

Investment Parameters

Sector Type	Sector Max (%)	Issuer Max (%)	Minimum Ratings Requirement ¹	Max Maturity
US Treasury	100%	N/A	N/A	10 Years
Federal Agency	25%	5%	N/A	10 Years
Municipals	25%	5%	Two Highest LT Rating Categories (AA-/Aa3/AA-)	10 Years
Negotiable CDs	50% in aggregate ²	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Commercial Paper		5%	Highest ST Rating Category (A-1/P-1/F-1)	270 Days
Corporate Bonds & Medium Term Notes		5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years

Asset Backed Securities	20%	5%	Highest LT Rating (AAA/Aaa/AAA)	10 Year Avg. Life
Certificates of Deposit	25%	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Repurchase Agreements	20%	5%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the highest ST Rating category (A- 1/P-1/F-1). If the counterparty is a Federal Reserve Bank, no rating is required.	90 Days
Government Money Market Funds	100%	25%	Highest rating by all NRSROs who rated the fund (AAAm or equivalent)	N/A
New Jersey Cash Management Fund	100%	N/A	N/A	N/A
¹ Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO"), unless otherwise noted. In the case of split-rated issuers, the lowest rating shall prevail. ST= Short-term; LT=Long-term. ² Funds invested in the credit sector may exceed the 50% target only with the written permission of NJEFA and the borrowing institution.				

In addition, the diversification parameters for investment agreements or guaranteed investment contracts ("GICs") are as follows:

- Investment agreements or GICs with any financial institution whose senior long term debt obligations, or whose obligations under such an investment agreement or GIC are guaranteed by a financial institution whose senior long term debt obligations, have a rating (at the time the agreement or contract is entered into) of "Aa3" or higher by Moody's and "AA-" or higher by S&P.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

RESOLUTION

**AUTHORIZING THE SUPPLEMENTAL AGREEMENT
AND DOCUMENT AMENDMENTS FOR:**

**\$7,865,500
OUTSTANDING AGGREGATE PRINCIPAL AMOUNT
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
VARIABLE RATE REVENUE BONDS,
INSTITUTE FOR DEFENSE ANALYSES ISSUE,
2000 SERIES D**

Adopted April 23, 2019

**RESOLUTION AUTHORIZING THE SUPPLEMENTAL AGREEMENT
AND DOCUMENT AMENDMENTS FOR:
\$7,865,500
OUTSTANDING AGGREGATE PRINCIPAL AMOUNT
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
VARIABLE RATE REVENUE BONDS,
INSTITUTE FOR DEFENSE ANALYSES ISSUE,
2000 SERIES D**

WHEREAS, the New Jersey Educational Facilities Authority (the "Authority") was created as a public body corporate and politic of the State of New Jersey pursuant to the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented) (the "Act"); and

WHEREAS, the Authority did heretofore adopt and approve a resolution on September 22, 2015 (the "Amended Series 2000 Resolution") authorizing and providing for the interest rate conversion and remarketing of and document amendments for the \$11,070,000 then outstanding aggregate principal amount of New Jersey Educational Facilities Authority Variable Rate Revenue Bonds, Institute for Defense Analyses Issue, 2000 Series D (the "Bonds"); and

WHEREAS, the Bonds were issued on November 16, 2000 in an original principal amount of \$16,695,000 for the purpose of, among other things, the acquisition of land and the constructing and equipping of a new research facility in Princeton, New Jersey for Institute for Defense Analyses (the "Borrower" or "IDA"), funding a debt service reserve fund and paying costs of credit enhancement and of issuing the Bonds (the "Original Project"); and

WHEREAS, the proceeds of the Bonds were loaned by the Authority to the Borrower pursuant to the Loan Agreement dated as of November 1, 2000, and amended and restated as of November 4, 2015, by and between the Authority and the Borrower (the "Loan Agreement"); and

WHEREAS, the Borrower has previously amended the "Tax-Exempt Rate" and the "Bank Holder Rate" under the Trust Agreement dated as of November 1, 2000, as amended and restated as of November 4, 2015 and as previously amended on November 14, 2018 (collectively, the "Trust Agreement") between the Authority and Wells Fargo Bank, National Association (the "Trustee"); and

WHEREAS, the Borrower desires to further amend the Trust Agreement by amending the definitions of "Bank Holder Rate Period", "Rating", "Rating Agencies", "Applicable Spread", "Applicable Tax Exempt Spread", "Applicable Taxable Spread", and "Tax Exempt Rates", and making such other modifications as are set forth in the Supplemental Trust Agreement and Supplemental Loan Agreement substantially in the form presented to the Authority, by and among IDA, the Trustee and the Authority (the "Supplemental Agreement"), which Supplemental Agreement constitutes a supplemental Trust Agreement for purposes of Article XI of the Trust Agreement and an amendment to the Loan Agreement for purposes of Article XII of the Trust Agreement and Section 10.6 of the Loan Agreement; and

WHEREAS, BB&T Community Holdings Co. (the "Purchaser") has consented to the amendments set forth in the Supplemental Agreement; and

WHEREAS, the modifications to the Bonds as set forth in the Supplemental Agreement are expected to constitute a material modification for purposes of the Internal Revenue Code of 1986, as amended (the "Code") and therefore require execution and delivery of a supplemental tax regulatory agreement and such other items as may be required under the Code; and

WHEREAS, the Authority deems it necessary and in keeping with its authorized purposes to execute the Supplemental Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, AS FOLLOWS:

Section 1. Terms Defined in Recitals. All of the terms defined in the preambles hereof shall have the respective meanings set forth therein for all purposes of this Resolution.

Section 2. Authority for this Resolution. This Resolution is adopted pursuant to and in accordance with the provisions of the Act.

Section 3. Purpose of the Transaction. The Authority hereby declares the execution of the Supplemental Agreement to be an authorized undertaking of the Authority and authorizes and directs the Chair, Vice Chair, Executive Director, Treasurer, Director of Project Management, Director of Compliance Management, Secretary, Assistant Treasurer or any Assistant Secretary of the Authority, and any other person authorized by resolution of the Authority, and any of such officers designated as "acting" or "interim" (each an "Authorized Officer") to execute and deliver all documents necessary to enable the Authority, as permitted by the Act, to implement, on behalf of the Borrower, the changes set forth in the Supplemental Agreement.

Section 4. Approval of Supplemental Agreement. The form of the Supplemental Agreement presented to this meeting (a copy of which shall be filed with the records of the Authority) is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to, the Supplemental Agreement in substantially such form, with such changes therein and any supplements thereto as such Authorized Officer executing the same may approve, in consultation with Bond Counsel and the Attorney General's Office, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

Section 5. Indemnification and Payment of Costs. The Borrower, by its request for the Authority's assistance in execution and delivery of the Supplemental Agreement and the other transactions described therein, has agreed to indemnify the Authority and to pay the Authority's fees, including without limitation any applicable administrative, application and discretionary fees. All costs and expenses of the Authority in connection with the Supplemental Agreement and any other matters contemplated by this Resolution, including the fees and

expenses of Bond Counsel, shall be paid by the Borrower. If for any reason the transactions authorized by this Resolution are not consummated, it is understood that all such expenses will be paid by the Borrower and that the Authority will have no responsibility therefor.

Section 6. Conformance of Documents. Any Authorized Officer is hereby authorized and directed to approve, as Bond Counsel and the Attorney General's Office may advise, such changes to the forms of the Supplemental Agreement and such other agreements or documents as may be necessary or appropriate with respect to the Bonds or to conform the same to the requirements of the Purchaser.

Section 7. Incidental Action. The Authority hereby approves the execution of the Supplemental Agreement and the transactions described herein. In connection therewith, Authorized Officers are hereby authorized and directed to execute and deliver such other documents, agreements, certificates, directions and notices, and to take such other action as may be necessary or appropriate, in order to effect the execution of the Supplemental Agreement, including without limitation to (i) executing any supplement or allonge to the Bonds and an allonge to the Note, (ii) providing all consents, notices and directions as shall be necessary or desirable under the Trust Agreement to effect the execution of the Supplemental Agreement, and (iii) maintain the tax-exempt status of the interest on the Bonds, including, without limitation, the execution and delivery of any tax regulatory agreement (including a supplement thereto) and the preparation and filing of any Form 8038, other information reports or additional documents with respect to the Bonds as may at any time be required under of the Code, and the regulations promulgated thereunder.

Section 8. Effective Date. This Resolution shall take effect in accordance with the Act.

_____ Mr. Rodriguez _____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by _____ Mr. Moore _____ and upon roll call the following members voted:

AYE: Ridgeley Hutchinson
Louis Rodriguez
Zakiya Smith Ellis (represented by Angela Bethea)
Elizabeth Maher Muoio (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes

The Vice Chair thereupon declared said motion carried and said resolution adopted.

**SUPPLEMENTAL TRUST AGREEMENT AND
SUPPLEMENTAL LOAN AGREEMENT**

Dated as of May 1, 2019

By and Among

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY,
INSTITUTE FOR DEFENSE ANALYSES

And

WELLS FARGO BANK, NATIONAL ASSOCIATION

Amending the Amended and Restated Trust Agreement dated as of November 4, 2015 and the
Amended and Restated Loan Agreement dated as of November 4, 2015

Relating to

**New Jersey Educational Facilities Authority
Variable Rate Revenue Bonds
Institute for Defense Analyses Issue,
2000 Series D**

This SUPPLEMENTAL TRUST AGREEMENT AND SUPPLEMENTAL LOAN AGREEMENT (the “**Supplement**”) dated as of May 1, 2019 (the “**Date of Execution**”) is by and among the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, a public body corporate and politic, with corporate succession, constituting a political subdivision of the State of New Jersey (the “**Issuer**”), INSTITUTE FOR DEFENSE ANALYSES, a Delaware non-profit corporation (the “**Borrower**”) and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association (the “**Trustee**”) and amends and supplements the Amended and Restated Trust Agreement (the “**2015 Trust Agreement**”) between the Issuer and the Trustee and the Amended and Restated Loan Agreement (the “**2015 Loan Agreement**”) between the Issuer and the Borrower, each dated as of November 4, 2015 and as amended by the Modification Agreement and Allonge dated as of November 14, 2018. Capitalized terms used herein and not otherwise defined have the meanings given them in the 2015 Trust Agreement.

RECITALS

- A. Article XI of the 2015 Trust Agreement provides for the execution and delivery of certain supplemental trust agreements by the Trustee at the request of the Issuer and with the consent of Institute for Defense Analyses and BB&T Community Holdings Co. (“**BB&TCHC**”), as the Owner of the Bonds.
- B. Article XII of the 2015 Trust Agreement and Article X of the 2015 Loan Agreement provide for the amendment of the Loan Agreement by the Borrower and the Issuer with the consent of the Trustee and the Owner of the Bonds.
- C. The Borrower, by letter to the Issuer dated April 11, 2019, has requested the Issuer and the Trustee to enter into a supplemental trust agreement and supplemental loan agreement in substantially the form of this Supplement.
- D. BB&TCHC, as Owner of all of the outstanding Bonds, has granted its consent and approval to execution and delivery of this Supplement.
- E. Concurrently with the execution and delivery of this Supplement, the Borrower and BB&TCHC are executing and delivering a 2019 Amendment to the Continuing Covenants Agreement (the “**2019 CCA Amendment**”) which amends the Continuing Covenants Agreement dated as of November 4, 2015 between the Borrower and BB&TCHC related to the Bonds.

NOW, THEREFORE, the Issuer and the Trustee, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, do hereby agree that, if the “MCHQ Financing Contingency” (defined below) has been satisfied, then each of the provisions of paragraphs 1, 2 and 3 below shall be effective as of the date that is sixteen (16) days following the satisfaction of the MCHQ Financing Contingency:

1. The ending date for the “Bank Holder Rate Period” defined in Exhibit A on page A-2 of the 2015 Trust Agreement and in Exhibit A on page A-2 of the 2015 Loan Agreement, is hereby changed from January 6, 2026 to October 1, 2029, and all

references to January 6, 2026 in the 2015 Trust Agreement and the 2015 Loan Agreement as they relate to the ending date of the Bank Holder Rate Period shall be deemed to refer to October 1, 2029.

2. Each of the defined terms in Exhibit A to the 2015 Trust Agreement and the 2015 Loan Agreement (“**Exhibit A**”) also identified in Attachment A hereto is deleted in its entirety and replaced with the corresponding term and definition in Attachment A. The terms “Rating,” “Rating Agencies,” “Applicable Spread,” “Applicable Tax Exempt Spread” and “Applicable Taxable Spread” and their respective definitions in Attachment A are also inserted in Exhibit A.
3. In the definition of “Tax Exempt Rate” in Exhibit A to the 2015 Trust Agreement and the 2015 Loan Agreement, the words “68%” are deleted and replaced with the words “79%.”
4. Section 2.05(e)(i) of the 2015 Trust Agreement is amended to delete the word “decline” and to replace it with the word “change.”
5. The Issuer and the Trustee consent to the execution and delivery of an Allonge to the Borrower’s Amended and Restated Promissory Note dated November 4, 2015 (the “**Note**”) giving effect to the amendments contained herein in substantially the form attached hereto as Attachment B and an Allonge to the Bond substantially in the form attached here as Attachment C, upon execution of which the Trustee agrees to permanently affix the Allonge to Note to the Note and BB&TCHC agrees to permanently affix the Allonge to Bond to the Bond.
6. As used in this Supplement, the term “MCHQ Contingency” means when the last of (i) the redemption by the Industrial Development Authority of the City of Alexandria of approximately \$44,130,000 of its Variable Rate Revenue Bonds (Institute of Defense Analyses Project) Series 2015A with the proceeds of a taxable loan made by Branch Banking and Trust Company to the Borrower, and (ii) the 2019 CCA Amendment becomes effective in accordance with its terms, and (iii) the Date of Execution.
7. As supplemented hereby, the 2015 Trust Agreement and the 2015 Loan Agreement are in all respects ratified and confirmed, and as supplemented, each shall be read and construed as one and the same instrument.
8. This Supplement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one instrument.
9. This Supplement shall be governed by and construed in accordance with the laws of the State of New Jersey.
10. The Issuer and Trustee hereby waive notice otherwise required under Sections 11.02(c) and 11.03 of the 2015 Trust Agreement.

IN WITNESS WHEREOF, each of the parties hereto has caused this Supplement to be executed on its behalf by its duly authorized officer as of the date entered above.

ISSUER:

**NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY**, a public body corporate and politic, with
corporate succession, constituting a political subdivision of
the State of New Jersey

By: _____
Eric D. Brophy, Esq.
Executive Director

BORROWER:

INSTITUTE FOR DEFENSE ANALYSES,
a Delaware non-profit corporation

By: _____
Name: _____
Title: _____

TRUSTEE:

WELLS FARGO BANK, NATIONAL ASSOCIATION

By: _____
Name: _____
Title: _____

Entered into with the consent of the Owner of the Bonds:

BB&T Community Holdings Co.

By: _____
Name: _____
Title: _____

“**Fitch**” means Fitch Group and any successor rating agency to such entity.

“**LIBOR**” means the average rate quoted by Bloomberg Finance L.P., or any quoting service or commonly available source utilized by the Bank Holder, on the determination date for deposits in U. S. Dollars offered in the London interbank market for one month determined at approximately 11:00 am London time two (2) Business Days prior to the commencement of the applicable LIBOR Accrual Period; provided that if the above method for determining LIBOR shall not be available, LIBOR shall be the rate quoted in The Wall Street Journal and provided further that if neither of the above methods for determining LIBOR shall be available, then (i) if Bond Counsel has delivered an opinion addressed to the Trustee, the District and such Owner (and upon which the Borrower may rely) stating that such modification would not adversely affect the tax-exemption of the interest on the Bonds for federal income tax purposes, then LIBOR shall mean a rate determined by a substitute method of determination agreed on by Borrower and the Owner and, if such agreement is not reached within a reasonable period of time (in Owner's sole judgment), a rate reasonably determined by Owner in its sole discretion as a rate being paid, as of the determination date, by first class banking organizations (as determined by the Owner) in the London interbank market for U. S. Dollar deposits and (ii) if Bond Counsel is unable to deliver the aforesaid opinion, then the LIBOR component of the interest rate borne by such Bonds shall instead be deemed and interpreted to mean the Standard Rate pursuant to and as set forth in Section 2.05 (e) (v) of the Indenture. Notwithstanding the foregoing, if LIBOR shall be less than zero, then LIBOR shall be deemed to be zero for purposes of the Bond Documents.

“**Moody’s**” means Moody’s Investor Services, Inc. and any successor rating agency to such entity.

“**Rating Agencies**” means S&P, Moody’s and/or Fitch, as applicable.

“**S&P**” means Standard & Poor’s Rating Services, a Standard & Poor’s Financial Services LLC business, and any successor rating agency to such entity.

“**Spread**” means (i) during the initial Bank Holder Rate Period commencing on the Closing Date, the rate determined as the Applicable Spread for Tax-Exempt Rate determined by reference to the pricing grid set forth in the definition of **Applicable Tax Exempt Spread** and (ii) during any subsequent Bank Holder Rate Period, the percentage rate per annum determined by the Bank Holder Calculation Agent to be the lowest percentage rate necessary, when used to determine the Tax-Exempt Rate, to result in a remarketing or placement of the Bonds at a price of par plus accrued interest, without premium or discount, taking into account prevailing market conditions at the time of such remarketing or placement.

“**Applicable Tax Exempt Spread**” means the rate per annum associated with the applicable Rating, in the pricing grid as specified below, for the Tax-Exempt Rate, as applicable:

Level	Rating (if S&P)	Rating (if Moody's)	Rating (if Fitch)	Applicable Spread for Tax-Exempt Rate
Level 1	A- or higher	A3 or higher	A- or higher	0.75%
Level 2	BBB+	Baa 1	BBB+	0.85%
Level 3	BBB	Baa 2	BBB	0.95%
Level 4	BBB-	Baa 3	BBB-	1.10%

“Rating” shall mean the lowest of the long-term unenhanced debt ratings of the senior unsecured general obligation debt of Borrower assigned by any of the Rating Agencies then rating such debt. Any change in the Applicable Spread resulting from a change in Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to Ratings above are references to rating categories as presently determined by the applicable Rating Agency and in the event of adoption of any new or changed rating system by a Rating Agency, each of the Ratings from such Rating Agency referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. If (i) the lowest Rating assigned by the Rating Agencies then rating the Borrower’s senior unsecured general obligation debt is below BBB- or Baa 3 or BBB- from S&P, Moody’s or Fitch, respectively, or (ii) no Ratings are assigned to the senior unsecured general obligation debt of the Borrower from any Rating Agency or such Rating Agency has withdrawn or suspended its ratings of the Borrower’s senior unsecured general obligation debt, or (iii) an Event of Default has occurred and is continuing hereunder, the Default Rate shall be the interest rate on the Bonds.

“Taxable Spread” means (i) during the Bank Holder Rate Period commencing on the Closing Date, the rate determined as the Applicable Spread for Taxable Rate determined by reference to the pricing grid set for the definition of Applicable Taxable Spread, and (ii) during any subsequent Bank Holder Rate Period, the percentage rate per annum determined by the Bank Holder Calculation Agent to be the lowest percentage rate necessary, when used to determine the Taxable Rate, to result in a remarketing or placement of the Bonds at a price of par plus accrued interest, without premium or discount, taking into account prevailing market conditions at the time of such remarketing or placement.

“Applicable Taxable Spread” means the rate per annum associated with the applicable Rating, in the pricing grid as specified below, for the Taxable Rate, as applicable;

Level	Rating (if S&P)	Rating (if Moody's)	Rating (if Fitch)	Applicable Spread for Taxable Rate
Level 1	A- or higher	A3 or higher	A- or higher	0.95%
Level 2	BBB+	Baa 1	BBB+	1.08%
Level 3	BBB	Baa 2	BBB	1.20%
Level 4	BBB-	Baa 3	BBB-	1.39%

Form of Allonge to Promissory Note

ALLONGE TO PROMISSORY NOTE

This ALLONGE TO PROMISSORY NOTE (the "Allonge") is made and entered into as of May 1, 2019, and is to be attached to and form a part of that certain \$11,070,000 Amended and Restated Promissory Note dated November 4, 2015 (the "Note"), made by INSTITUTE FOR DEFENSE ANALYSES, a Delaware non-profit corporation (the "Borrower") and payable to the order of NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (the "Issuer"), or assigns.

WHEREAS, Wells Fargo Bank, National Association, as Trustee (the "Trustee") is the present owner and holder of the Note, by virtue of an assignment from the Issuer as contemplated in the Amended and Restated Trust Agreement dated as of November 4, 2015 (the "Trust Agreement") between the Issuer and the Trustee.

WHEREAS, the Borrower issued the Note as contemplated by the Trust Agreement in connection with the issuance by the Issuer of \$11,070,000 New Jersey Educational Facilities Authority Variable Rate Revenue Bonds, Institute for Defense Analyses Issue, 2000 Series D (the "Bonds").

WHEREAS, BB&T COMMUNITY HOLDINGS CO. a Nevada corporation, is the owner of the Bonds and the "Bank Holder" as defined in the Trust Agreement.

WHEREAS, the Issuer, the Borrower, the Trustee and the Bank Holder have agreed to make certain amendments to the Trust Agreement and to the Amended and Restated Loan Agreement dated as of November 4, 2015 (the "Loan Agreement") between the Issuer and the Borrower affecting the "Bank Holder Rate Period" as defined in the Trust Agreement and the interest rate borne by the Bonds and the Note, among other things,

NOW, THEREFORE, in consideration of the foregoing, of the agreements hereinafter set forth and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Note is hereby amended and modified as follows:

1. The recitals set forth above are incorporated herein and made a part hereof. Terms used herein and not otherwise defined shall have the same meanings given to such terms in the Trust Agreement.

2. All references in the Note to the "Trust Agreement" and the "Loan Agreement," respectively, henceforward shall be deemed references to the Trust Agreement, as amended and supplemented from time to time and to the Loan Agreement, as amended and supplemented from time to time.

3. This Allonge shall be effective as of the date hereof and shall be binding on each party's respective assigns and successors in interest.

4. This Allonge shall be executed by the Borrower and delivered to the Bank Holder and shall become a part of and be permanently attached as an allonge to the Note, and the Note and this Allonge shall be read and construed as one instrument constituting the evidence of the Borrower's indebtedness to the Issuer. The Borrower acknowledges and agrees that there are no known defenses, counterclaims or set-offs against any of its obligations under the Note, as modified hereby.

5. All of the other terms, conditions and provisions of the Note are hereby ratified, confirmed and reaffirmed, it being the intention of the parties hereto that the Note shall remain in full force and effect, except as expressly modified hereby.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Borrower has executed this Allonge as of the day and year first above written.

INSTITUTE FOR DEFENSE ANALYSES, a Delaware non-profit corporation

By: _____
Name: _____
Title: _____

ALLONGE TO PROMISSORY NOTE
CONSENTED TO AND AUTHORIZED:

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By: _____
Eric D. Brophy, Esq.
Executive Director

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Trustee

By: _____
Name: _____
Title: _____

BB&T COMMUNITY HOLDINGS CO.

By: _____
Name: _____
Title: _____

Form of Allonge to Bond

ALLONGE TO BOND

THIS ALLONGE TO BOND (“Allonge to Bond”) is made and entered into as of May 1, 2019, and is to be attached to the below identified Bond issued by New Jersey Educational Facilities Authority (the “Issuer”):

New Jersey Educational Facilities Authority
Variable Rate Revenue Bond
Institute for Defense Analyses Issue
2000 Series D

No. R-2, dated November 4, 2015 in the original principal amount of \$9,400,500

1. The paragraph entitled “Bank Holder Rate Period” on page 6 of the Bond is amended to delete the date stated on the first line thereof and to replace it with the date October 1, 2029.
2. The seventh sentence in the paragraph entitled “Bank Holder Rate Period” shall be amended by deleting the word “decline” and replacing such word with the word “change.”
3. This Allonge to Bond shall be effective as of the date hereof and shall be binding on each party’s respective assigns and successors in interest. This Allonge to Bond shall become part of and shall be permanently attached as an allonge to the Bond and the Bond and this Allonge to Bond shall be read and construed as one instrument.

IN WITNESS WHEREOF, the Issuer has caused this Allonge to be executed in its name and its official seal to be impressed or imprinted hereon, and attested by its Secretary all as of the date referenced above.

NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY

By: _____
Eric D. Brophy, Esq.
Executive Director

ATTEST:

By: _____
Name: _____
Title: _____

ACKNOWLEDGED:

WELLS FARGO BANK, N.A.,
as Trustee

By: _____

Its: _____

BB&T COMMUNITY HOLDINGS CO.

By: _____

Its: _____

2019 AMENDMENT TO CONTINUING COVENANTS AGREEMENT
(New Jersey)

This 2019 AMENDMENT TO CONTINUING COVENANTS AGREEMENT (the "Amendment") dated as of [May] __, 2019 is between the INSTITUTE FOR DEFENSE ANALYSES, a Delaware nonstock, non-profit corporation (the "Borrower") and BB&T COMMUNITY HOLDINGS CO., a Nevada corporation, and its successors and assigns (the "Purchaser").

PRELIMINARY STATEMENTS:

(1) The New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes, as enacted by Chapter 271 of the Public Laws of 1967, as amended and supplemented (the "Act"), authorizes the issuance of bonds for the purpose of providing funds for loans to educational institutions.

(2) At the request of the Borrower, on November 16, 2000, the New Jersey Educational Facilities Authority, a public body corporate and politic, with corporate succession, constituting a political subdivision of the State of New Jersey (the "Authority") issued its New Jersey Educational Facilities Authority Variable Rate Revenue Bonds, Institute for Defense Analyses Issue, 2000 Series D in the original aggregate principal amount of \$16,695,000 (the "Original Bonds") for the purposes of (i) financing, refinancing or reimbursing the Borrower, for all or a portion of the costs of acquiring an approximately 13.2 acre parcel of undeveloped land in Princeton Township, Mercer County, (ii) constructing and equipping an approximately 55,221 square foot two story office building to serve as a research facility (the "Facility") together with parking and related land improvements; (iii) financing the acquisition, installation and equipping of furniture, fixtures and equipment within the Facility and other property functionally related and subordinate thereto, (iv) financing capitalized interest on the Original Bonds, (v) funding of a debt service reserve fund for the Original Bonds, (vi) paying the bond insurance premium relating to a municipal bond insurance policy and (vii) paying certain costs of issuance of the Original Bonds (the "Project").

(3) The Original Bonds were issued pursuant to the terms of a Trust Agreement dated as of November 1, 2000, as amended and supplemented as of June 1, 2008 (the "Original Indenture") by and between the Authority and Wells Fargo Bank, Minnesota, National Association, predecessor to Wells Fargo Bank, National Association, as trustee. In order to provide for payments on the Original Bonds, the Authority and the Borrower entered into a Loan Agreement dated as of November 1, 2000, as amended (the "Original Loan Agreement") under the terms of which the Authority agreed to finance, refinance or reimburse the Borrower for the costs of the Project.

(4) On November 4, 2015, (i) the Borrower converted the Original Bonds to an Alternate Rate pursuant to the provisions of Section 2.02(e) of the Original Indenture and pursuant to the Amended and Restated Trust Agreement dated as of November 4, 2015 between the Authority and the Trustee, the Original Indenture was amended and restated in its entirety as set forth therein (as amended and restated, and as subsequently amended, the "Indenture") and pursuant to an Amended and Restated Loan Agreement dated as of November 4, 2015, the Original Loan Agreement was amended and restated in its entirety as set forth therein (as amended and restated, and as subsequently amended, the "Loan Agreement") to provide for the replacement of the Original Bonds with amended and restated bonds (the "2000 Series D Bonds") having terms consistent with the Indenture and (ii) the Purchaser purchased the 2000 Series D Bonds.

(5) In connection with the purchase by the Purchaser of the 2000 Series D Bonds, the Borrower and the Purchaser entered into a Continuing Covenants Agreement dated as of November 4,

2015 (as amended from time to time, the "Covenants Agreement") that set forth certain terms and conditions to apply while the 2000 Series D Bonds were held by the Purchaser.

(6) The Borrower intends to obtain a taxable loan (the "2019 Taxable Loan") of approximately [\$45,000,000] from Branch Banking and Trust Company and its successors (the "Bank") the proceeds of which will be used by the Borrower to redeem approximately [\$44,130,000] in principal amount of the City of Alexandria Variable Rate Revenue Bonds (Institute for Defense Analyses Project) Series 2015A. The Authority, the Borrower and the Purchaser are entering into a Supplemental Trust Agreement and Supplemental Loan Agreement dated as of [May __, 2019] (the "2019 Supplement") to amend the ending date of the Bank Holder Rate Period; to modify the interest rate on the 2000 Series D Bonds and to provide for the execution of an Allonge to the Promissory Note. In connection with the execution of the 2019 Supplement and effective upon the making by the Bank of the 2019 Taxable Loan, the Borrower and the Purchaser desire to amend the Covenants Agreement as set forth herein.

NOW, THEREFORE, the parties hereto, in consideration of the premises and mutual covenants and promises set forth herein and for other valuable consideration, the receipt and adequacy of which are hereby acknowledged, hereby agree as follows:

1. Terms. All terms used herein without definition, unless the context clearly requires otherwise, shall have the meanings provided therefor in the Covenants Agreement.

2. Amendment to Covenants Agreement. The Covenants Agreement is hereby amended as follows:

(i) The definition of "Debt Service Coverage Ratio" is hereby amended to read as follows:

"Debt Service Coverage Ratio" means, for the date of determination, the ratio of (i) changes in the Borrower's consolidated unrestricted net assets, plus interest expense, depreciation, amortization and other non-cash expenses, plus/minus unrealized losses/unrealized gains in connection with marked to market adjustments on investments and Rate Hedging Obligations, all for the immediately preceding four-quarter period ending on such date, to (ii) the amount of all required principal payments on Long-Term Indebtedness plus interest expense and less capitalized interest to the extent included in interest expense, all for the immediately preceding four-quarter period ending on such date. In calculating Debt Service Coverage Ratio, there shall not be taken into account losses representing the write-off of unamortized costs of issuance attributable to the Original Bonds or the credit enhancement thereof or to any prior amendment thereof."

(ii) The following new definitions are added to Section 1.01 to read as follows:

"Fitch" means Fitch Group and any successor rating agency to such entity.

"Moody's" means Moody's Investor Services, Inc. and any successor rating agency to such entity.

"Rating Agencies" means S&P, Moody's and/or Fitch, as applicable.

"S&P" means Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business, and any successor rating agency to such entity.

"Rating" shall mean the lowest of the long-term unenhanced debt ratings of the senior unsecured general obligation debt of Borrower assigned by any of the Rating Agencies then rating such debt. References to Ratings above are references to rating categories as presently determined by the applicable Rating Agency and in the event of adoption of any new or changed rating system by a Rating Agency, each of the Ratings from such Rating Agency referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect.

(iii) Section 1.03 is hereby amended to add the following two sentences:

"If a change in Generally Accepted Accounting Principles becomes effective after the date of this Agreement (November 5, 2015) that affects the computation of any ratio in a financial covenant or requirement set forth in this Agreement, and Borrower or Purchaser shall so reasonably request, Purchaser and Borrower shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in Generally Accepted Accounting Principles; provided that, until so amended, (a) such ratio or requirement shall continue to be computed in accordance with Generally Accepted Accounting Principles prior to such change therein and (b) Borrower shall provide to Purchaser financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in Generally Accepted Accounting Principles. Without limiting the generality of the foregoing, the Purchaser agrees that changes to the treatment of operating leases under Generally Accepted Accounting Principles which would treat such leases as indebtedness that are adopted after November 15, 2015 shall be disregarded in applying financial covenants."

(iv) Section 5.01 (e) (ii) is hereby amended to read as follows:

"(ii) (A) within sixty (60) days after the end of each quarter end, a management-prepared balance sheet for the Borrower as at the end of such period, and related consolidated statement of revenues and expenses for such quarterly period, and for the period from the beginning of the current fiscal year to the end of such quarterly period thereto setting forth in comparative form figures for the corresponding period in the preceding full year, all in reasonable detail and certified by the president or chief financial officer of the Borrower as providing, to the best knowledge of such Person, a fair presentation of the financial condition of the Borrower and (B) within one hundred twenty (120) days after the end of each fiscal year of the Borrower a copy of the draft audited financial statements for the Borrower for the fiscal year then ended;"

(v) Section 5.01 (e) (iii) (Y) (iii) is hereby amended to read as follows:

"(iii) showing calculations indicating compliance with the financial covenants set forth herein and breaking down and showing detail of the components of revenue and expenses relating to the elements of the calculation of Debt Service Coverage Ratio, including showing realized gains and losses."

(vi) Section 5.01 (f) is hereby amended to read as follows:

"(f) Banking Relationship. Maintain at all times its primary payroll, operating and depository accounts with the Bank as currently in effect and use the Bank for its merchant services; provided the same are offered on competitive terms and with competitive levels of service. Additionally, the Borrower will be required to achieve with the Bank average collected balances, measured semi-annually, of no less than \$11 million, of which up to \$5 million may be

deposited into an interest bearing account(s) with the Bank and the balance in a non-interest bearing account(s)."

(vii) A new Section 5.01 (s) is hereby added to the Covenant Agreement immediately after Section 5.01 (r) to read as follows:

"(s) Ratings Covenant. Maintain at all times a Rating of no less than BBB- from S&P or Fitch or Baa 3 from Moody's."

(viii) Section 5.02 (d) of the Covenant Agreement is hereby amended to read as follows:

"(d) Indebtedness. Incur, create, guarantee, assume or permit to exist any Indebtedness (including guaranties or contingent obligations), however evidenced, other than:

(i) additional Indebtedness owing to the Bank or the Purchaser or incurred with the prior written consent of the Bank or Purchaser or Indebtedness incurred to refinance permitted Indebtedness on any applicable put or mandatory purchase/tender or maturity dates; or

(ii) additional Indebtedness which is unsecured and does not exceed in the aggregate \$7.5 million; or

(iii) additional Indebtedness which constitutes purchase money debt to finance equipment and is secured only by the equipment purchased; or

(iv) additional Indebtedness which constitutes Rate Hedging Obligations to hedge Indebtedness owing to the Bank or Purchaser provided that no Rate Hedging Obligation between the Borrower and a swap counterparty other than the Bank or an Affiliate of the Bank may include any additional financial covenants beyond those set forth herein or more restrictive than those contained herein without the prior written consent of the Bank (which will not be unreasonably withheld) unless such covenants are incorporated herein by reference; or

(v) guaranties of the Borrower or any Subsidiary in respect of Indebtedness of the Borrower or any Subsidiary to the extent such Indebtedness is otherwise permitted hereunder; or

(vi) Indebtedness under surety bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business."

3. Representations and Warranties. The Borrower hereby represents and warrants that:

(a) The representations and warranties contained in Article IV of the Covenant Agreement are hereby made by the Borrower on and as of the date hereof; provided, however, that the financial statements referred to in Section 4.01(c) shall be those financial statements most recently delivered to the Purchaser pursuant to the Covenant Agreement

(b) There has been no material adverse change, and there exists no known material prospective adverse change, in the condition, financial or otherwise, of the Borrower since the date of the most recent financial reports received by the Purchaser, other than (i) changes in the ordinary course of business, (ii) fluctuations in the value of the Borrower's investments or (iii) the incurrence by the Borrower of the 2019 Taxable Loan.

(c) The business and properties of the Borrower are not, and since the date of the most recent financial reports thereof received by Purchaser has not, been materially adversely

affected as the result of any fire, explosion, earthquake, chemical spill, accident, strike, lockout, combination of workmen, flood, embargo, riot, or cancellation or loss of any major contracts;

(d) No event has occurred and no condition exists which, either prior to or upon the consummation of the transactions contemplated hereby, constitutes, to the Borrower's knowledge, an Event of Default under the Covenant Agreement, either immediately or with the lapse of time or the giving of notice, or both;

(e) The execution, delivery and performance by the Borrower of its obligations under this Amendment will not cause a violation or default under any indenture, credit agreement, or other agreement of, or applicable to, the Borrower; and

(f) The Borrower has the requisite corporate power and authority to execute, deliver and perform this Amendment, the 2019 Supplement and the Allonge to Promissory Note and this Amendment, the 2019 Supplement and the Allonge to Promissory Note have been duly authorized, executed and delivered; and each of such document constitutes a valid, binding and enforceable instrument, obligation or agreement of the Borrower, in accordance with its respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting enforcement of creditors' rights generally.

4. Effectiveness of Documents. The terms and conditions of this Amendment shall not be effective until each of the following are delivered to the Purchaser and the Bank has made the 2019 Taxable Loan:

(a) Amendment. One fully executed originals of this Amendment.

(b) Allonge to Note. One fully executed original of the Allonge to Promissory Note.

(c) Bond Counsel Opinion. An opinion of bond counsel, satisfactory to the Purchaser, addressed to the Purchaser, covering such matters as the Purchaser shall reasonably require and usual and customary for a transaction such as this Amendment.

(d) Other Documents, Etc. Such other documents, instruments and certificates as the Purchaser may reasonably request.

5. Miscellaneous.

(a) This Amendment, the 2019 Supplement and the Allonge to Promissory Note together set forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersede any prior negotiations and agreements among the parties relative to such subject matter. No promise, condition, representation or warranty, express or implied, not herein set forth shall bind any party hereto, and none of them has relied on any such promise, condition, representation or warranty. Each of the parties hereto acknowledges that, except as in this Amendment otherwise expressly stated, no representations, warranties, or commitments, express or implied, have been made by any other party to the other regarding the subject matter hereof. None of the terms or conditions of this Amendment may be changed, modified, waived or canceled, orally or otherwise, except in a writing, signed by the party to be charged therewith, specifying such change, modification, waiver or cancellation of such terms or conditions, or of any preceding or succeeding breach thereof, unless expressly so stated.

(b) Except as hereby specifically amended, modified, or supplemented, the Covenant Agreement, and all other agreements, documents, and instruments related thereto are hereby

confirmed and ratified in all respects and shall remain in full force and effect according to their respective terms.

(c) This Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument.

(d) This Amendment shall be governed by and construed and interpreted in accordance with the laws of the Commonwealth of Virginia.

(e) Upon request of the Purchaser, each of the parties hereto will duly execute and deliver or cause to be duly executed and delivered to the Purchaser such further instruments and do and cause to be done such further acts that may be reasonably necessary or proper in the opinion of the Purchaser to carry out more effectively the provisions and purposes hereof, including documents deemed necessary by the Purchaser to more fully evidence the obligations of Borrower to the Purchaser.

(f) The Borrower agrees to pay all reasonable costs and expenses of the Purchaser in connection with the preparation, execution and delivery of the documents executed in connection with this Amendment, including without limitation, the reasonable fees and out-of-pocket expenses of counsel to the Purchaser.

(g) The Purchaser waives notice otherwise required under Sections 3.04, 11.02(e) and 11.03 of the Indenture concerning the execution of the 2019 Supplement and Allonge.

[Signature Page to Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed, all as of the date first above written.

INSTITUTE FOR DEFENSE ANALYSES,
a Delaware nonstock non-profit corporation

By: _____
Name: _____
Title: _____

BB&T COMMUNITY HOLDINGS CO.

By: _____
Carolyn Pelton
Senior Vice President

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF A NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE REFUNDING BOND, CALDWELL UNIVERSITY ISSUE, 2019 SERIES A AND A NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE BOND, CALDWELL UNIVERSITY ISSUE, 2019 SERIES B, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$23,000,000 AND AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A BOND AGREEMENT AND RELATED INSTRUMENTS AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

ADOPTED: APRIL 23, 2019

WHEREAS, the New Jersey Educational Facilities Authority (the "Authority") was created as a public body corporate and politic of the State of New Jersey (the "State") pursuant to the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented), N.J.S.A. 18A:72A-1 *et seq.* (the "Act"); and

WHEREAS, Caldwell University (the "University") is a nonprofit corporation organized under the laws of the State; and

WHEREAS, the Act provides that the Authority shall have the power to borrow money and issue its bonds and to provide for the rights of the holders of its bonds; and

WHEREAS, as an inducement to the University to (a) finance the renovation of Mother Joseph Residence Hall, the renovation of the George R. Newman Center, the renovation of Werner Hall, the renovation of Dominican Hall, the renovation of Rosary Hall, campus fiber network upgrades, technology equipment upgrades and replacements, and other miscellaneous capital improvements to the University's campus facilities (the "New Money Project"), (b) fund capitalized interest for the Bonds (defined below), if any ("Capitalized Interest"), (c) finance the refunding of the Authority's Revenue and Refunding Bond, Caldwell College Issue, 2013 Series E issued in the original principal amount of \$20,000,000 (the "Refunding Project"; together with the New Money Project, the "Project"), and (d) pay certain costs incidental to the issuance and sale of the Bonds ("Costs of Issuance"), the Authority, in furtherance of the purposes of the Act and to assist in financing and refinancing the Project and in financing Capitalized Interest and Costs of Issuance, proposes to issue its Revenue Refunding Bond, Caldwell University Issue, 2019 Series A and its Revenue Bond, Caldwell University Issue, 2019 Series B, in an aggregate principal amount not to exceed \$23,000,000 (collectively, the "Bonds"), and to secure the Bonds by a pledge of moneys to be received by the Authority and the assignment of certain rights of the Authority with respect to the Project, which pledge and assignment are hereby declared to further secure the payment of the principal of and interest on the Bonds; and

WHEREAS, the Authority proposes to apply the proceeds of the Bonds to make one or more loans to the University for the financing and refinancing of the Project and financing Capitalized Interest, if any, and Costs of Issuance in accordance with the Bond Agreement by and among the Authority, Provident Bank (the "Purchaser") and the University (the "Bond

Agreement”) providing, in part, for payments by the University sufficient to meet installments of interest and principal on the Bonds; and

WHEREAS, in accordance with the purposes and objectives of Executive Order No. 26 (Whitman 1994) (“Executive Order No. 26”), the Authority hereby finds and determines that the issuance of the Bonds involves certain circumstances under which a private placement is permissible as outlined in Executive Order No. 26, namely, volatile market conditions in the context of the relatively small issue size, that a direct purchase of the Bonds is necessary for the Project due to the representations of the University, that a competitive sale of the Bonds is not in the best interest of the Authority and the University, and such a sale would be the most cost-effective means of financing the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE AUTHORITY AS FOLLOWS:

Section 1. In order to assist in the financing and refinancing of the Project and financing Capitalized Interest, if any, and Costs of Issuance, the Bonds are hereby authorized to be issued in a principal amount not to exceed \$23,000,000, with an initial interest rate not to exceed 6% and a term not to exceed 26 years. The Bonds shall be dated, shall bear interest at such a rate of interest, and shall be payable as to principal, interest and premium, if any, all as is specified therein. The Bonds shall be issued in the forms, shall mature, shall be subject to redemption prior to maturity and shall have such other details and provisions as are prescribed by the Bond Agreement.

Section 2. The Bonds shall be special and limited obligations of the Authority, payable solely out of the moneys derived pursuant to the Bond Agreement and all such moneys are hereby pledged to the payment of the Bonds. The payment of the principal of, premium, if any, and interest on the Bonds shall be secured by a pledge and assignment of revenues and certain rights of the Authority as provided in the Bond Agreement. Neither the members of the Authority nor any person executing the Bonds issued pursuant to this resolution and the Act shall be liable personally on the Bonds by reason of the issuance thereof. The Bonds shall not be in any way a debt or liability of the State or any political subdivision other than the Authority, whether legal, moral or otherwise.

Section 3. The Bond Agreement and all instruments attached as exhibits thereto, in substantially the form attached hereto, are hereby approved. The Chair, Vice Chair, Executive Director, Deputy Executive Director, Treasurer, Director of Project Management, Director of Compliance Management, Secretary, Assistant Treasurer or any Assistant Secretary and any other person authorized by resolution of the Authority, and any of such officers designated by resolution as “acting” or “interim” (the “Authorized Officers”), are hereby authorized to execute, acknowledge and deliver the Bond Agreement and all instruments attached as exhibits thereto with any changes, insertions and omissions as may be approved by any of the Authorized Officers, with the advice of Bond Counsel and the Attorney General of the State, and the Secretary, any Assistant Secretary or any other Authorized Officer of the Authority are hereby authorized to affix the official common seal of the Authority on the Bond Agreement and all

instruments attached as exhibits thereto and attest the same. The execution of the Bond Agreement shall be conclusive evidence of any approval required by this Section 3.

Section 4. Provident Bank is hereby appointed Escrow Agent under the terms of the Bond Agreement.

Section 5. The Bonds are hereby authorized to be sold to the Purchaser in accordance with the Bond Agreement and Executive Order No. 26.

Section 6. The Authorized Officers are hereby designated to be the authorized representatives of the Authority, charged by this resolution with the responsibility for issuing the Bonds and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution, the Bond Agreement and the issuance of the Bonds.

Section 7. The adoption of this resolution shall be deemed to be an "official intent" within the meaning of Treasury Regulation 1.150-2, effective on the date of its adoption, as made applicable to the Bonds by rulings of the Internal Revenue Service.

Section 8. In case any one or more of the provisions of this resolution, the Bond Agreement or the Bonds issued hereunder shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution or the Bond Agreement and the Bonds shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

Section 9. All prior resolutions of the Authority or portions thereof that are inconsistent herewith are hereby repealed.

Section 10. This resolution shall take effect in accordance with the Act.

_____ Mr. Moore _____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by _____ Ms. Bethea _____ and upon roll call the following members voted:

AYE: Ridgeley Hutchinson
Louis Rodriguez
Zakiya Smith Ellis (represented by Angela Bethea)
Elizabeth Maher Muoio (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes

The Vice Chair thereupon declared said motion carried and said resolution adopted.



Commitment you can count on.™

February 8, 2019

Dr. Nancy H. Blattner, Ph.D., OPA
Caldwell University
120 Bloomfield Avenue
Caldwell, NJ 07006

Re: Series 2019 Financing Caldwell University

Dear Dr. Blattner,

I am pleased to advise you that The Provident Bank (the "Bank") has approved your request for a direct purchase of tax-exempt NJEFA bonds of up to \$22,250,000 and a working capital line of credit in the amount of \$3,000,000. The terms and conditions of this approval include the following:

Borrower: Caldwell University (the "Borrower")
Credit Facility: **Facility 1:** Direct purchase of tax-exempt NJEFA Bond Issuance of up to \$22,250,000; the bond issue may contain two series, Series A and Series B.

Facility 2: Committed Line of Credit of up to \$3,000,000

Term /Repayment: **Facility 1:** The Series A bond shall mature in 25 years with a 10 year put and interest rate reset. Payments will be calculated at level monthly principal and interest mortgage style payments.

The Series B bond shall have a maturity date of up to 25 years, as determined in consultation with bond counsel, along with applicable put and reset terms as well as amortization and draw term.

Monthly payments of principal and interest on both bonds shall be based on a 360-day year for the actual days elapsed.

Facility 2: The committed line will be for a period of 1 year, renewed annually at the option of the Bank.

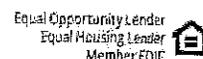
Purpose: **Facility 1:** Inclusive of the following:

Series A

1. Redemption of the outstanding NJEFA 2013E Bonds – up to \$18,000,000
2. Prepayment penalty existing bond - \$1,000,000 (estimated)
3. Cost of issuance - \$250,000

Series B

- 1 Finance capital improvement projects – up to \$3,000,000



Facility 2: Fund timing delays

Pricing:

Facility 1: Series A:

The ten year fixed rate pricing would be based on the equivalent of 79% of (the ten year US Treasury obligation + 225 basis points) for ten years. The indicative fixed rate if the loan were to close today, February 8, 2019 would be 3.871% for ten years.

Series B:

During the draw period, interest would be charged at 79% of (30 day LIBOR + 225 basis points) floating. The fixed rate pricing would be based on the equivalent of 79% of (the applicable corresponding term of US Treasury obligation + 225 basis points) for the maturity date to be determined.

Facility 2: Wall Street Journal Prime Rate, floating, with interest calculated based on the actual number of days that principal is outstanding over a 360-day year.

Commitment Fee: A commitment fee of \$35,000.00.

Good Faith Deposit: A good faith deposit in the amount of \$25,000.00 to cover related costs associated with underwriting costs.

Collateral:

1. First Mortgage interest and lien on all Caldwell University property and completed improvements located at 120 Bloomfield Avenue, Caldwell, Essex County, NJ further identified as part of Block 60, Lots 3.01, 3.02 and 3.03 and parts of Block 57, Lot 5 (loop road and parking lot) and Block 60, Lot 3 (Werner Hall and Jennings Library) which are leasehold interests.
2. A first lien position UCC-1 on all fixtures and improvement affixed now or in the future to the mortgaged premises.
3. A first lien on all business assets.
4. General obligation of the borrower.
5. Gross revenue pledge.

Facility 1 and Facility 2 will be cross-defaulted and cross-collateralized.

Appraisal Contingency:

The receipt and review of a real estate appraisal performed satisfactory to each Bank, the cost of which will be borne by the Borrower. The appraisal shall be an "As is" and "As Completed" value that provides for a maximum loan to value of 65%.

Environmental Contingency:

The receipt and review of a Phase I Environmental Assessment satisfactory to each Bank, which is performed by a Bank-approved environmental company, the cost of which is to be borne by the Borrower.

General Conditions:

1. Annual submission of audited financial statements prepared in accordance with GAAP by an independent CPA acceptable to the Banks to be received no later than 180 after fiscal year end, along with a certificate of compliance signed by the Senior Vice President or the Controller.
2. Annual submission of capital campaign pledge results to be submitted within 45 days of each fiscal year end or as requested by the Bank.

3. Financial covenant to include a minimum debt service coverage ratio of 1.25x, to be tested on an annual basis at each fiscal year end and certified by the Senior Vice President or the Controller. The definition of this covenant to be detailed in the loan documents.
4. Financial covenant to include a minimum liquidity covenant to be tested on an annual basis at each fiscal year end and certified by the Senior Vice President or the Controller. The level and definition of this covenant to be detailed in the loan documents.
5. Submission of quarterly management prepared financial statements within 45 days of each quarter end.
6. Submission of an annual budget within 90 days of each fiscal year end.
7. Submission of annual enrollment statistics as requested by the Bank.
8. During the term of the Bond and Line of Credit, monthly payments shall be automatically debited from the Borrower's demand deposit account to be established with each Bank. All depository and treasury management services will be maintained at Provident Bank.
9. Subject to other terms and conditions as may be required by the Bank and/or its legal counsel.
10. Subject to receipt of opinion of bond counsel.
11. Subject to approval from the conduit bond issuer.
12. Subject to applicable flood insurance on the property and improvements serving as the Banks' collateral.
13. Annual update on any litigation matters.
14. All collateral released from Capital One Bank, N.A.

Conditions Precedent to Closing:

Conditions include but are not limited to:

1. Execution of documentation in form and content satisfactory to the Bank and its counsel and will contain customary terms and conditions, representations and warranties, events of default and remedies, as well as affirmative and negative covenants, waiver of jury trial, consent to jurisdiction and reporting requirements regarding the financial and operating performance of the Borrower and the delivery of directors' approvals, officers' certificates, government certificates and opinion of counsel (as to authority, enforceability, and other compliance, etc.) customary for transactions of this type and amount as the Bank deems reasonable and necessary.
2. Acceptable legal opinions of (A) Borrowers' counsel covering matters including but not limited to: i) the authority of the Borrower to perform its obligations, ii) the due authorization, execution, validity and enforceability of all documentation to be delivered, and iii) the conformity of the transaction with all applicable laws and (B) bond counsel as to the due authentication, execution, delivery and tax-exempt status of the bonds.
3. No events shall have occurred, which, with the passage of time and the giving of notice, would be an event of default under the loan documents.

4. No material adverse change shall have occurred in the financial condition of the Borrower.

Expenses: All expenses including, without limitation, the costs of any appraisals and environmental reports will be borne by the Borrower, and the Borrower hereby agrees to pay such fees whether the Bond or line facilities close.

Legal Counsel: The Borrower will pay reasonable fees and expenses of Bank's counsel. In the event the transaction is not closed, the Borrower will be required to pay all reasonable out-of-pocket expenses incurred by the Bank following acceptance of these terms and conditions.

WE ADVISE YOU THAT THE INTERESTS OF THE BORROWER AND THE BANK ARE OR MAY BE DIFFERENT AND MAY CONFLICT, AND THE BANK'S ATTORNEY REPRESENTS ONLY THE BANK AND NOT THE BORROWER. THE BORROWER IS ADVISED TO EMPLOY AN ATTORNEY OF ITS CHOICE LICENSED TO PRACTICE LAW IN NEW JERSEY TO REPRESENT ITS INTERESTS.

The Borrower and the Bank agree that the Borrower will reimburse the Bank for all the fees and expenses of the Bank's counsel incurred in representing the Bank in this transaction. The fee of the Bank's counsel will be based upon, among other things, the hourly rates customarily charged by the attorneys and paralegals performing services for the Bank. Expenses shall include all costs and disbursements incurred by the Bank's counsel, including postage, courier services, photocopying charges, telephone and fax charges, recording and filing fees, title or lien searches and other customary disbursements related to the closing of the credit facilities. The legal fees and expenses described above shall be payable by the Borrower whether or not a closing ever takes place.

The Bank estimates that the charges payable by the Borrower to the Bank's counsel will be approximately \$35,000-\$40,000 for legal fees and \$300 for expenses. The foregoing estimates of fees and expenses are based on certain assumptions, including but not limited to the assumption that no presently unforeseen circumstances will be encountered in closing the credit facilities and that resolution of negotiated issues will not consume an unusual length of time. If the Bank becomes aware that the foregoing estimates will be materially exceeded, the Bank will notify the Borrower.

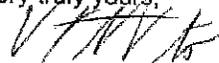
Confidentiality: This letter is being delivered with the understanding that neither it nor its substance will be disclosed by the Borrower to any third person, except those who are in confidential relationships to Borrower (i.e., Borrower's principals, counsel, accountants and other retained business advisors) and are necessary for the review of this transaction or as may be required by law.

Patriot Act: Pursuant to the requirements of the U.S.A. PATRIOT ACT (Title III of Pub. 107 56) signed into law October 26, 2001 (the "Patriot Act"), the Bank is required to obtain, verify and record information that identifies Borrower and its affiliates, with such information to possibly include the respective names and addresses of Borrower and such affiliates, and other information that will allow the Bank to identify Borrower or any of its affiliates in accordance with the Patriot Act. This notice is given in accordance with the requirements of the Patriot Act. Bank acknowledges and agrees that any searches or Patriot Compliance shall be limited to Borrower and any entity or person that holds an ownership interest in Borrower greater than 25%, or as otherwise required by applicable law.

We appreciate the opportunity. A non-refundable fee of \$25,000.00 will be required. If you decide to proceed with this transaction, the good faith deposit will be used to defray the aforementioned costs pertaining to the loan. This proposal will expire February 28, 2019.

I look forward to working with you on this important financing for Caldwell University.

Very truly yours,



Vincent S. Vita
Senior Vice President

Agreed and accepted this 21 day of February, 2019

By: Nancy H. Blatman, president, Caldwell University

BOND AGREEMENT

Among

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY,

PROVIDENT BANK

and

CALDWELL UNIVERSITY

Dated: [CLOSING DATE]

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ARTICLE I

Background, Representations and Findings.

Section 1.1 Background. THIS BOND AGREEMENT dated [CLOSING DATE], by and among the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (the “Authority”), a body corporate and politic with corporate succession, constituting a political subdivision of the State of New Jersey (the “State”), PROVIDENT BANK, a state-chartered banking corporation organized and existing under the laws of the State (the “Escrow Agent” and “Purchaser”) and CALDWELL UNIVERSITY, a State nonprofit corporation (the “Borrower”).

WHEREAS, the New Jersey Educational Facilities Authority (the “Authority”) was created as a public body corporate and politic of the State of New Jersey (the “State”) pursuant to the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented), N.J.S.A. 18A:72A-1 et seq. (the “Act”); and

WHEREAS, the Authority is authorized pursuant to the Act to make loans to private colleges and universities in the State to refund mortgages or advances given or made by private colleges or universities in the State and to finance educational projects of private colleges and universities; and

WHEREAS, the Authority has heretofore issued its Revenue and Refunding Bond, Caldwell College Issue, 2013 Series E (the “2013 Series E Bond”), dated June 18, 2013, in the original aggregate principal amount of \$20,000,000; and

WHEREAS, the proceeds of the 2013 Series E Bond were used to (a) refund the Authority’s Revenue Bonds, Caldwell College Issue, 2006 Series F issued in the original aggregate principal amount of \$21,400,000, (b) pay the costs of certain improvements to the Borrower’s buildings, including (i) residence hall renovations and upgrades and (ii) improvements to the student center, and (c) paying certain costs incidental to the issuance and sale of the 2013 Series E Bond, including certain swap termination fees; and

WHEREAS, the Borrower has requested a loan from the Authority to (a) finance the renovation of Mother Joseph Residence Hall, the renovation of the George R. Newman Center, the renovation of Werner Hall, the renovation of Dominican Hall, the renovation of Rosary Hall, campus fiber network upgrades, technology equipment upgrades and replacements, and other miscellaneous capital improvements to the Borrower’s campus facilities (the “New Money Project”), (b) finance the refunding of the 2013 Series E Bond (the “Refunding Project”), and (c) pay certain costs incidental to the issuance and sale of the Bonds, as hereinafter defined (collectively, the “Project”); and

WHEREAS, the property financed and refinanced with proceeds of the 2013 Series E Bond, and to be further financed with the proceeds of the Bonds will be referred to as the “Projects”; and

WHEREAS, the Authority has by resolution, duly adopted in accordance with the Act on April 23, 2019, authorized the issuance of its \$22,250,000 aggregate principal amount New

Jersey Educational Facilities Authority Revenue Refunding Bond, Caldwell University Issue, 2019 Series A (the "Series A Bond") and Revenue Bond, Caldwell University Issue, 2019 Series B (the "Series B Bond," collectively with the Series A Bond, the "Bonds") to the Purchaser for the purpose of loaning the proceeds of the sale of the Bonds to the Borrower; and

WHEREAS, the execution and delivery of this Bond Agreement have been duly authorized by the parties and all conditions, acts and things necessary and required by the Constitution or statutes of the State or otherwise to exist, to have happened, or to have been performed precedent to or in the execution and delivery of this Bond Agreement do exist, have happened and have been performed.

NOW THEREFORE, in consideration of the premises and the mutual covenants and representations herein, and intending to be legally bound the parties hereto hereby mutually agree as follows:

Section 1.2 Definitions.

In this Bond Agreement the following terms shall have the meanings specified in the foregoing recitals:

- Act
- Authority
- Bonds
- Borrower
- Escrow Agent
- New Money Project
- Purchaser
- Project
- Projects
- Purchaser
- Refunding Project
- Series A Bond
- Series B Bond
- State
- 2013 Series E Bond

The following terms shall have the following meanings unless a different meaning clearly appears from the context:

"Adverse Determination" shall have the meaning set forth in clause (b) of the definition of "Determination of Taxability";

"Annual Administrative Fee" shall mean the annual fee for the general administrative expenses of the Authority, including, without limitation, attendance at Authority events, in an amount equal to 1/10 of 1% of the outstanding aggregate principal amount of each series of Bonds, with a maximum Annual Administrative Fee of \$85,000;

“Arbitrage Rebate Amount” shall mean the amount required to be rebated to the United States pursuant to Section 148(f)(2) of the Code or successor provisions applicable to the Bonds;

“Article” shall mean a specified article hereof, unless otherwise indicated;

“Assignment of Rents” shall mean the Absolute Assignment of Leases and Rents dated the date hereof executed by the Borrower in favor of the Purchaser with respect to the Premises, as amended, restated and/or extended from time to time;

“Authority’s Assignment” shall mean the Authority’s Assignment dated the date hereof executed by the Authority and the Borrower in connection with the sale of the Bonds to the Purchaser;

“Authority’s Tax Certificate” shall mean the Arbitrage and Tax Certificate, including the exhibits thereto, dated as of the date of issuance and delivery of the Bonds, furnished by the Authority;

“Authorized Authority Representative” shall mean any individual or individuals duly authorized by the Authority to act on its behalf;

“Authorized Borrower Representative” shall mean any individual or individuals duly authorized by the Borrower to act on its behalf;

“Bond Agreement” or “Agreement” shall mean this Bond Agreement;

“Bond Counsel” shall mean the law firm of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey or an attorney or firm of attorneys of nationally recognized standing on the subject of municipal bonds;

“Bond Documents” shall mean any or all of this Bond Agreement, the Notes, the Mortgages, the Assignment of Rents, the Security Agreement, the Financing Statements and all documents and instruments executed in connection therewith and all amendments and modifications thereto;

“Bond Proceeds” shall mean the amount, including any accrued interest, paid to the Authority or its agents by the Purchaser pursuant to this Bond Agreement as the purchase price of the Bonds, and interest income earned thereon, if any;

“Bond Year” shall mean each one-year period (or shorter period from date of issue) that ends at the close of business on a day in the calendar year selected by the Authority;

“Borrower’s Tax Certificate” shall mean the Arbitrage and Tax Certificate, including the exhibits thereto, dated as of the date of issuance and delivery of the Bonds, furnished by the Borrower;

“Business Day” shall mean any day other than (a) a Saturday or Sunday or (b) a day on which commercial banks in New York, New York, or the city or cities in which the primary office of the Purchaser and the Escrow Agent are located are closed;

“Code” shall mean the Internal Revenue Code of 1986, as amended, and the Treasury Regulations in effect thereunder;

“Collateral” shall mean all the real and personal property subject to the lien of the Mortgages, the Security Agreement or any other Loan Document;

“Cost” shall include all expenses as may be necessary or incident to the Project;

“Counsel for the Purchaser” and “Counsel for the Escrow Agent” shall mean the law firm of Windels Marx Lane & Mittendorf, LLP, New Brunswick, New Jersey;

“Debt Service Coverage Ratio” shall mean the sum of the change in net assets plus interest plus depreciation and amortization and less any gains or losses from the sale of assets outside the normal course of business or any other extraordinary accounting adjustments or non-recurring items of income or loss as determined by the Bank in its sole discretion (excluding legal settlements or fines and related legal expenses in connection with the litigation described in Schedule 1.3(d)) divided by the sum of prior year’s current portion of long term debt plus current lease obligations plus current year interest expense, all as set forth on the Borrower’s applicable annual financial statements;

“Default” shall mean the occurrence of an event which, but for the giving of any required notice and/or the expiration of any applicable cure period, would be an Event of Default;

“Default Rate” shall mean the interest rate of the Notes plus 5.00% per annum, not to exceed the maximum amount permitted by law;

“Determination of Taxability” shall mean one of the following situations:

(a) Cancellation of the Bonds pursuant to Section 6.8 of this Bond Agreement;

(b) The delivery to the Authority of a “Proposed Adverse Determination” (the “Adverse Determination”) in connection with an examination of the Bonds by the Internal Revenue Service asserting that the interest on the Bonds is included in the gross income of the Purchaser, such Adverse Determination to be effective 30 days after delivery, subject to a stay of such 30-day period for the action described below, if prior thereto the Borrower files with the Purchaser evidence of the filing of a timely appeal with the Internal Revenue Service or evidence that a Closing Agreement (as defined in the Code) is being negotiated and delivers to the Purchaser a copy of such Closing Agreement or evidence of a successful appeal from the Internal Revenue Service within one hundred eighty (180) days after the date of such Adverse Determination, the failure of which shall constitute the occurrence of a Determination of Taxability on the date that is one hundred eighty (180) days after the date borne by such Adverse Determination; or

(c) The delivery of written notice (the “Taxability Notice”) by the Purchaser to the Authority and the Borrower declaring that the Internal Revenue Service has issued to the Purchaser a proposed deficiency letter (“30-day letter”), the effect of which (in the reasonable opinion of the Purchaser) is to assert that the interest on the Bonds is included in the gross income of the Purchaser, such Taxability Notice to be effective 30 days after the delivery of the

same, subject to a stay of such 30-day period for the period of litigation if prior thereto the Borrower agrees in writing to participate in and defend a final judicial determination to affirm that the interest on the Bonds is excluded from gross income.

In the event the final judicial determination is adverse, the Taxability Notice will be effective 30 days after the entry of such final judicial determination.

(d) The delivery of written notice (the "Event Notice") to the Borrower by the Authority or the Purchaser declaring that a change in law or fact, or the interpretation thereof, or the occurrence or recognition of a fact, circumstance or situation which causes or could cause the loss of the exclusion from gross income provided under Section 103(a) of the Code for interest on the Bonds (the "Event of Taxability") has occurred on a specified date (other than by reason of any of the events described in the foregoing subparagraphs (ii) and (iii)) and describing the Event of Taxability, such Event Notice to become effective 30 days after delivery unless prior thereto the Borrower, on behalf of the Authority or the Purchaser (a) (1) agrees in writing to seek a private letter ruling or other written determination (hereinafter, referred to as the "Ruling") from the Internal Revenue Service affirming that the interest on the Bonds is excluded from gross income and will remain unaffected by the Event of Taxability described in the Event Notice or (2) agrees, in writing, to take a specific remedial action with respect to the Bonds pursuant to Treasury Regulation §1.142-2 to preserve the exclusion from gross income of interest on the Bonds; and (b) procures an opinion from Bond Counsel, at the Borrower's cost, to the effect that there is a substantial and valid legal basis for the position that the interest on the Bonds has been, is and will remain Tax-exempt, and (I) counsel has no reason to believe that the Internal Revenue Service will decline to consider the ruling request for procedural or technical reasons, and no knowledge or reason to believe that the Internal Revenue Service has indicated a position not to rule favorably on similar questions or would not rule favorably or (II) counsel has no reason to believe that the proposed remedial action would not be sufficient to preserve the exclusion from gross income of the interest on the Bonds. In the event the Ruling is adverse, the Event Notice will be effective 30 days after the receipt of such adverse determination;

(e) In order to stay the Determination of Taxability under paragraphs (b), (c) or (d) above, the Borrower must agree in writing to reimburse and fully indemnify and hold harmless the Authority and the Purchaser from and against any and all liability, damage, loss, cost or expense (including reasonable attorneys' fees) which the Authority or the Purchaser may incur as the result of the examination, litigation, ruling or remedial action and further agrees to pay on demand all costs and expenses which the Authority or the Purchaser may incur in connection with the examination, litigation, ruling or remedial action and to furnish such bond, letter of credit or other form of security as the Authority or the Purchaser may reasonably request from time to time to secure the Authority's or the Purchaser's obligations with respect to the Bonds, including without limitation, any potential increases in interest during the period of appeal or contest, whether prospective or retroactive, and any potential Taxes, closing agreement amount, penalties or related interest;

"Escrow Fund" shall mean the fund so designated which is established pursuant to Section 3.5 hereof;

“Event of Cancellation” shall have the meaning assigned to such term in Section 6.8 hereof;

“Event of Default” shall mean any event of default as defined in Article VI;

“Event Notice” shall have the meaning set forth in clause (d) of the definition of “Determination of Taxability”;

“Fee Mortgage” shall mean the Fee Mortgage and Security Agreement made by the Borrower in favor of the Purchaser from time to time securing the Obligations and constituting a lien on that portion of the Premises described therein, and the other property described therein, as amended, restated or otherwise modified;

“Financing Statements” shall mean the Uniform Commercial Code financing statements that are made part of the Record of Proceedings, naming the Borrower, as debtor;

“GAAP” shall mean generally accepted accounting principles in the United States of America in effect from time to time;

“Governmental Authority” shall mean the United States of America, the State of New Jersey or any political subdivision or instrumentality thereof, or any court, entity or agency exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government;

“Gross Proceeds” shall mean gross proceeds as defined in Treasury Regulations §1.148-1;

The terms “herein”, “hereunder”, “hereby”, “hereto”, “hereof”, and any similar terms, refer to this Bond Agreement; the term “heretofore” shall mean before the date of execution of this Bond Agreement; and the term “hereafter” shall mean after the date of execution of this Bond Agreement;

“Indemnified Parties” shall mean the State, the Authority, the Purchaser, the Escrow Agent, any Person who “controls” the State, the Authority, the Escrow Agent or the Purchaser within the meaning of Section 15 of the Securities Act of 1933, as amended, and any member, officer, official, employee, agent or attorney of the Authority, the State, the Escrow Agent or the Purchaser, and their respective successors and assigns;

“Initial Fee” shall mean the fee paid or payable to the Authority for its services in connection with the issuance of the Bonds, calculated at the rate of 1/5 of 1% of the aggregate principal amount of each series of Bonds with a maximum initial fee of \$125,000 payable by the Borrower on the closing date for the Bonds;

“Leasehold Mortgage” shall mean the Leasehold Mortgage and Security Agreement made by the Borrower in favor of the Purchaser from time to time securing the Obligations and constituting a lien on that portion of the Premises described therein, and the other property described therein, as amended, restated or otherwise modified;

“Line of Credit” shall mean the revolving line of credit in an amount not to exceed \$3,000,000 extended by the Purchaser, as lender, to the Borrower on the date hereof;

“Liquidity” shall mean unrestricted cash plus marketable securities as the same are set forth on the Borrower’s applicable annual financial statements;

“Loan” shall mean collectively, the loans from the Authority to the Borrower in the principal amount of the Bonds, under the terms and conditions provided for herein;

“Material Adverse Effect” shall mean any material adverse effect upon the financial condition of the Borrower which will materially interfere with the ability of the Borrower to perform its obligations hereunder or under the Bond Documents;

“Maximum Marginal Statutory Rate” means the tax rate on the highest bracket of taxable income to be imposed upon domestic corporations pursuant to Section 11(b) of the Code (or corresponding section in any future income tax law enacted by the Congress and signed into law); the current Maximum Marginal Statutory Rate is 21%;

“Mortgages” shall mean the Fee Mortgage and the Leasehold Mortgage;

“Net Proceeds” shall mean the Bond Proceeds less any amounts placed in a reasonably required reserve or replacement fund within the meaning of Section 148 of the Code;

“Notes” shall mean the notes executed by the Borrower in favor of the Authority and assigned to the Purchaser, evidencing the Obligations;

“Obligations” shall mean all direct or indirect obligations of the Borrower created pursuant to the Bond Documents, including without limitation all principal, interest, obligations fees, indemnities and, to the extent entered into in connection with the transactions contemplated herein, obligations in respect to interest rate swap or other hedging agreements, corporate cards and cash management products and services.

“Omnibus Certificate of the Authority” shall mean the certificate of the Authority which is made a part of the Record of Proceedings;

“Paragraph” shall mean a specified paragraph of a Section, unless otherwise indicated;

“Permitted Encumbrances” shall mean, as of any particular time: (i) liens for taxes and assessments not then delinquent, or provided there is no risk of forfeiture or sale of any of the Collateral, which are being contested in good faith and for which reserves have been established by the Borrower which are satisfactory to the Purchaser; (ii) the liens provided for in this Bond Agreement or in the other Bond Documents; (iii) utility access and other easements and rights of way, restrictions and exceptions that the Title Insurance Policy insures will not interfere with the use of or impair the Premises; (iv) purchase money security interests encumbering property other than the Collateral; (v) those exceptions shown on Schedule B of the Title Insurance Policy acceptable to the Purchaser; and (vi) such other encumbrances as are consented to in writing by the Purchaser;

“Person” or “Persons” shall mean any individual, corporation, partnership, joint venture, trust, or unincorporated organization, or a governmental agency or any political subdivision thereof;

“Premises” shall mean, collectively, the premises and all improvements thereon described in Schedule A of each Mortgage;

“Proper Charge” shall mean (i) issuance costs of the Bonds, including, legal fees, printing costs, and similar expenses, which shall at no time exceed two per centum (2%) of the proceeds of the Bonds; or (ii) an expenditure for the Project used (A) for the acquisition or improvement of land or the acquisition, construction, reconstruction or improvement of property of a character subject to the allowance for depreciation or (B) to redeem part or all of a prior issue which was issued for purposes described in (A) above; (iii) expenditures for the Project which, after taking into account all expenditures under (i) above, will not result in more than five per centum (5%) of the Net Proceeds being expended for expenditures other than those referred to in (ii) above;

“Property” shall have the meaning set forth in the Mortgages;

“Rebate Computation Date” shall mean the dates selected in the Tax Certificates as the dates on which the Arbitrage Rebate Amount is required to be rebated to the United States, but if no dates are selected in the Tax Certificates, any date permitted by Treasury Regulation Section 1.148-3(e);

“Rebate Fund” shall mean the fund so designated that is established pursuant to Section 3.6 hereto;

“Record of Proceedings” shall mean the Bond Documents, certificates, affidavits, opinions and other documentation executed in connection with the sale of the Bonds and the making of the Loan;

“Requisition Form” shall mean the form of requisition required by Section 3.5 as a condition precedent to the disbursement of moneys from the Escrow Fund, in the form made part of the Record of Proceedings;

“Resolution” shall mean the resolution of the Authority dated April 23, 2019 authorizing the issuance and sale of the Bonds and determining other matters in connection with the Project;

“Reserved Rights” shall mean the rights of the Authority to receive payments under and to enforce, Article VI entitled “Events of Default and Remedies” and Sections 1.5, 3.8, 4.6, 5.1, 5.2, 5.4, 5.5, 5.9, 5.10, 5.12, 5.14, 5.16, 6.3, 6.5 and 7.13 hereof. These Reserved Rights have been assigned to the Purchaser herewith but are also held and retained by the Authority concurrently with the Purchaser;

“Ruling” shall have the meaning set forth in clause (d) of the definition of “Determination of Taxability”;

“Section” shall mean a specified section hereof, unless otherwise indicated;

“Security Agreement” shall mean the Security Agreement made by the Borrower in favor of the Purchaser creating a lien on the property described therein, as amended, restated or otherwise modified;

“Tax Certificates” shall mean the Borrower’s Tax Certificate and the Authority’s Tax Certificate;

“Taxability Notice” shall have the meaning set forth in clause (iii) of the definition of “Determination of Taxability”;

“30-day letter” shall have the meaning set forth in clause (c) of the definition of “Determination of Taxability”;

“Title Insurance Binder” shall mean the commitment for title insurance with respect to the Mortgages issued by [_____] dated [_____] , 2019 (Commitment Number: [_____]) in favor of the Purchaser;

“Title Insurance Policy” shall mean the title insurance policy issued pursuant to the Title Insurance Binder;

“Yield” shall be determined on the basis of issue price (within the meaning of Treas. Reg. Sec. 1.148-1(b)) and shall mean that discount rate which when used in computing the present value as of the issue date of all unconditionally payable payments of principal, interest and fees for qualified guarantees on the issue and amounts reasonably expected to be paid as fees for qualified guarantees on the issue, produces an amount equal to the issue present value, using the same discount rate, of the issue price of the Bonds as of the issue date.

Section 1.3 Borrower Representations. The Borrower represents that:

(a) Powers, etc. The Borrower is a tax-exempt corporation under Section 501(c)(3) of the Code, duly organized, validly existing and in good standing under the laws of the State, has the power and authority to own its properties and assets and to carry on its activities as now being conducted (and as now contemplated by the Borrower) and has the power to perform all the undertakings of the Bond Documents to borrow hereunder and to execute and deliver the Bond Documents.

(b) Execution of Bond Documents. The execution, delivery and performance by the Borrower of the Bond Documents and other instruments required by this Bond Agreement:

- (i) have been duly authorized by all requisite corporate action;
- (ii) do not and will not conflict with or violate any provision of law, rule or regulation, any order of any court or other agency of government;
- (iii) do not and will not violate or result in a default under any provision of any indenture, agreement or other instrument to which the Borrower is a party or is subject;

(iv) do not and will not result in the creation or imposition of any lien, charge or encumbrance on the Collateral of any nature, other than the liens created by the Bond Documents;

(v) do not and will not conflict with or violate any provision of the certificate of incorporation or bylaws of the Borrower; and

(vi) do not and will not require any authorization, consent, approval, license, exemption of, or filing or registration with, any court or governmental department, commission, board, bureau or instrumentality, other than consents or approvals already obtained in the ordinary course of business.

(c) Title to Collateral. The Borrower has good and marketable title to the Collateral free and clear of any lien or encumbrance except as set forth in Section 5.1(e). Upon recording in the appropriate office, the Mortgages will constitute valid and enforceable, first priority, perfected liens on the Premises and, upon proper filing in the appropriate office, the Financing Statements will perfect valid first liens on the Collateral owned by the Borrower other than the Premises, as of the date hereof. The representations set forth in this Section 1.3(c) are based solely on Title Insurance Binder.

(d) Judgment; Litigation. Except as set forth on Schedule 1.3(d), there are no outstanding judgments against the Borrower; nor is there any action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending or, to the knowledge of the Borrower, threatened against or affecting it or any of its properties or rights which, if adversely determined, would (i) affect the transactions contemplated hereby, (ii) affect the validity or enforceability of the Bond Documents, (iii) affect the ability of the Borrower to perform its obligations under the Bond Documents, (iv) materially impair the Borrower's right to carry on its business substantially as now conducted (and as now contemplated by the Borrower), (v) impair the value of any of the Collateral securing the Notes or (vi) have a Material Adverse Effect on the Borrower's financial condition.

(e) Payment of Taxes. The Borrower has filed or caused to be filed all federal, State and local tax returns which are required to be filed, and has paid or caused to be paid all taxes as shown on said returns or on any assessment received by it, to the extent that such taxes have become due. The Borrower represents that the taxes as shown on said returns were computed in good faith and are believed by the Borrower to be accurate.

(f) No Defaults. The Borrower is not in breach or default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party or by which it is bound.

(g) No Material Adverse Change. Except as disclosed to the Purchaser, there has been no material adverse change in the financial condition of the Borrower since the date of the most recent financial statements submitted to the Purchaser and the Authority.

(h) Obligations of the Borrower. The Bond Documents have been duly executed and delivered and are legal, valid and binding obligations of the Borrower enforceable against it in accordance with their respective terms.

(i) No Action. The Borrower has not taken and will not take any action and knows of no action that any other Person has taken or intends to take, which would cause interest income on the Bonds to be included in the gross income of the recipients thereof under the Code.

(j) Operation of the Projects and Borrower's Facilities and Business. The operation of the Projects in the manner presently contemplated and the operation of the Borrower's facilities and business will not conflict with any current zoning, water, air pollution or other ordinances, orders, laws or regulations applicable thereto. The Borrower will finance and refinance the Projects pursuant to this Bond Agreement.

(k) Proper Charges. The Borrower has not paid any expense prior to sixty (60) days prior to April 23, 2019 for which it shall seek reimbursement from the Escrow Fund.

(l) Placement in Service. The New Money Project was not acquired or placed in service by the Borrower (determined in accordance with the provisions of Section 103 of the Code and applicable regulations thereunder) more than one (1) year prior to the date of issuance of the Bonds.

(m) Use of Proceeds. No portion of the Bond Proceeds will be used to provide any airplane, skybox or other private luxury box, facility primarily used for gambling or store the principal business of which is the sale of alcoholic beverages for consumption off premises.

(n) Economic Life. The remaining average economic life of the assets to be refinanced with proceeds of the Bonds as described in the Tax Representation Letter, setting forth the respective cost, economic life, ADR midpoint life, if any, under Rev. Proc. 87-56, as supplemented and amended from time to time, and guideline life, if any, under Rev. Proc. 62-21, 1962-2 C.B. 118, as supplemented and amended from time to time, of each asset constituting the Projects to be financed and refinanced with the proceeds of the Bonds is true, accurate and complete.

(o) Environmental Representation. (i) For purposes of this Section 1.3, "Applicable Environmental Laws" shall mean (A) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. 9601 *et seq.* ("CERCLA"); (B) the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. 6901 *et seq.* ("RCRA"), (C) the New Jersey Industrial Site Recovery Act, as amended, N.J.S.A. 13:1K-6 *et seq.* ("ISRA"); (D) the New Jersey Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11B *et seq.* ("Spill Act"); (E) the New Jersey Leaking Underground Storage Tank Act, as amended, N.J.S.A. 58:10A-21 *et seq.* ("LUST"); and (F) any and all laws, regulations, executive orders, both federal, state and local, pertaining to environmental matters, as the same may be amended or supplemented from time to time. Any terms mentioned in the following sub-sections which are defined in any Applicable Environmental Law shall have the meanings ascribed to such terms in said laws; provided, however, that if any of such laws are amended so as to broaden any term defined therein, such broader meaning shall apply subsequent to the effective date of such amendment.

(ii) To its knowledge and except as disclosed by the Borrower on Exhibit B hereto, the Borrower represents and warrants that neither the Borrower nor the Premises are in

violation of or subject to any existing, pending or threatened investigation or inquiry by any governmental authority pertaining to any Applicable Environmental Law. The Borrower shall not cause or permit the Premises to be in violation of, or do anything which would subject the Premises to any remedial obligations under, any Applicable Environmental Law and shall promptly notify the Authority and the Purchaser in writing, of any existing, pending or threatened investigation or inquiry by any governmental authority in connection with any Applicable Environmental Law.

(iii) To its knowledge, the Borrower represents and warrants that no friable asbestos, or any substance containing asbestos deemed hazardous by federal or state regulations, has been installed in the Premises. The Borrower covenants that it will not install in the Premises friable asbestos or any substance containing asbestos deemed hazardous by federal or state regulations. In the event any such materials are found to be present at the Premises, the Borrower agrees to remove the same promptly upon discovery at its sole cost and expense.

(iv) The Borrower represents and warrants that it has taken all steps required by the Authority and the Purchaser to determine and the Borrower has determined that, to its knowledge, no Hazardous Substances or Hazardous Wastes as such terms are defined in ISRA have been disposed of or otherwise released or discharged on or to the Premises. The use which the Borrower makes and intends to make of the Premises will not result in the release or discharge of any Hazardous Substance or Hazardous Waste on or to the Premises. During the term of this Bond Agreement, the Borrower shall ensure that any Hazardous Substances or Hazardous Wastes present on the Premises are disposed of or removed in accordance with all Applicable Environmental Laws.

(v) The Borrower further represents, warrants, covenants and agrees as follows:

(A) Except as permitted by applicable federal, state and local law, regulations and executive orders and except for *de minimus* quantities of Hazardous Substances or Hazardous Wastes stored or disposed of in accordance with all Applicable Environmental laws, to the Borrower's knowledge, none of the real property owned and/or occupied by the Borrower and located in the State, including without limitation the Premises, has ever been used by previous owners and/or operators or will be used in the future to (1) refine, produce, store, handle, transfer, process or transport Hazardous Substances or Hazardous Wastes; or (2) generate, manufacture, refine, transport, heat, store, handle or dispose of Hazardous Substances or Hazardous Wastes.

(B) Except as disclosed to the Authority and the Purchaser in writing, the Borrower has not received any communication, written or oral, from the State Department of Environmental Protection concerning any intentional or unintentional action or omission on the Borrower's part resulting in the releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping of Hazardous Substances or Hazardous Wastes into the waters or onto the lands of the State or into the waters outside the jurisdiction of the State resulting in damage to the lands, waters, fish, shellfish, wildlife, biota, air and other resources owned, managed, held in trust or otherwise controlled by the State.

(C) To the Borrower's knowledge, none of the real property owned and/or occupied by the Borrower and located in the State, including without limitation the Premises, has or is now being used as a Major Facility, as such term is defined in N.J.S.A. 58:10-23.11(b)(1), and the Borrower shall not use any such property as a Major Facility in the future without the prior express written consent of the Authority and the Purchaser. If the Borrower ever becomes an owner or operator of a Major Facility, then the Borrower shall furnish the State Department of Environmental Protection with all the information required by N.J.S.A. 58:10-23.11d, and shall duly file with the Director of the Division of Taxation in the State Department of the Treasury a tax report or return, and shall pay all taxes due therewith, in accordance with N.J.S.A. 58:10-23.11h.

(D) Except as permitted by applicable federal, state and local law, regulations and executive orders, the Borrower shall not conduct or cause or permit to be conducted on the Premises any activity which constitutes an Industrial Establishment, as such term is defined in ISRA, without the prior express written consent of the Authority and the Purchaser. In the event that the provisions of ISRA become applicable to the Premises subsequent to the date hereof, the Borrower shall give prompt written notice thereof to the Authority and the Purchaser and shall take immediate requisite action to insure full compliance therewith. The Borrower shall deliver to the Authority and the Purchaser copies of all correspondence, notices and submissions that it sends to or receives from the State Department of Environmental Protection in connection with such ISRA compliance. The Borrower's obligation to comply with ISRA shall, notwithstanding its general applicability, also specifically apply to a sale, transfer, closure or termination of operations associated with any foreclosure action.

(E) No lien has been attached to any revenue or any real or personal property owned by the Borrower and located in the State, including, without limitation, the Premises, as a result of (1) the Administrator of the New Jersey Spill Compensation Fund expending monies from said fund to pay for Damages as such term is defined in N.J.S.A. 58:10-23.11(g) and/or Cleanup and Removal Costs as such term is defined in N.J.S.A. 58:10-23.11(b)(d); or (2) the Administrator of the United States Environmental Protection Agency expending monies from the Hazardous Substance Superfund as such term is referred to in 26 U.S.C. §9507 for Damages as such term is defined in 42 U.S.C. §9601(6) and/or response action costs as such term is defined in 42 U.S.C. §9607(a). In the event that any such lien has been filed, then the Borrower shall, within thirty (30) days from the date that the Borrower is given such notice of such lien of (or within such shorter period of time in the event that the State or the United States has commenced steps to have the Premises sold), either: (1) pay the claim and remove the lien from the Premises; or (2) furnish (i) a bond satisfactory to the Authority and the Purchaser in the amount of the claim out of which the lien arises, (ii) a cash deposit in the amount of the claim out of which the lien arises, or (iii) other security satisfactory to the Authority and the Purchaser in an amount sufficient to discharge the claim out of which the lien arises.

(F) In the event that the Borrower shall cause or permit to exist a releasing, spilling, leaking, pumping, pouring, omitting, emptying or dumping of Hazardous Substances or Hazardous Wastes into the waters or onto the lands of the State, or into the waters outside the jurisdiction of the State resulting in damage to the lands, waters, fish, shellfish,

wildlife, biota, air or other resources owned, managed, held in trust or otherwise controlled by the State, without having obtained a permit issued by the appropriate authorities, the Borrower shall promptly clean up such release, spill, leak, pumping, pouring, emission, emptying or dumping in accordance with the provisions of the Spill Act.

Should there be any conflict between the provisions in this subsection and those of the Mortgages, the stricter provisions shall control.

(p) Actions Affecting Treatment of Interest. The Borrower has not taken and will not take any action and knows of no action that any other person has taken or intends to take, which would cause interest income on the Bonds to be includable in the gross income of the recipients thereof under Section 103 of the Code.

(q) No Federal Guaranty. The Bonds will not be federally guaranteed within the meaning of Section 149(b) of the Code.

(r) Issuance Costs. No more than two percent (2%) of the proceeds of the Bonds will be used to pay the issuance costs of the Bonds (as such terms are used in Section 147(g) of the Code).

(s) Tax-Exempt Status of the Borrower. The Borrower hereby represents and warrants that:

(i) the Borrower is an organization exempt from federal income taxation as provided in Section 501(a) of the Code by virtue of being described in Section 501(c)(3) of the Code;

(ii) the purposes, character, activities and methods of operation of the Borrower (the "Borrower Purposes") are not materially different from the purposes, character, activities and methods of operation at the time of its receipt of a determination from the Internal Revenue Service that it was an organization described in Section 501(c)(3) of the Code (the "Determination");

(iii) the Borrower has not applied a substantial part of its assets (be it corpus or income) for any purpose or purposes other than those Borrower Purposes which have been disclosed to the Internal Revenue Service, including, without limitation, the Borrower Purposes disclosed in connection with the Determination;

(iv) the Borrower has not operated during its five most recent fiscal years or the current fiscal year, as of the date hereof, in a manner which would cause the Internal Revenue Service to classify the Borrower as an "action organization" within the meaning of Treasury Regulations Section 1.501(c)(3)-(1)(c)(3) including, without limitation, any actions of which the Internal Revenue Service is not aware and which involve (i) the promotion of or attempts to influence legislation by propaganda or otherwise as a substantial part of its activities or (ii) the intervention, directly or in directly, in any political campaign on behalf of or in opposition to any candidate for public office;

(v) with the exception of the payment of compensation (and the payment or reimbursement of expenses) which is not excessive and is for personal services which are reasonable and necessary to carrying out the Borrower Purposes, no person controlled by any individual or individuals nor any person having a personal or private interest in the activities of the Borrower has acquired or received, directly or indirectly, any income or assets, regardless of form, of the Borrower during the current fiscal year and the five fiscal years preceding the current fiscal year, other than any such acquisitions or receipts of which the Internal Revenue Service has been informed;

(vi) the Borrower is not a "private foundation" within the meaning of Section 509(a) of the Code;

(vii) the Borrower has not been notified, directly or indirectly, by the Internal Revenue Service that its exemption under Section 501(c)(3) of the Code has been revoked or modified or that the Internal Revenue Service is considering revoking or modifying such exemption, and such exemption is still in full force and effect;

(viii) the Borrower has filed with the Internal Revenue Service all returns, reports and other documents as required by law, and such materials have not omitted or misstated any material fact; and

(ix) the Borrower has not devoted more than an insubstantial part of its activities in furtherance of a purpose other than an exempt purpose within the meaning of Section 501(c)(3) of the Code.

(t) Loss of Tax Exemption. The Borrower has not taken any action, nor does it know of any action taken by others or any condition which has not been disclosed to the Internal Revenue Service which would cause the Borrower to lose its exemption from taxation under Section 501(a) of the Code or cause the interest on the Bonds to be includable in the gross income of the recipients thereof for federal income tax purposes.

Section 1.4 Authority Representations and Covenants. The Authority hereby represents and covenants that:

(a) The Authority is a body corporate and politic with corporate succession, constituting a political subdivision of the State, duly organized, established and existing under the laws of the State, particularly the Act. The Authority is authorized to issue the Bonds in accordance with the Act and to use the proceeds thereof to make the Loan to the Borrower.

(b) The Authority has complied with the provisions of the Act and has full power and authority pursuant to the Act to consummate all transactions contemplated to be performed by the Authority by this Bond Agreement, the Bonds, and any and all agreements relating thereto and to perform its obligations thereunder and to issue, sell and deliver the Bonds to the holders as provided herein. The Authority has duly authorized the execution, delivery and due performance of this Bond Agreement and the Bonds, and the Authority has duly authorized the taking of any and all action as may be required on the part of the Authority pursuant to the express provisions of this Bond Agreement to perform, give effect to and consummate the transactions

contemplated by this Bond Agreement and all approvals necessary in connection with the foregoing have been received.

(c) When the Bonds are issued, transferred and delivered in accordance with the provisions of this Bond Agreement, the Bonds will have been duly authorized, executed, issued and delivered and will constitute the valid, special and limited obligation of the Authority payable solely from the revenues and other monies derived by the Authority from this Bond Agreement, and nothing in the Bonds or this Bond Agreement shall be construed as assigning or pledging therefor any other funds or assets of the Authority. THE STATE IS NOT OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE IS PLEDGED TO THE PAYMENT OF, THE PRINCIPAL OR REDEMPTION PRICE, IF ANY, OF OR INTEREST ON THE BONDS. THE BONDS ARE NOT A DEBT OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY. THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE AUTHORITY PLEDGED HEREUNDER AND FROM ANY AMOUNTS OTHERWISE AVAILABLE HEREUNDER FOR THE PAYMENT OF THE BONDS. THE BONDS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

The Act provides that neither the members of the Authority nor any person executing bonds for the Authority shall be liable personally on said bonds by reason of the issuance thereof.

(d) The execution and delivery of this Bond Agreement, the Bonds and any and all other Bond Documents to which the Authority is a party, and compliance with the provisions thereof, will not conflict with or constitute on the part of the Authority a violation of the Constitution of the State or a violation, breach of or default under its By-Laws or any statute, indenture, mortgage, deed of trust, note agreement or other agreement or instrument to which the Authority is a party or by which the Authority is bound, or to the knowledge of the Authority, any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of its activities or properties, and to the knowledge of the Authority, all consents, approvals, authorizations and orders of governmental or regulatory authorities which are required to be obtained by the Authority for the consummation of the transactions contemplated thereby have been obtained. No authority or proceedings for the issuance of the Bonds or documents executed in connection therewith have been repealed, revoked, rescinded or superseded.

(e) To the knowledge of the Authority, as of this date, there is no action, suit or proceeding, at law or in equity, pending or threatened against the Authority to restrain or enjoin the issuance or sale of the Bonds or in any way contesting the validity or affecting the power of the Authority with respect to the issuance and sale of the Bonds or the documents or instruments executed by the Authority in connection therewith or the existence of the Authority or the right or power of the Authority to finance the Projects, nor to the Authority's knowledge, any basis therefor.

(f) The Authority, to its knowledge, has never defaulted and is not now in default with respect to any bonds, notes or other obligations which it has issued.

(g) Any certificate signed by an Authorized Authority Representative shall be deemed a representation and warranty by the Authority to the respective parties as to the statements made therein.

(h) The Authority makes no representation as to (i) the financial position or business condition of the Borrower or (ii) the correctness, completeness or accuracy of any of the statements, materials (financial or otherwise), representations or certifications furnished or to be made by the Borrower in connection with the sale or transfer of the Bonds, the execution and delivery of this Bond Agreement or the consummation of the transactions contemplated hereby.

(i) The Authority agrees that it will cooperate with the Borrower in connection with the Borrower's obligation to cause all documents, statements, memoranda or other instruments to be registered, filed or recorded in such manner and at such places as may be required by law fully to protect the security of the Purchaser and the right, title and interest of the Purchaser in and to any moneys or securities held hereunder or any part thereof (including any refilings, continuation statements or such other documents as may be required).

(j) Pursuant to Section 5.5 hereof, the Borrower has covenanted that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Code and that the Borrower will not directly or indirectly use or permit the use (including the making of any investment) of any Bond Proceeds or any other funds of the Authority or the Borrower, or take or omit to take any action, that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code. The Authority hereby covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Code and that the Authority will not directly or indirectly use or permit the use (including the making of any investment) of any Bond Proceeds or any other funds of the Authority or the Borrower, or take or omit to take any action, that would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code. In this Bond Agreement, the Borrower has agreed to comply with the rebate requirements contained in Section 148(f) of the Code and any regulations promulgated thereunder. The Authority further covenants to comply with the rebate requirements (including the prohibited payment provisions) contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable.

(k) The Authority covenants to create and retain records with respect to: (i) all investments made with Gross Proceeds of the Bonds (including without limitation, records required under Treasury Regulations §1.148-5(d)(6)); (ii) all information necessary to compute the yield on the Bonds, including the information necessary to establish the existence of any qualified guarantee or qualified hedge (within the meaning of Treasury Regulations §1.148-4(f) and (h)) with respect to the Bonds, the amount and date of payments for a qualified guarantee or qualified hedge with respect to the Bonds, and the issue price of the Bonds; (iii) all information necessary to establish that any exception to arbitrage rebate (with the meaning of Treasury Regulations §1.148-7) has been met with respect to proceeds of the Bonds, and such records are

further described in the Authority's Tax Certificate with respect to the Bonds. The Authority covenants to retain all such records until three years after the last scheduled maturity date of the Bonds, or in the event the Bonds are retired early, three years after the final retirement of the Bonds.

(l) Subject to the exception provided in Section 5.5 hereof, as of the last day of each fifth Bond Year or more frequently as determined by the Authority and the redemption or final maturity of the Bonds, the Authority shall calculate, or cause to be calculated, the Arbitrage Rebate Amount pursuant to Section 148 of the Internal Revenue Code. On or before the thirtieth day after each such date, the Authority shall provide a report to the Borrower summarizing the amount, if any, of the Arbitrage Rebate Amount due for the immediately preceding period. Upon the receipt of funds from the Borrower, the Authority shall deposit in the Rebate Fund the amount, if any, needed to increase the amount in such Fund to an amount equal to one hundred percent (100%) of the Rebatable Arbitrage for the period from the date of issuance of the Bonds to the Rebate Computation Date at issue, or shall transfer to the Borrower the amount, if any, needed to reduce the amount in the Rebate Fund to one hundred percent (100%) of the amount of the Rebatable Arbitrage for such period.

(m) In the event Arbitrage Rebate Amount is due, the Borrower will direct the Escrow Agent to withdraw from the Rebate Fund and pay over to the United States the Arbitrage Rebate Amount with respect to the Bonds in installments as follows: each payment shall be made not later than sixty (60) days after the then current Rebate Computation Date and shall be in an amount which ensures that the Arbitrage Rebate Amount with respect to the Bonds, as of the then current Rebate Computation Date, will have been paid to the United States.

(n) Each payment of Arbitrage Rebate Amount to be paid to the United States shall be filed with the Internal Revenue Service at such address that may be specified by the Internal Revenue Service. Each payment shall be accompanied by Form 8038-T (or such other form required by the Internal Revenue Service furnished by the Borrower or the Authority), executed by the Authority, and a statement identifying the Authority, the date of the issue, and a copy of the applicable Form 8038.

(o) The provisions of this subsection shall survive termination of this Bond Agreement. The Authority acknowledges that the provisions of this (k) through (o) of this subsection are intended to comply with Section 148(f) of the Code and the regulations promulgated thereunder and if as a result of a change in such section of the Code or the promulgated regulations thereunder or in the interpretation thereof, a change in this Section shall be permitted or necessary to assure continued compliance with Section 148(f) of the Code and the promulgated regulations thereunder, then the Authority, with written notice to the Escrow Agent and the Borrower, shall be empowered to amend this Section, and the Authority may require, by written notice to the Borrower and the Escrow Agent, the amendment of this subsection to the extent necessary or desirable to assure compliance with the provisions of Section 148 of the Code and the regulations promulgated thereunder; provided that either the Authority or the Escrow Agent may require, prior to any such amendment becoming effective, at the sole cost and expense of the Borrower, an opinion of Bond Counsel satisfactory to the Authority to the effect that either (A) such amendment is required to maintain the exclusion from gross income under Section 103 of the Code of interest paid and payable on the Bonds or (B)

such amendment shall not adversely affect the exclusion from gross income under Section 103 of the Code of the interest paid or payable on the Bonds.

Section 1.5 Purchaser Representations. The Purchaser hereby represents as follows:

(a) it has made an independent investigation and evaluation of the financial position and business condition of the Borrower and the value of the Premises, or has caused such investigation and evaluation of the Borrower and the Premises to be made by persons it deems competent to do so. All information relating to the business and affairs of the Borrower that the Purchaser has requested from the Authority in connection with the transactions referred to herein has been provided to the Purchaser. The Purchaser hereby expressly waives the right to receive such information from the Authority and relieves the Authority and its agents, representatives and attorneys of any liability for failure to provide such information or for the inclusion in such information or in any of the documents, representations or certifications to be provided by the Borrower under this Bond Agreement of any untrue fact or for the failure therein to include any fact;

(b) it is purchasing the Bonds for its own account, with the purpose of investment and not with the intention of distribution or resale thereof. The Bonds will not be sold unless registered in accordance with the rules and regulations of the Securities and Exchange Commission or the Authority is furnished with an opinion of counsel or a "No Action" letter from the Securities and Exchange Commission, that such registration is not required;

(c) it has taken all action necessary to be taken by it prior to the date of this Bond Agreement to authorize the execution, delivery and performance of this Bond Agreement; and

(d) this Bond Agreement is the legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms.

ARTICLE II

Project.

Section 2.1 Description of Projects. The Borrower will provide such supplemental information to reflect material additions to, deletions from and changes in the Projects and will notify the Authority and the Purchaser of such modifications so that the Authority and the Purchaser will be able to ascertain the nature, location and estimated cost of the facilities covered by this Bond Agreement.

Notwithstanding any provision to the contrary, the Borrower shall not make any improvements, additions or changes to the Projects that would result in a violation of the Act or conflict with the Borrower's covenants herein.

ARTICLE III

The Financing.

Section 3.1 The Financing. The Purchaser has agreed with the Authority to purchase the Bonds, and the Authority has agreed to make the Loan to the Borrower. To accomplish this financing, the following acts will occur simultaneously and concurrently with the execution and delivery of this Bond Agreement:

- (a) The Authority will sell, issue and deliver the Bonds to the Purchaser.
- (b) The Purchaser will deliver the proceeds from the sale of the Bonds to the Escrow Agent, or as otherwise instructed in Section 3.4 hereof, in accordance with instructions from the Authority to the Purchaser to such effect.
- (c) The Borrower will execute and deliver to the Authority the Notes and the other Bond Documents.
- (d) The Authority will assign the Bond Documents to the Purchaser in accordance with the Authority's Assignment.

Section 3.2 Effectiveness of Bonds and Notes. So long as there are no defaults in the performance by the Borrower of any of the terms, covenants and conditions of the Bond Documents, the Bonds will be outstanding and will control the interest rate and monthly payments due the Purchaser. If there is such a default, the provisions of Article VI hereof and the Bond Documents will govern. When the obligations of the Authority pursuant to the Bonds have been released and canceled pursuant to Article VI, the Notes will remain fully effective and will control the interest rate and payments due the Purchaser.

Section 3.3 The Bonds. (a) Subject to the terms and conditions and upon the basis of the representations hereinafter set forth, the Authority hereby agrees to sell the Bonds to the Purchaser, and the Purchaser hereby agrees to purchase the Bonds from the Authority at the aggregate purchase price of \$22,250,000.

(b) The Bonds will be delivered in registered form, without coupons, substantially in the form set forth as Exhibit A hereto, with appropriate insertions and deletions. Payment for the Bonds by the Purchaser and delivery thereof by the Authority shall be made at the offices of the Authority in Princeton, New Jersey or at such other place in the State as the Authority and the Purchaser mutually agree.

(c) The offering of the Bonds has not been registered under the Securities Act of 1933, as amended, and this Bond Agreement has not been qualified under the Trust Indenture Act of 1939, as amended. The Bonds may not be offered or sold by the Purchaser in contravention of said acts.

(d) The Escrow Agent shall maintain at its principal office registry systems for the registration and transfer of the Bonds and the Escrow Agent shall register or cause such Bonds to be registered therein, and permit any Bond to be transferred thereon, under such reasonable regulations as it or the Authority may prescribe. The Escrow Agent is hereby appointed the agent of the Authority for such registration and transfer of the Bonds.

(e) The Bonds shall be transferable only upon the registry systems maintained at the principal office of the Escrow Agent by the registered owner thereof in person or by his or her attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Escrow Agent and duly executed by such registered owner or such duly authorized attorney. No transfer of the Bonds shall be valid unless made on such registry system and similarly noted by endorsement of the Escrow Agent on such Bonds, or unless, at the expense of the registered owner, the Authority shall execute, and the Escrow Agent shall deliver, new Bonds registered in the name of the transferee.

Section 3.4 Deposit of Net Proceeds. The purchase price of the Bonds will be paid by the Purchaser as set forth in this Section. The Purchaser will pay the full purchase price of the Series A Bond upon the issuance and sale of the Series A Bond. The Series B Bond shall be a "draw down bond." The Purchaser will pay the purchase price of the Series B Bond in installments equal to the amounts approved for requisition hereunder. The Authority hereby authorizes and directs Provident Bank, in its capacity as Purchaser and Escrow Agent, to (a) transfer proceeds of the Series A Bond in the amount of \$[] directly to Capital One, National Association, the holder of the 2013 Series E Bond in accordance with the wire instructions attached hereto as Exhibit C, to be applied to the redemption of the 2013 Series E Bond on the date hereof; and (b) deposit the balance of the proceeds of the Series A Bond and the proceeds of the Series B Bond, as and when received, into the Escrow Fund established in Section 3.5 hereof for payment of Costs of the Project. The Borrower agrees that the sums so requisitioned from the Escrow Fund will be used for the Costs of the Project.

Section 3.5 Escrow Fund. The Authority irrevocably authorizes and directs the Escrow Agent to make payments from the Escrow Fund to pay Costs of the Project, or to reimburse the Borrower for any Cost of the Project paid by it. Pursuant to this Bond Agreement, the Escrow Agent shall make such payments directly to or at the direction of the Borrower without any act by the Authority, upon compliance by the Borrower with the requirements of this Bond Agreement.

(a) The Borrower agrees as a condition precedent to the disbursement of any portion of the Escrow Fund to comply with the terms of this Bond Agreement and to furnish the Escrow Agent with a Requisition Form signed by an Authorized Borrower Representative at least five (5) Business Days prior to the date of the requested disbursement, stating with respect to each payment made: (i) the requisition number; (ii) the name and address of the Person to whom payment is to be made by the Escrow Agent (or an indication that payment should be made to the Borrower), a copy of the invoice of the Person to whom such advance was made together with, if applicable, proof of payment by the Borrower; (iii) the amount to be paid; (iv) that each obligation for which payment is sought is a Proper Charge against the Escrow Fund, is unpaid or unreimbursed, and has not been the basis of any previously paid requisition; (v) if such payment is a reimbursement to the Borrower for costs or expenses incurred by reason of work performed or supervised by officers or employees of the Borrower or any of its affiliates, that the amount to be paid does not exceed the actual cost thereof to the Borrower or any of its affiliates; (vi) that no uncured Event of Default or Default has occurred under this Bond Agreement and the other Bond Documents; and (vii) the Borrower has received no written notice of any lien, right to lien or attachment upon, or other claim affecting the right to receive payment of, any of the moneys payable under such Requisition Form to any of the Persons named therein, or if any of the

foregoing has been received, it has been released or discharged or will be released or discharged upon payment of the Requisition Form.

(b) The Borrower further agrees that prior to the first disbursement from the Escrow Fund, the Borrower shall furnish the Authority, Purchaser and the Escrow Agent with such documents as the Authority, Purchaser or the Escrow Agent may reasonably require, including, but not limited to, paid or unpaid invoices, bills, receipts, affidavits, certificates and opinions, as well as the following:

(i) With respect to any requisition for monies from the Escrow Fund to be applied towards any portion of the New Money Project, a detailed description of such portion of the New Money Project; and

(ii) evidence of insurance relating to the Premises and Collateral as required by Section 5.2 of this Bond Agreement.

(c) Upon written request of the Authority, the Escrow Agent shall furnish the Authority with a record of the requisitions and disbursements from the Escrow Fund.

Section 3.6 Rebate Fund. At the written request of the Authority, the Escrow Agent shall create a special fund designated as the Rebate Fund. The Authority shall notify the Borrower of the Arbitrage Rebate Amount, and shall notify the Borrower of the obligation to deposit such amount in the Rebate Fund. The Authority shall transfer or cause to be transferred by the Escrow Agent from the Rebate Fund at such times and to such person as required by Section 148 of the Code an amount equal to the Arbitrage Rebate Amount. Amounts in the Rebate Fund shall be exempt from the lien of this Bond Agreement. To the extent such amounts on deposit in the Rebate Fund are not sufficient to meet the Arbitrage Rebate Amount, the amount of the deficiency shall be immediately paid by the Borrower to the Escrow Agent for deposit in the Rebate Fund. Notwithstanding anything contained in this Bond Agreement to the contrary, neither the Authority nor the Escrow Agent shall be responsible or liable for any loss, liability, or expense incurred to the extent incurred as a result of the failure of the Borrower to fulfill its obligations with respect to the calculation and payment of the Arbitrage Rebate Amount. The Escrow Agent shall be entitled to rely conclusively upon the calculations provided by the Authority.

The Escrow Agent, at the direction of the Authority given in accordance herewith, shall apply or cause to be applied the amounts in the Rebate Fund at the times and in the amounts required by Section 148 of the Code solely for the purpose of paying the United States of America in accordance with Section 148 of the Code.

Moneys held in the Rebate Fund shall be invested and reinvested upon the written direction of the Borrower by the Escrow Agent in Permitted Investments that mature at such times specified in such written direction, which times shall be not later than such times as shall be necessary to provide moneys when needed for the payments to be made from such Rebate Fund and in accordance with the provisions hereof. The interest earned on any moneys or investments in the Rebate Fund shall be retained in such Fund.

Moneys held in the Rebate Fund shall be held by the Escrow Agent until the earlier of the final Arbitrage Rebate Amount is paid with respect to the Bonds, or seventy-five (75) days following the redemption or final maturity of the Bonds.

Section 3.7 Intentionally Omitted.

Section 3.8 Bonds Not to Become Arbitrage Bonds. The Escrow Agent will invest moneys held by the Escrow Agent as directed in writing by the Borrower. The Borrower hereby covenants to the Authority and to the Purchaser that, notwithstanding any other provision of this Bond Agreement or any other instrument, it will neither make nor instruct the Escrow Agent to make any investment or other use of the Escrow Fund or other proceeds of the Bonds which would cause the Bonds to be arbitrage bonds under Section 148 of the Code and the regulations thereunder, and that it will comply with the requirements of such Section and regulations throughout the term of the Bonds. The Escrow Agent is entitled to rely on such written directions and shall not be liable for any direct or consequential damages which may result from the Escrow Agent's compliance with such directions.

Section 3.9 Restriction on Use of Escrow Fund. The Borrower shall apply the proceeds of the Bonds as set forth in the Borrower's Tax Certificate and (a) shall not use or direct the use of moneys from the Escrow Fund in any manner, or take or omit to take any other action, so as to cause the interest on the Bonds to be included in the gross income of the Purchaser for federal income tax, (b) shall not use more than 2% of the proceeds of the Bonds for costs of issuance thereof, and (c) shall not use the proceeds of the Bonds to acquire, construct or install facilities, the nature of which would cause the interest on the Bonds to become subject to federal income tax, including, without limitation, the requirement that 95% of the proceeds of the Bonds be used to finance the acquisition of property to be owned by a 501(c)(3) organization under the Code to be issued for activities that are not unrelated to its trade or business determined by applying Section 513(a) of the Code.

Section 3.10 Three-Year Expenditure Requirement. Except to the extent otherwise approved by an opinion of Bond Counsel furnished by the Borrower to the Purchaser, within three years of the date of original delivery and payment for the Bonds, the Borrower shall have completed the Project and caused all of the proceeds of the Bonds to be expended for Costs of the Project.

Section 3.11 Excess Bond Proceeds. When the Borrower certifies to the Escrow Agent and the Authority that the Project is complete, any amounts remaining in the Escrow Fund, as and when determined by the Escrow Agent and the Purchaser, will be applied to the payment of current interest on the Bonds and/or to the payment of accrued interest, as directed by the Authority. If for any reason the amount in the Escrow Fund proves insufficient to pay all Costs of the Project, the Borrower will pay the remainder of such Costs.

Section 3.12 Escrow Agent Not Responsible for Use of Proceeds. The Borrower acknowledges that the Escrow Agent is not responsible for the ultimate use of the Bond Proceeds or any consequences, of whatever kind, resulting, directly or indirectly, from the Borrower's use of Bond Proceeds.

Section 3.13 Investment of Escrow Fund. (a) So long as no Event of Default has occurred and is continuing, the Escrow Agent may invest or reinvest, in accordance with written directions, or oral directions confirmed in writing, of the Authorized Borrower Representative only in the following obligations or securities (collectively "Permitted Investments"):

(i) direct obligations of the United States of America for which its full faith and credit is pledged,

(ii) obligations issued by any instrumentality or agency of the United States of America, whether now existing or hereafter organized and guaranteed by the United States of America,

(iii) obligations issued or guaranteed by any state of the United States of America or the District of Columbia which are rated at least Aa by Moody's or AA by Standard & Poor's,

(iv) repurchase agreements fully secured by obligations of the kind specified in (i) or (ii) above including repurchase agreements with the Escrow Agent,

(v) interest-bearing deposits in any bank or trust company (which may include the Escrow Agent) or any other bank or trust company that has a combined capital surplus and undivided profits at least \$50,000,000,

(vi) commercial paper with one of the two highest ratings from Moody's or Standard & Poor's; and

(vii) deposits in any common trust fund for short-term government obligations established pursuant to law as a legal depository of public moneys.

(b) With respect to Permitted Investments described in clause (iv) of subsection (a) above, the Escrow Agent (i) shall 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 security purchased, provided that title to the security so purchased by the Escrow Agent shall vest in the Escrow Agent, that the Escrow Agent shall have a perfected security interest in such security and that the current market value of such security (or of cash or additional securities of the type described in said clauses pledged with the Escrow Agent as collateral for the purpose) is at all times at least equal to the total amount thereafter to become payable by the seller under said agreement, or (ii) may purchase shares of a fund whose sole assets are of a type described in clauses (i) and (ii) of subsection (a) above and such repurchase agreements thereof.

(c) If any Event of Default has occurred and is continuing hereunder, the Escrow Agent may make such investments in Permitted Investments as permitted under applicable laws as it deems advisable and as directed by the Purchaser; provided that in no event shall it invest in securities issued by or obligations of, or guaranteed by, the Authority, the Borrower or any affiliate or agent of either of the foregoing.

Section 3.14 General Provisions of Investments. (a) Any permissible investments of money in the Escrow Fund shall be held by or under the control of the Escrow Agent and shall be deemed at all times as part of the fund or account from which the investment was made and the interest accruing on any such investment and any profit realized from such investment shall be credited to such fund or account and any loss resulting from such investment shall be charged to such fund or account.

(b) Neither the Authority nor the Borrower shall direct the Escrow Agent to invest the proceeds of the Bonds or payments due under this Bond Agreement, or any other funds which may be deemed to be proceeds of the Bonds pursuant to Section 103 or 148 of the Code and the applicable regulations thereunder, including proposed regulations, in such a way as to cause the Bonds to be treated as “arbitrage bonds” within the meaning of Section 103 or 148 of the Code and such regulations issued thereunder, as applicable to the Bonds. In accordance with the foregoing, unless the Escrow Agent shall have been furnished with an approving opinion of Bond Counsel, no moneys in the Escrow Fund shall be invested, except as provided in the Authority’s Tax Certificate.

(c) The Escrow Agent shall not be held liable for any breach by the Borrower of provisions of the foregoing subparagraph as long as the Escrow Agent invests or reinvests, pursuant to written directions of either the Authority or the Authorized Borrower Representative moneys in Permitted Investments pursuant hereto. The Escrow Agent shall refuse to invest in obligations directed by the Authorized Borrower Representative which violate the provisions hereof.

Section 3.15 Appointment of Escrow Agent; Acceptance of the Escrow. (a) Provident Bank is hereby appointed as Escrow Agent. The Escrow Agent hereby accepts the escrow imposed upon it by this Bond Agreement, and agrees to perform said escrow, but only upon and subject to the following express terms and conditions:

(i) The Escrow Agent may execute any of the powers hereof and perform any of its duties by or through attorneys or agents (provided that neither the Authority, the Borrower nor any affiliate or agent of any of the foregoing shall act as an agent of the Escrow Agent), and shall not be answerable for any misconduct or negligence on the part of any attorney or agent appointed hereunder and shall be entitled to advice of counsel concerning all fiduciary matters hereof and the 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 fiduciary obligations hereof and may be reimbursed therefor. The Escrow Agent may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Authority or the Borrower) approved by the Escrow Agent in the exercise of its reasonable judgment. The Escrow Agent shall not be responsible for any loss or damage resulting from any action or nonaction in good faith in reliance upon such opinion or advice.

(ii) The Escrow Agent shall not be responsible for any recital herein or in the Bonds or for insuring the Projects, or collecting any insurance moneys, or for the validity of execution by the Authority of this Bond Agreement or of any supplements hereto or any instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the Projects or otherwise

as to the maintenance of the security hereof, or, except as provided in Article VI hereof, for the eligibility of any security as an investment of escrow funds held by it.

(iii) The Escrow Agent shall not be accountable for the use of the Bonds delivered hereunder after the Bonds shall have been delivered in accordance with the instructions of the Authority or the Borrower, as the case may be. The Escrow Agent may become the Purchaser of the Bonds secured hereby with the same rights which it would have if not Escrow Agent. The Escrow Agent may engage in banking or other financial transactions with the Borrower with the same rights which it would have if not Escrow Agent.

(iv) The Escrow Agent shall be protected in acting in good faith upon any notice, request, investment instruction, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper Person or Persons. Any action taken by the Escrow Agent pursuant to this Bond Agreement upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the Purchaser of any Bonds, shall be conclusive and binding upon all future Purchasers of the same Bonds and upon a Bond issued in exchange therefor or in place thereof.

(v) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Escrow Agent shall be entitled, in the absence of bad faith on its part, to rely upon a certificate of the Authority signed by (a) the Chair, Vice Chair, Executive Director or Director of Project Management of the Authority, or (b) any other duly authorized Person (such authority to be conclusively evidenced by an appropriate resolution of the Authority), or any certificate signed by an Authorized Borrower Representative, as sufficient evidence of the facts therein contained, and prior to the occurrence of an Event of Default of which the Escrow Agent has been notified or deemed notified as provided in Section 6.1 hereof, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Escrow Agent may accept a certificate of the Secretary or any Assistant Secretary of the Authority to the effect that a resolution in the form therein set forth has been adopted by the Authority as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(vi) The permissive right of the Escrow Agent to take actions enumerated in this Bond Agreement shall not be construed as a duty, and it shall not be answerable for other than its negligence, willful misconduct, or willful default. The Escrow Agent shall act on behalf of the Authority hereunder only insofar as its duties are expressly set forth and shall not have implied duties. The Escrow Agent shall not be under a duty to inquire into or pass upon the validity, effectiveness, genuineness or value of the Bond Documents and shall assume that the same are valid, effective and genuine and what they purport to be. The Escrow Agent may consult with legal counsel selected by it and shall be entitled to rely upon the opinion of such counsel in taking or omitting to take any action. The Escrow Agent shall have the same rights and powers as any other bank or lender and may exercise the same as though it were not the Escrow Agent, and it may accept deposits from, lend money to and generally engage in any kind of business with the Borrower as though it were not the Escrow Agent.

(vii) The Escrow Agent shall not be personally liable for any debts contracted or for damages to Persons or to personal property injured or damaged, or for salaries or non-fulfillment of contracts by the Borrower during any period.

(viii) The Escrow Agent shall not be required to give any bond or surety in respect of the execution of the said escrows and powers or otherwise in respect to the premises.

(ix) All moneys or investments received by the Escrow Agent shall, until used or applied as herein provided, be held in escrow in the manner and for the purposes for which they were received.

(b) In the case of and during the continuance of an Event of Default or upon the occurrence of an Event of Default as to which the Escrow Agent has received a notice as provided herein, the Escrow Agent shall exercise the rights and powers vested in it hereby, and use the same degree of care and skill in their exercise, as a prudent Person would exercise or use under the circumstances in the conduct of such Person's own affairs.

Section 3.16 Fees, Charges and Expenses of Escrow Agent. The Escrow Agent shall be entitled to payment or reimbursement for reasonable fees for services rendered hereunder, and all reasonable expenses (including advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Escrow Agent in connection with such services). The Borrower shall indemnify and hold the Escrow Agent harmless against any loss, liability or expense, incurred without negligence or intentional misconduct on the part of the Escrow Agent, arising out of or in connection with the acceptance or administration of the fiduciary obligations hereunder, including the costs and expenses of defending itself against any claim or liability in the premises. All fees, charges and other compensation to which the Escrow Agent may be entitled under the provisions of this Bond Agreement are required to be paid by the Borrower under the terms of this Bond Agreement and, accordingly, neither the Authority nor the Purchaser shall be liable to indemnify the Escrow Agent for fees, charges and other compensation to which the Escrow Agent may be entitled, and by acceptance of the fiduciary obligations hereunder the Escrow Agent shall be deemed to have agreed to the foregoing.

Section 3.17 Notice to the Authority, the Purchaser and the Borrower. If the Escrow Agent is notified in writing by the Internal Revenue Service or any Person of the occurrence, or possible occurrence of a Determination of Taxability, the Escrow Agent shall give prompt written notice thereof to the Authority, the Purchaser and the Borrower.

Section 3.18 Intervention by Escrow Agent. In any judicial proceeding to which the Authority is a party and that in the opinion of the Escrow Agent and its counsel has a substantial bearing on the interests of the Purchaser of the Bonds, the Escrow Agent may, and if requested in writing by the Purchaser shall, intervene on behalf of the Purchaser provided the Purchaser agrees to indemnify the Escrow Agent for such intervention.

Section 3.19 Successor Escrow Agent. Any corporation or association into which the Escrow Agent 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, provided such corporation or association is a trust company or national or state bank within or outside the State having escrow powers, in good standing, being otherwise acceptable to the Purchaser and having reported capital surplus and undivided profits of not less than \$50 million *ipso facto*, shall be and become successor Escrow Agent 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, anything herein to the contrary notwithstanding.

Section 3.20 Resignation by the Escrow Agent. The Escrow Agent and any successor Escrow Agent may at any time resign by giving not less than thirty (30) days' written notice to the Authority, the Purchaser and the Borrower. Such resignation shall take effect only upon the appointment of a successor Escrow Agent by the Authority, with the written consent of the Borrower. Such notice to the Authority, the Purchaser and the Borrower may be served personally or sent by registered mail or telegram. In case at any time the Escrow Agent shall resign and no appointment of a successor Escrow Agent shall be made prior to the date specified in the notice of resignation as the date when such resignation shall take effect, the resigning Escrow Agent may forthwith apply to a court of competent jurisdiction for the appointment of a successor Escrow Agent. The Escrow Agent shall be compensated by the Borrower for all costs of seeking and appointing a successor should the Borrower fail to so appoint a successor Escrow Agent within the thirty (30) day time period to do so.

Section 3.21 Removal of the Escrow Agent. (a) Upon thirty (30) days' written notice, the Escrow Agent may be removed at any time, by an instrument or concurrent instruments in writing delivered to the Escrow Agent, the Authority and the Borrower and signed by the Purchaser.

(b) The Escrow Agent 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 Bond Agreement, by any court of competent jurisdiction upon the application by the Authority, the Purchaser or the Borrower.

Section 3.22 Appointment of Successor Escrow Agent by the Authority. (a) In case the Escrow Agent hereunder shall resign, or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder as fiduciary for Purchaser of the Bonds, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, the Authority, by an instrument executed by an Authorized Authority Representative, with the written consent of the Borrower, shall forthwith appoint a successor Escrow Agent to fill such vacancy. Such appointment shall become final upon the written acceptance of such fiduciary obligations by the successor Escrow Agent so appointed as provided in Section 3.23 hereof.

(b) Every such Escrow Agent appointed pursuant to the provisions of this Section shall be a national banking association or a domestic bank or trust company having trust powers in good standing, being otherwise acceptable to the Purchaser and having a reported capital, surplus and undivided profits of not less than \$50 million.

Section 3.23 Concerning any Successor Escrow Agent. (a) Every successor Escrow Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor Escrow Agent, the Authority and the Borrower an instrument in writing accepting such appointment hereunder as fiduciary for the Purchaser of the Bonds. Thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors.

(b) Every predecessor Escrow Agent shall, on the written request of the Authority, or of the successor Escrow Agent, execute and deliver an instrument transferring to such successor Escrow Agent all the estates, properties, rights, powers and escrows, duties and obligations of such predecessor hereunder. Every predecessor Escrow Agent shall deliver all securities and moneys held by it as Escrow Agent hereunder to its successor for direct deposit in the appropriate successor escrow accounts. Should any instrument in writing from the Authority be required by a successor Escrow Agent for more fully and certainly vesting in such successor the estates, properties, rights, powers, escrows, duties and obligations hereby vested or intended to be vested in the predecessor Escrow Agent, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority.

(c) The resignation of any Escrow Agent and the instrument or instruments removing any Escrow Agent and appointing a successor hereunder, or the instrument evidencing the transfer of the escrow funds shall be filed and/or recorded by the successor Escrow Agent in each filing or recording office where this Bond Agreement (or a memorandum thereof) shall have been filed and/or recorded.

Section 3.24 Escrow Agent Protected in Relying upon Resolutions, etc. The resolutions, opinions, certificates and other instruments provided for in this Bond Agreement may be accepted by the Escrow Agent as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Escrow Agent for the application of moneys hereunder and the taking of or omitting to take any other action under this Bond Agreement.

Section 3.25 Successor Escrow Agent as Escrow Agent of the Escrow Fund. Any Escrow Agent that has resigned or been removed shall cease to be Escrow Agent of the funds, and the successor Escrow Agent shall become such Escrow Agent. Every predecessor Escrow Agent shall deliver to its successor Escrow Agent all books of account and all other records, documents and instruments relating to its duties as Escrow Agent.

Section 3.26 Escrow Agent and Authority Required to Accept Directions and Actions of Borrower. Whenever, after reasonable request by the Borrower, the Authority shall fail, refuse or neglect to give any direction to the Escrow Agent or to require the Escrow Agent to take any other action that the Authority is required to have the Escrow Agent take pursuant to the provisions of this Bond Agreement, the Borrower, upon thirty (30) days' prior written notice to the Authority, instead of the Authority, may give such direction to the Escrow Agent or require the Escrow Agent to take any such action after such thirty (30) day notice period. Upon receipt by the Escrow Agent of a written notice from the Borrower stating that the Borrower has made reasonable request of the Authority, and that the Authority has failed, refused or neglected to give any direction to the Escrow Agent or to require the Escrow Agent to take any such action

and proof that such written notice has been furnished to the Authority, the Escrow Agent is hereby irrevocably empowered and directed, subject to other provisions of this Bond Agreement, to accept such direction from the Borrower as sufficient for all purposes of this Bond Agreement. The Borrower shall have the direct right to cause the Escrow Agent to comply with any of the Escrow Agent's obligations under this Bond Agreement to the same extent that the Authority is empowered so to do.

Notwithstanding the foregoing, the Authority reserves the right to dispute and challenge any direction given by the Borrower or action taken by the Escrow Agent pursuant to this Section in any manner available under law, provided, however, the Escrow Agent shall not be liable for action taken in good faith reliance on such direction.

Section 3.27 Bonds Mutilated, Destroyed, Stolen or Lost. In case any Bond shall become mutilated, or be destroyed, stolen or lost, the Authority shall, upon request of the registered owner, execute and thereupon the Escrow Agent shall deliver a new Bond of like tenor and of the same principal amount as the Bond so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond upon surrender and cancellation of such mutilated Bond, or in lieu of and in substitution for the Bond destroyed, stolen or lost, on the condition that the Escrow Agent shall certify to the Authority that the registered owner has (a) filed with the Escrow Agent evidence satisfactory to the Escrow Agent that such Bond has been destroyed, stolen or lost and proof of ownership thereof, (b) furnished the Escrow Agent and the Authority with indemnity satisfactory to the Escrow Agent and the Authority, (c) complied with such other reasonable regulations as the Escrow Agent may prescribe and (d) agreed to pay such fees and expenses as the Authority and the Escrow Agent may require in connection therewith.

Section 3.28 Notice of Non-Compliance. Upon receipt of notice by or actual knowledge of any officer responsible for the administration of the Escrow Fund, the Escrow Agent shall report in writing to the Authority and Purchaser any breach of any covenant or any Event of Default by the Borrower under this Bond Agreement or any fact or circumstance which, except for any grace period permitted by this Bond Agreement, would result in any breach of a covenant or Event of Default by the Borrower hereunder. The Escrow Agent shall report in writing such breach, Event of Default or information to the Authority immediately after the Escrow Agent becomes aware of such breach or Event of Default.

Section 3.29 Paid Bonds; Loan Statements. The Purchaser shall notify the Authority promptly in writing upon the maturity or full prepayment of the Bonds. The Purchaser shall furnish the Authority, on a monthly basis, loan statements which include the following information: beginning Loan balance, ending Loan balance, and all Loan activity during the course of the statement period.

Section 3.30 Immunity of Authority. In the exercise of the powers of the Authority and its members, officers, employees or agents under this Bond Agreement or any other Loan Document and including without limitation the application of moneys, the investment of funds, the assignment or other disposition of the escrowed funds hereunder in the Event of Default by the Borrower, neither the Authority nor its members, officers, employees or agents shall be accountable to the Purchaser, the Escrow Agent or the Borrower for any action taken or omitted by it or them in good faith and believed by it or them to be authorized or within the discretion or

rights or powers conferred. The Authority and its members, officers, employees and agents shall be protected in its or their acting upon any paper or document believed by it or them to be genuine, and it and they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action.

Section 3.31 Neither Authority, the Purchaser, Nor Escrow Agent Responsible for Insurance, Taxes, Acts of the Authority or Application of Moneys Applied in Accordance with this Bond Agreement. Neither the Authority, the Purchaser nor the Escrow Agent shall be under any obligation to effect or maintain insurance or to renew any policies of insurance or to inquire as to the sufficiency of any policies of insurance carried by the Borrower, or to report, or make or file claims or proof of loss for, any loss or damage insured against or which may occur, or to keep itself informed or advised as to the payment of any taxes or assessments, or to require any such payment to be made. Neither the Authority, the Purchaser nor the Escrow Agent shall have responsibility in respect of the sufficiency of the security provided by this Bond Agreement. Neither the Authority, the Purchaser nor the Escrow Agent shall be under any obligation to ensure that any duties herein imposed upon any party other than itself, or any covenants herein contained on the part of any party other than itself to be performed, shall be done or performed, and neither the Authority, the Purchaser nor the Escrow Agent shall be under any liability for failure to see that any such duties or covenants are so done or performed.

Neither the Authority, the Purchaser nor the Escrow Agent shall be liable or responsible because of the failure of the Authority or of any of its members, officers, employees, attorneys or agents to make any collections or deposits or to perform any act herein required of the Authority or because of the loss of any moneys arising through the insolvency or the act or default or omission of any other depositary in which such moneys shall have been deposited under the provisions of this Bond Agreement. Neither the Authority, the Purchaser nor the Escrow Agent shall be responsible for the application of any of the proceeds of the Bonds or any other moneys deposited with it and paid out, withdrawn or transferred hereunder if such application, payment, withdrawal or transfer shall be made in accordance with the provisions of this Bond Agreement.

The immunities and exemptions from liability of the Authority, the Purchaser and the Escrow Agent hereunder shall extend to their respective directors, members, attorneys, officers, employees and agents.

Section 3.32 Authority, Purchaser and Escrow Agent May Rely on Certificates. The Authority, the Purchaser and the Escrow Agent shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith and in accordance with the terms of this Bond Agreement, upon any resolution, order, notice request, consent, waiver, certificate, statement, affidavit, requisition, bond or other paper or document that it shall in good faith believe to be genuine and to have been adopted or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Bond Agreement, or upon the written opinion of any attorney, engineer, accountant or other expert believed by it to be qualified in relation to the subject matter, and neither the Authority, the Purchaser nor the Escrow Agent shall be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

ARTICLE IV

The Loan.

Section 4.1 The Loan. The Authority, agrees, upon the terms and subject to the conditions hereinafter set forth, to make the Loan to the Borrower for the purposes set forth in the recitals hereinabove.

Section 4.2 Payment of Loan. The Loan and other Obligations shall be evidenced by the Notes. The Loan to be repaid by the Borrower and the face amount of the Notes will be an amount equal to the principal or applicable redemption price of and interest on, the respective Bonds. The Borrower agrees that its obligations to make the payments required hereunder and under the Notes shall constitute a general obligation of the Borrower payable from any moneys legally available to the Borrower and secured as set forth in Section 4.3 of this Agreement. The Loan shall be repayable to the Purchaser, in accordance with the Assignment, by, or on behalf of, the Borrower in installments which, as to amounts and due dates, correspond to the payments of the principal or applicable redemption price of, and interest on, and late fees, if any, provided by, the Bonds. Without limiting the foregoing, the Borrower expressly acknowledges that the following terms of the Bonds are applicable to the repayment of the Notes:

- (a) Each monthly payment thereunder shall be applied first in payment of accrued and unpaid interest and the balance to reduce the principal installments in inverse order of maturity. Subsequent to the occurrence of an Event of Default, the Purchaser may apply any payments it receives to principal, interest, fees or expenses as determined by the Purchaser in its sole discretion.
- (b) The Bonds are subject to redemption prior to maturity in whole or in part as set forth therein, provided, if the Notes are accelerated in accordance with this Bond Agreement, and the Bonds are not cancelled, then the Bonds shall also be accelerated, and all payments of principal shall be applied to reduce the principal installments due pursuant to the Bonds in inverse order of maturity (in either event, payments shall be made to the Purchaser).
- (c) From and after the maturity date of the Bonds and Notes and during the continuation of any Event of Default, the Bonds and Notes shall bear interest at the Default Rate above the otherwise applicable interest rate. If any payment of principal or interest is not received by the Purchaser within fifteen (15) days of its due date, a late charge of five percent (5.00%) of such overdue amount shall be payable hereunder.

In order to make the payments described above, the Borrower hereby authorizes the Purchaser to, and the Purchaser shall, debit the Borrower's demand deposit account number [] (or such other account as to which the Borrower may notify the Purchaser) which shall be maintained by the Borrower with the Purchaser (the "Demand Deposit Account") for so long as any obligations remain hereunder outstanding, on any date on which payment of interest, principal and/or any fees, expenses and/or charges are due under the Loan, or when any other Obligations are due, in an amount equal to the amount of such payment. Inadequate funds

in the Demand Deposit Account or the failure of the Purchaser to debit the Demand Deposit Account shall not relieve the Borrower from its obligation to pay said amounts due hereunder.

Section 4.3 Security. The Notes shall be secured by the Mortgages, the Security Agreement, the Financing Statements and all other Collateral provided by the Borrower to Purchaser for the Obligations from time to time. The Borrower also hereby creates and grants in favor of the Purchaser, as the assignee of the Authority, a security interest in all funds deposited from time to time in the Escrow Fund. This Bond Agreement shall be deemed to be a security agreement for the purposes of creating the security interests granted herein subject to the provisions of the State Uniform Commercial Code.

Section 4.4 Incorporation of Terms. The other Bond Documents shall be made subject to all the terms and conditions contained in this Bond Agreement to the same extent and effect as if this Bond Agreement were fully set forth in and made a part of the other Bond Documents. This Bond Agreement is made subject to all the conditions, stipulations, agreements and covenants contained in the other Bond Documents to the same extent and effect as if the other Bond Documents were fully set forth herein and made a part hereof. Notwithstanding any of the foregoing, if any provisions in the other Bond Documents are inconsistent with this Bond Agreement, the Bond Documents that provide the greatest protection to the Authority and the Purchaser shall control.

Section 4.5 No Defense or Set-Off. The obligations of the Borrower to make or cause to be made payment of the Loan shall be absolute and unconditional without defense or set-off by reason of any default by the Authority, the Escrow Agent or the Purchaser under this Bond Agreement or under any other agreement between the Borrower and the Authority, the Escrow Agent or the Purchaser or for any other reason, failure to complete the Project, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Projects, commercial frustration of purpose, or failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Bond Agreement, it being the intention of the parties that the payments required of the Borrower hereunder will be paid in full when due without any delay or diminution whatsoever. Repayments of the Loan and additional sums required to be paid by or on behalf of the Borrower hereunder shall be received by the Authority or the Escrow Agent as net sums and the Borrower agrees to pay or cause to be paid all charges against or which might diminish such net sums.

Section 4.6 Assignment of Authority's Rights. As security for the payment of the Bonds the Authority has, simultaneously herewith, assigned to the Purchaser all the Authority's rights under this Bond Agreement (except the Reserved Rights, which are retained jointly with the Purchaser and those rights set forth in Section 6.8 herein, which are retained exclusively by the Authority). The Authority retains the right, jointly and severally with the Purchaser, to specifically enforce the provisions contained in the Bond Documents. The Borrower consents to such assignment and agrees to make or cause to be made payment of the Loan under Section 4.2 directly to the Purchaser without defense or set-off by reason of any dispute between or among the Borrower, the Authority and/or the Purchaser, including, without limitation, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Premises or the Projects, commercial frustration of purpose, failure of the Authority or Purchaser

to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Bond Agreement or any of the other Bond Documents, or the Escrow Agent not performing its duties pursuant to the terms of this Bond Agreement. The Borrower agrees that the Purchaser may exercise all rights granted to the Authority hereunder, subject to the Reserved Rights.

Section 4.7 Opinion of Counsel for Borrower. As a condition precedent to the issuance of the Bonds, the Authority and the Purchaser shall have received the opinion of counsel for the Borrower to the Authority and the Purchaser and satisfactory in form and substance to Bond Counsel and Counsel for the Purchaser to the effect that:

(a) the Bond Documents have been duly executed and delivered by the Borrower and constitute the legal, valid and binding obligations of the Borrower, enforceable in accordance with their respective terms, except to the extent that the enforceability of such documents may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and

(b) such other matters as Bond Counsel or Counsel for the Purchaser may reasonably require.

Section 4.8 Opinion of Bond Counsel. As a condition precedent to the issuance of the Bonds, the Authority and the Purchaser shall have received the opinion of Bond Counsel to the effect that:

(a) interest on the Bonds is not includable in gross income for federal income tax purposes under Section 103 of the Code;

(b) interest income on the Bonds or gain from the sale thereof is not includable as gross income under the State Gross Income Tax Act (P.L. 1976, Chapter 47);

(c) the offering or sale of the Bonds is not required to be registered under the Securities Act of 1933, as amended, or under the rules and regulations promulgated thereunder; and

(d) the Bonds have been duly authorized and issued under the provisions of the Resolution and the Act and constitutes a valid, binding special and limited obligation of the Authority and is enforceable in accordance with its terms, except to the extent that the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally.

Section 4.9 Opinion of Counsel for the Escrow Agent and Purchaser. As a condition precedent to the issuance of the Bonds, the Authority shall have received an opinion of (a) Counsel for the Escrow Agent, dated the date of the Loan, addressed to the Authority and reasonably satisfactory in form and substance to Bond Counsel that the Escrow Agent is lawfully empowered, authorized and duly qualified to serve as escrow agent and to perform the provisions of and to accept the fiduciary obligations contemplated hereby, and the Escrow Agent has duly authorized the acceptance of the escrow contemplated hereby and (b) Counsel for the Purchaser, dated the date of the Loan, addressed to the Authority and reasonably satisfactory in form and

substance to Bond Counsel that the Purchaser has duly executed and delivered this Bond Agreement, which is a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms.

Section 4.10 Loan and Other Documents. As a condition precedent to the issuance of the Bonds, the Authority, the Purchaser and the Escrow Agent shall have received:

- (a) the Bond Documents duly executed by all parties thereto;
- (b) certificates, in form and substance acceptable to the Authority and the Escrow Agent evidencing the insurance required to be maintained by this Bond Agreement;
- (c) the Tax Certificates, in form and substance satisfactory to Bond Counsel; and
- (d) all other documents required by the Authority, the Escrow Agent and the Purchaser.

Any certificate signed by an Authorized Borrower Representative and delivered to the Authority, the Purchaser or the Escrow Agent shall be deemed a representation or warranty by the Borrower to the Authority, the Purchaser or the Escrow Agent, as the case may be, as to the statements made therein.

Section 4.11 Payments Adjusted for Non-Business Days. The Following Business Day Convention shall be used with respect to the Loan to adjust any relevant date if that date would otherwise fall on a day that is not a Business Day. For the purposes herein, the term "Following Business Day Convention" shall mean that an adjustment will be made if any relevant date would otherwise fall on a day that is not a Business Day so that the date will be the first following day that is a Business Day.

Section 4.12 Prepayment of the Notes. The Borrower may prepay the Notes to the same extent as the respective Bonds may be optionally redeemed.

Section 4.13 Redemption of the Bonds. The Bonds are subject to redemption prior to maturity in whole or in part as set forth therein, provided, if the Notes are accelerated in accordance with this Bond Agreement, then the Bonds shall be accelerated, and all payments of principal shall be applied to reduce the principal installments due pursuant to the Bonds in inverse order of maturity. Any prepayment penalty or premium due on the Notes pursuant hereto, if any, shall be deemed to be a redemption premium to be paid to the holder of the Bonds.

Section 4.14 Cross-Default; Cross-Collateralization. The Loan and all of the Borrower's obligations under the Bond Documents shall be cross-collateralized and cross-defaulted with the Line of Credit and all other loans and credit facilities extended by the Purchaser to the Borrower.

Section 4.15 Payments Net. All payments by the Borrower of principal of, interest and prepayment fees, if any, on, the Bonds and all other amounts payable hereunder and/or under the Bond Documents shall be made free and clear of and without deduction for any present or future income, excise, stamp or franchise taxes and other taxes, fees, duties, withholdings or other

charges of any nature whatsoever imposed by any taxing authority, but excluding franchise taxes and taxes imposed on or measured by the Purchaser's net income or receipts (such non-excluded items being called "Taxes"). In the event that any withholding or deduction from any payment to be made by the Borrower hereunder is required in respect of any Taxes pursuant to any applicable law, rule or regulation, then the Borrower will:

(a) pay directly to the relevant authority the full amount required to be so withheld or deducted;

(b) promptly forward to the Purchaser an official receipt or other documentation satisfactory to the Purchaser evidencing such payment to such authority; and

(c) pay to the Purchaser such additional amount or amounts as is reasonably necessary to ensure that the net amount actually received by the Purchaser will equal the full amount the Purchaser would have received had no such withholding or deduction been required.

Moreover, if any Taxes are directly asserted against the Purchaser with respect to any payment received by the Purchaser under this Bond Agreement and/or the other Bond Documents, the Purchaser may pay such Taxes and the Borrower will promptly pay such additional amount (including any penalties, interest or expenses) as is reasonably necessary in order that the net amount received by the Purchaser after the payment of such Taxes (including any Taxes on such additional amount) shall equal the amount the Purchaser would have received had no such Taxes been asserted.

If the Borrower fails to pay any Taxes when due to the appropriate taxing authority or fails to remit to the Purchaser the required receipts or other required documentary evidence, the Borrower shall indemnify the Purchaser for any incremental Taxes, interest or penalties that may become payable by the Purchaser as a result of any such failure.

Section 4.15 Increased Costs; Capital Adequacy.

(a) If any Regulatory Change or any change in, present or future law, governmental rule, regulation, policy, guideline, directive or similar requirement (whether or not having the force of law) imposes, modifies, decreases or deems applicable any capital adequacy, capital maintenance or similar requirement, which affects the manner in which the Purchaser allocates capital resources to its commitments (including any commitments hereunder), and as a result thereof, in the reasonable opinion of the Purchaser, the rate of return on the Purchaser's or such controlling person's capital as a consequence of the Purchaser's ownership of the Bonds or with regard to the purchase of the Bonds is reduced to a level below that which the Purchaser or such controlling person could have achieved but for such circumstances, then, in such case and upon written notice from the Purchaser to the Borrower, from time to time, the Borrower shall immediately, within sixty (60) days of such written notice, pay directly to the Purchaser such additional amount or amounts as shall reasonably compensate the Purchaser or such controlling person for such reduction in the Purchaser's or such controlling person's rate of return. Such written notice shall contain the statement of the Purchaser with regard to any such amount or amounts which shall, in the absence of manifest error, be conclusive and binding upon the Borrower. In determining such amount, the Purchaser may use any reasonable method of

averaging and attribution that it deems applicable. Any rules, regulations, policies, guidelines, directives or similar requirements adopted, promulgated or implemented in connection with (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and (ii) the Purchaser for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or any United States Governmental Authority, in each case pursuant to Basel III, shall in all events be deemed to have been imposed, introduced and adopted after the date of this Bond Purchase Agreement

(b) If the Maximum Marginal Statutory Rate decreases for any period during which the Bonds are outstanding then, within thirty (30) days of any written notice from time to time by the Purchaser to the Borrower, the Borrower shall promptly pay directly to Purchaser additional amounts sufficient to compensate Purchaser for such reduction. Such notice shall contain the written statement of the Purchaser as to any such additional amount or amounts (including calculations thereof in reasonable detail) and shall, in the absence of manifest error, be conclusive and binding on the Borrower. In determining such amount, the Purchaser may use any method of averaging and attribution that it (in its sole and absolute discretion shall deem applicable). In no event shall Purchaser be obligated to pay Borrower amounts under this Section 4.16(b) during any time the Maximum Marginal Statutory Rate is above the Maximum Marginal Statutory Rate in effect on the date hereof.

Notwithstanding anything herein to the contrary, in no event shall the Borrower be obligated to pay the Purchaser amounts under this Section during any time the Maximum Marginal Statutory Rate is above the Maximum Marginal Statutory Rate in effect on the date hereof. If there has been an increase in the compensation paid to the Purchaser in connection with a reduction in the Maximum Marginal Statutory Rate, and then a subsequent change occurs that would increase the Maximum Marginal Statutory Rate, the Purchaser shall provide written notice to the Borrower of the new calculation of the amount owed hereunder taking into account the higher Maximum Marginal Statutory Rate.

No failure on the part of Purchaser to demand compensation on any one occasion shall constitute a waiver of its right to demand such compensation on any other occasion and no failure on the part of Purchaser to deliver any certificate in a timely manner shall in any way reduce any obligation of the Borrower to Purchaser under this section.

ARTICLE V

Covenants and Representations of Borrower.

The Borrower covenants, represents and agrees, so long as this Bond Agreement shall remain in effect as follows:

Section 5.1 Public Purpose Covenants and Representations of the Borrower. The Borrower hereby covenants and represents as follows:

(a) Inducement. The availability of financial assistance from the Authority as provided for herein has been an important inducement to the Borrower to undertake the Project and to locate the Projects in the State.

(b) No Untrue Statements. The Borrower covenants that the representations, statements and warranties of the Borrower set forth this Bond Agreement or any other Loan Document (i) are true, correct and complete, (ii) do not contain any untrue statement of a material fact, and (iii) do not omit to state a material fact necessary to make the statements contained herein or therein not misleading or incomplete. The Borrower understands that all such statements, representations and warranties have been relied upon as an inducement by the Authority to issue the Bonds and as an inducement to the Purchaser to purchase the Bonds.

(c) Project Users. The Borrower shall not permit any leasing, subleasing or assigning of leases (or any modifications or terminations of such leases) (i) without the prior written consent of the Purchaser and the Authority or (ii) that would impair the excludability of interest paid on the Bonds from the gross income of the Purchaser for purposes of federal income taxation, or that would impair the ability of the Borrower to operate the Projects or cause the Projects not to be operated as an authorized educational facilities project under the Act. Notwithstanding the foregoing, the prior written consent of the Authority and the Purchaser shall not be required in connection with those various summer programs involving the use and occupancy of certain of the Borrower's facilities.

(d) Maintain Existence; Merge, Sell, Transfer. The Borrower shall maintain its existence as a non-profit corporation under State law and shall not sell, assign, transfer, mortgage or otherwise encumber or dispose of any or all of the Projects, the Collateral or substantially all of its assets without the consent of the Authority and the Purchaser; provided however that the Borrower may merge with or into or consolidate with another entity, and the Projects or this Bond Agreement may be transferred pursuant to such merger or consolidation without violating this section provided (i) the net worth of the surviving, resulting or transferee company following the merger, consolidation or transfer is equal to or greater than the net worth of the Borrower immediately preceding the merger, consolidation or transfer; (ii) any litigation or investigations in which the surviving, resulting or transferee company or its principals, officers and directors are involved, and any court, administrative or other orders to which the surviving, resulting or transferee company or its officers and directors are subject, relate to matters arising in the ordinary course of business; (iii) the merger, consolidation or transfer shall not impair the excludability of interest paid on the Bonds from the gross income of the Purchaser thereof for purposes of federal income taxation or cause a reissuance pursuant to an opinion of Bond Counsel; (iv) the surviving, resulting or transferee company assumes in writing the obligations of the Borrower under this Bond Agreement and the Notes; (v) after the merger, consolidation or transfer, the Projects shall be operated as an authorized project under the Act; and (vi) the Borrower has obtained the prior written consent of the Purchaser.

(e) Intentionally Omitted.

(f) Operate Project. The Borrower shall operate or cause the Projects to be operated as an authorized educational facilities project for a purpose and use as provided for under the Act until the expiration or earlier termination of this Bond Agreement.

(g) Annual Certification. On each anniversary hereof, the Borrower shall furnish to the Authority and the Purchaser with a certification indicating whether or not the Borrower is aware of any condition, event or act that constitutes an Event of Default, or which would

constitute an Event of Default with the giving of notice or passage of time, or both, under any of the Bond Documents.

(h) Prevailing Wage Regulations. In connection with the New Money Project, the Borrower hereby acknowledges that the provisions of N.J.S.A. 18A:72A-5.1 to -5.4 relating to payment of the prevailing wage rate determined by the Commissioner of the Department of Labor and Workforce Development pursuant to the Prevailing Wage Act (N.J.S.A. 34:11-56.25 *et seq.*) applies to construction and rehabilitation undertaken in connection with the Authority's assistance in financing the New Money Project and hereby covenants to comply with such provisions in connection with the New Money Project.

(i) Preservation of Projects. (i) The Borrower will at all times preserve and protect the Projects and the Premises in good repair, working order and safe condition, and from time to time will make, or will cause to be made, all needed and proper repairs, renewals, replacements, betterments and improvements thereto including those required after a casualty loss. The Borrower shall pay all operating costs, utility charges and other costs and expenses arising out of ownership, possession, use or operation of the Projects and the Premises. The Authority shall have no obligation and makes no warranties respecting the condition or operation of the Projects or the Premises.

(ii) The Borrower will not use as a basis for contesting any assessment or levy of any tax the financing of the Projects under this Bond Agreement or the issuance of the Bonds by the Authority and, if any administrative body or court of competent jurisdiction shall hold for any reason that the Projects are exempt from taxation by reason of the financing under this Bond Agreement or issuance of the Bonds by the Authority or other Authority action in respect thereto, the Borrower covenants to make payments in lieu of all such taxes in an amount equal to such taxes and, if applicable, interest and penalties.

(j) Access to the Projects and Inspection. The Authority and its duly authorized agents shall have the right, at all reasonable times upon the furnishing of notice that is reasonable under the circumstances to the Borrower, to enter upon the Projects and to examine and inspect the Projects.

(k) Additional Information. Until payment of the Bonds shall have occurred the Borrower shall promptly, from time to time, deliver to the Authority and the Purchaser such information and materials relating to the Projects and the Borrower as the Authority and/or the Purchaser, as the case may be, may reasonably request. An Authorized Authority Representative and a representative of the Purchaser shall also be permitted, at all reasonable times, to examine the books and records of the Borrower with respect to the Projects and the obligations of the Borrower hereunder, but such representatives shall not be entitled to access to trade secrets or other proprietary information (other than financial information of the Borrower.)

Section 5.2 Insurance. The Borrower shall, at the times specified in the following paragraphs, procure and maintain, or cause to be procured and maintained, to the extent reasonably obtainable in the opinion of the Authority, the following insurance:

(a) Special Form perils insurance, or current equivalent, with a deductible clause in an amount not to exceed one hundred thousand dollars (\$100,000) or such other deductible provisions as are approved in writing by the Purchaser and Authority (the "Deductible Amount"), on the plant, structure, machinery, equipment and apparatus comprising the Projects, plus Boiler and Machinery coverage, and Flood Insurance if the Projects are located within a Special Flood Hazard Area, each with deductible clauses and coverage sublimits acceptable to the Authority. Coverage for Contingent Liability From Operation of Building Laws shall be included, and an Agreed Amount Endorsement shall be attached to the policy. The foregoing insurance shall be maintained as long as any of Obligations are outstanding and shall be in an amount not less than one hundred per centum (100%) of the current estimated replacement value thereof, exclusive of excavations and foundations, or such other amount as may be approved in writing by the Purchaser and Authority. The inclusion of the Projects under a blanket insurance policy or policies of the Borrower insuring against the above hazards shall be a complete compliance with the provisions of this paragraph. Any such policy shall provide that the insurance company shall give at least thirty (30) days' notice in writing to the Purchaser of the cancellation or non-renewal of the policy, except in the event of nonpayment of premiums, in which case ten (10) days' notice, or current industry standard notice, shall be provided. In any event each such policy shall be in an amount sufficient to prevent the Borrower and the Purchaser from becoming co-insurers under the applicable terms of such policy. In the event that the Borrower is unable to procure insurance with a loss deductible clause of not exceeding the Deductible Amount, the setting aside in a special fund of obligations of or guaranteed by the United States of America or moneys at least equal to the difference between the Deductible Amount and the amount deductible on such policy or policies shall be deemed to be in complete compliance with the provisions of this subparagraph establishing a Deductible Amount;

(b) At all times, insurance protecting the Authority, Purchaser and the Borrower against loss or losses from liabilities imposed by law or assumed in any insured written contract and arising from bodily injury of persons or damage to the property of others caused by accident or occurrence, with limits of not less than one million dollars (\$1,000,000) combined single limit per occurrence and five million dollars (\$5,000,000) general aggregate for bodily injury and property damage, or such other amounts as may be approved in writing by the Purchaser and Authority. The Authority and Purchaser shall be named as Additional Insureds on such policy or policies; provided, however, that the Authority shall hold and promptly remit to the Purchaser any insurance proceeds it receives for the benefit of the Purchaser relating to the Collateral.

Upon closing of the related financing transaction, and thereafter upon each renewal of insurance coverage, the Borrower, shall deliver to the Authority and Purchaser, either a complete copy of the policy or policies, including all declarations and endorsements, or a fully completed Certificate of Insurance detailing all coverage in force, including full blanket property limits and any excess coverages, and including evidence of the required Additional Insured Endorsement.

All policies of insurance shall be payable to the Borrower, the Authority and Purchaser, as their interest may appear. The Purchaser shall be listed, where applicable, as mortgagee and lender loss payee.

All insurance prescribed by this Section shall be procured from financially sound and reputable insurers qualified to do business in the State or insurers approved in writing by the

Authority. To the extent that any such insurance required by this Section is not obtainable on reasonable terms as determined by the Authority, the Authority may make exceptions to the required coverage or provide for reasonable substitutions of coverage. The policies shall be open to inspection by the Authority at all reasonable times, and a list prepared as of June 30 of each Bond Year describing such policies shall be furnished by the Authority annually within sixty (60) days after the beginning of each Bond Year, together with a certificate of an Authorized Officer of the Borrower certifying that such insurance meets all the requirements of this Bond Agreement.

In the event that the Borrower shall fail to obtain or maintain the insurance required under this section, the Authority or Purchaser may, at its sole option, obtain such coverage. In such event, the Authority shall promptly notify the Borrower of its actions. The Borrower agrees to promptly reimburse the Authority or Purchaser for the costs of such coverage.

To the extent the provisions of the Mortgages and the other Bond Documents are more expansive than those set forth in this Section, the provisions of the Mortgages and such other Bond Documents shall control.

Section 5.3 Payment of Taxes, etc. The Borrower will promptly pay and discharge or cause to be promptly paid and discharged all taxes, assessments and governmental charges or levies imposed upon it or in respect of any of its property and assets before the same shall become in default, as well as all lawful claims which, if unpaid, might become a lien or charge upon such property and assets or any part thereof, except for a period not to exceed thirty (30) days such taxes, assessments and governmental charges that do not in the aggregate exceed \$50,000 that are contested in good faith with due diligence by the Borrower for which the Borrower has maintained adequate reserves satisfactory to the Purchaser.

Section 5.4 Concerning the Projects. The Borrower shall operate or cause the Projects to be operated as an authorized educational facilities project for a purpose and use as provided for under the Act until the expiration or earlier termination of this Bond Agreement. The Projects are of a character included within the definition of “project” in the Act. The Borrower will neither (a) materially alter the operation of the Projects without the prior written consent of the Authority and the Purchaser, nor (b) cause a change in the use of the Projects such that the Bonds would cease to be “qualified 501(c)(3) bonds” (within the meaning of Section 145 of the Code).

Section 5.5 Additional Tax Covenants and Representations. (a) The Borrower covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under Section 103 of the Code. The Borrower will not directly or indirectly use or permit the use (including the making of any investment) of any Bond Proceeds or any other funds of the Authority or the Borrower, or take or omit to take any action, that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code.

(b) The Borrower hereby covenants that in connection with complying with the requirement for payment of the Arbitrage Rebate Amount to the United States with respect to the Bonds the Borrower will take the following actions:

(i) Unless the proceeds of the Bonds satisfies one or more exception to the arbitrage rebate requirement set forth in Section 148(f)(4)(B) of the Code the Borrower the Borrower shall, within ten (10) days of receipt of the report furnished by the Authority, pay the amount (if any) of the Arbitrage Rebate Amount at the times and in the amounts determined by the Authority in such report.

(ii) If the Borrower fails to make or cause to be made any payment required pursuant to this subparagraph when due, the Authority shall have the right, but shall not be required, to make such payment to the Escrow Agent on behalf of the Borrower. Any amount advanced by the Authority pursuant to this subparagraph shall be added to the moneys owing by the Borrower under this Bond Agreement and shall be payable on demand with interest at the Default Rate.

(c) The Borrower covenants to create and maintain records, which, in the judgment of the Authority, are sufficient to determine the compliance of the Bonds with the requirements of Sections 141 of the Code, including but not limited to (i) the allocation and use of the proceeds of the Bonds, and any debt refinanced with proceeds of the Bonds and (ii) the ownership and use of all of the property financed with proceeds of the Bonds, and any debt refinanced with proceeds of the Bonds, as such records are further described in the Borrower's Tax Representation Letter with respect to the Bonds. The Borrower covenants to retain all such records until three years after the last scheduled maturity date of the Bonds, or in the event the Bonds are retired early, three years after the final retirement of the Bonds.

(d) All of the property refinanced with the Net Proceeds of the Bonds including any investment earnings thereon will be owned for federal income tax purposes by the Borrower, by another entity exempt from federal income taxation by reason of Section 501(c)(3) of the Code or by a state or local governmental unit (collectively, "Exempt Persons") and all of the Bond Proceeds, including any investment income earned on such Bond Proceeds, will be used in the exempt purposes of the Borrower.

(e) The aggregate amount of Bond Proceeds used, directly or indirectly, in any trade or business carried on by any Person which is not an Exempt Person, and to pay costs of issuance of the Bonds, will not exceed five percent (5%) of the Net Proceeds of the Bonds. For purposes of the preceding sentence, use of the proceeds by an organization described in Section 501(c)(3) of the Code with respect to an unrelated trade or business, determined according to Section 513(a) of the Code, constitutes a use by a Person who is not an Exempt Person.

(f) The Borrower will provide to the Authority all information necessary to enable the Authority to complete and file Internal Revenue Service Form 8038 pursuant to Section 149 of the Code.

(g) The Borrower agrees that neither it, nor any "related party" (within the meaning of Section 150 of the Code) shall purchase bonds of an issue financing the program of the Authority, including the Bonds, pursuant to an arrangement, formal or informal, in an amount related to the amount of obligations acquired by the Authority under the program from such persons.

(h) All of the representations and warranties of the Borrower contained in the Tax Representation Letter are incorporated herein by reference with the same force and effect as if set out in full herein. The Borrower covenants and agrees that (unless it has delivered to the Authority and the Purchaser an opinion of Bond Counsel to the effect that the taking or failure to take, as applicable, of any of the following actions will not adversely affect the excludability from gross income for federal income tax purposes of the interest on the Bonds).

(i) The Borrower acknowledges and agrees that the Authority has adopted written Post-Issuance Compliance Procedures intended to meet the guidelines set forth in Internal Revenue Manual Section 7.2.3.4.4 ("Written Procedures") and will provide a Post-Issuance Compliance Checklist to the Borrower at closing to assist the Borrower in monitoring compliance with federal tax requirements necessary in order to maintain tax-exempt status of the Bonds. The Borrower agrees to follow the Written Procedures and Post-Issuance Compliance Checklist and at least once a year review the Bonds and any other outstanding bonds of the Authority that have financed facilities for the Borrower (together with the Bonds, the "Authority's Bonds") in order to determine whether such bonds meet all federal tax law conditions applicable to such bonds and certify its findings in writing to the Authority. In addition, the Borrower shall, with respect to any of the Authority's Bonds, provide prompt written notice to the Authority with respect to any of any of the acts or events listed on Exhibit D, attached and made a part hereof (a "Special Notice Event"), but no later than thirty (30) days after the occurrence of such Special Notice Event, whether the Borrower is on notice of such Special Notice Event by its diligence or internal procedures or its own filing of any statement, tax schedule, return or document with the Internal Revenue Service which discloses that a Special Notice Event shall have occurred, by its receipt of any oral or written advice from the Internal Revenue Service that a Special Notice Event shall have occurred, or otherwise. Upon receipt of notice or knowledge of a Special Notice Event, the Borrower shall promptly institute such actions, if any, as are required to remediate such Special Notice Event, including without limitation such actions required under Section 1.141-12 of the Treasury Regulations and provide to the Authority an opinion of Bond Counsel outlining the plan of remediation and whether or not the tax exempt status of the Authority Bonds will be preserved. In the event the Authority becomes aware of a Special Notice Event, the Authority shall have the right, upon prior written notice to the Borrower, to conduct its own investigation and at the sole cost of expense of the Borrower, retain Bond Counsel to determine any and all actions required to remediate such Special Notice Event.

Section 5.6 Compliance with Applicable Laws. (a) The Borrower agrees to install, operate and maintain the Projects and its business as an institution of higher education in accordance with all applicable federal, State, county and municipal laws, ordinances, rules and regulations now in force or that may be enacted hereafter including, but not limited to such environmental protection, employee pension and benefit funds, the payment of taxes, assessments and other governmental charges, zoning, and the use, occupancy, transfer or encumbering of the Collateral, workers' compensation, sanitary, safety, non-discrimination laws, ordinances, rules and regulations as shall be binding upon the Borrower. The Borrower agrees to all reasonable conditions required by the Purchaser designed to protect the Purchaser and the Collateral, including, but not limited to, indemnifying the Purchaser against the effects of CERCLA, the Employee Retirement Income Security Act (Public Law 94-306, as amended) and such other legislation, rules and regulations as are in effect or may come into effect and apply to

the Borrower, the Purchaser, the transactions contemplated hereby or the Collateral or occupants or users thereof, whether as lessees, tenants, licensees or otherwise. The Borrower agrees to pay any costs required to comply with any of the above.

(b) In accordance with P.L. 2005, c. 92, the Borrower covenants and agrees that all services performed by the Borrower under this Bond Agreement shall be performed within the United States of America.

Section 5.7 Environmental Covenant. The Borrower shall not permit any action to occur which would be in direct violation of any and all applicable federal, State, county and municipal laws, ordinances, rules and regulations now in force or hereinafter enacted, including the regulations of the Authority and the regulations of the State Department of Environmental Protection.

The Borrower shall give immediate written notice to the Authority, the Escrow Agent, and the Purchaser of any inquiry, notices of investigation or any similar communication from the State Department of Environmental Protection regarding potential violations of ISRA, the Spill Act or any other Applicable Environmental Law.

Section 5.8 Financial Statements. The Borrower shall promptly furnish to the Purchaser and to the Authority, or cause to be furnished to the Purchaser and to the Authority, in form and substance satisfactory to the Purchaser:

(a) within one hundred eighty (180) days after the end of each fiscal year of the Borrower, annual financial statements of the Borrower (including, without limitation, a balance sheet, statements of income and retained earnings and cash flows) as of the last day of and for such fiscal period, prepared in accordance with GAAP, consistently applied, audited by an independent certified public accountant satisfactory to the Purchaser, accompanied by a certificate of compliance signed by the senior vice president, controller or chief financial officer of the Borrower certifying that (i) all representations and warranties of Borrower set forth in this Bond Agreement and the other Bond Documents remain true and correct, (ii) none of the covenants of Borrower contained in this Bond Agreement and the other Bond Documents have been breached, and (iii) to his or her knowledge, no event has occurred which, with the giving of notice or the passage of time, or both, would constitute an Event of Default under this Bond Agreement or any other Bond Document;

(b) within forty-five (45) days after the end of each fiscal quarter of the Borrower, quarterly management-prepared financial statements of the Borrower (including, without limitation, statements of income and retained earnings and cash flows) as of the last day of and for such fiscal period, certified by the senior vice president, controller or chief financial officer of the Borrower;

(c) within forty-five (45) days after the end of each fiscal year of the Borrower or as requested by the Purchaser, a report of capital campaign pledge results;

(d) within ninety (90) days after the end of each fiscal year end of the Borrower, the annual budget of the Borrower;

(e) upon the request of the Purchaser, the annual enrollment statistics of the Borrower;

(f) upon the request of the Purchaser, a written acknowledgment by the Borrower's accountant, on a form to be provided by the Purchaser, acknowledging the Purchaser's reliance upon the professional accounting services provided (and to be provided) by that accountant; and

(g) promptly, such further information regarding the business affairs and/or financial condition of the Borrower as the Purchaser or the Authority may reasonably request.

Section 5.9 Filing of Other Documents. The parties hereto shall execute, at the request of the Borrower, and the Borrower shall file, and hereby authorizes the Purchaser to prepare, execute, if necessary, and file financing statements, continuation statements, notices and such other documents necessary to perfect all security interests created pursuant to the terms of this Bond Agreement, the Mortgages and the other Bond Documents and to preserve and protect the rights of the Purchaser in the granting by the Authority of certain rights of the Authority, pursuant to this Bond Agreement and the Authority shall have no responsibilities for such filings whatsoever, other than executing the documents requested by the Borrower.

Section 5.10 Indemnification. (a) The Borrower agrees to and does hereby indemnify and hold harmless the Indemnified Parties against any and all losses, claims, damages or liabilities (including all costs, expenses and reasonable counsel fees incurred in investigating or defending such claim) suffered by any of the Indemnified Parties and caused by, relating to, arising out of, resulting from, or in any way connected with (i) the condition, use, possession, conduct, management, planning, design, acquisition, construction, installation, financing or sale of the Project or any part thereof including the payment of rebate to the federal government; or (ii) any untrue statement of a material fact contained in information provided by the Borrower with respect to the transactions contemplated hereby; or (iii) any omission of a material fact necessary to be stated therein in order to make such statement not misleading or incomplete; or (iv) the acceptance or administration by the Authority, the Escrow Agent or the Purchaser of their respective duties under this Bond Agreement or (v) the Loan and/or the Bond transaction. In case any action shall be brought against one or more of the Indemnified Parties based upon any of the above and in respect to which indemnity may be sought against the Borrower, such Indemnified Party shall promptly notify the Borrower in writing, and except where the Borrower is the claimant the Borrower shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party, the payment of all costs and expenses and the right to negotiate and consent to settlement. Any one or more of the Indemnified Parties shall have the right to employ separate counsel at the Borrower's expense in any such action and to participate in the defense thereof if, in the opinion of the Indemnified Party, a conflict of interest could arise out of the representation of the parties by the same counsel. The Borrower shall not be liable for any settlement of any such action effected without Borrower's consent, but if settled with the consent of the Borrower, or if there is a final judgment for the claimant on any such action, the Borrower agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Notwithstanding anything in this Bond Agreement to the contrary which may limit recourse to the Borrower or may otherwise purport to limit the Borrower's liability, the provisions of this Section shall control the Borrower's obligations and shall survive repayment of the Bonds.

(b) The Borrower agrees to and does hereby indemnify and hold harmless the Indemnified Parties against any and all losses, claims, damages or liabilities (including all costs, expenses, and reasonable counsel fees incurred in investigating or defending such claim) suffered by any of the Indemnified Parties and caused by, relating to, arising out of, resulting from, or in any way connected to an examination, investigation or audit of the Bonds by the Internal Revenue Service or the loss of the Bonds' tax-exempt status. In the event of such examination, investigation or audit, the Indemnified Parties shall have the right to employ counsel at the Borrower's expense. In such event, the Borrower shall assume the primary role in responding to and negotiating with the Internal Revenue Service, but shall inform the Indemnified Parties of the status of the investigation. In the event Borrower fails to respond adequately and promptly to the Internal Revenue Service, the Authority shall have the right to assume the primary role in responding to and negotiating with the Internal Revenue Service and shall have the right to enter into a closing agreement, for which Borrower shall be liable.

(c) Notwithstanding anything in this Bond Agreement to the contrary which may limit recourse to the Borrower or may otherwise purport to limit the Borrower's liability, the provisions of this Section shall control the Borrower's obligations and shall survive repayment of the Bonds.

(d) Notwithstanding the foregoing, the Borrower shall not be obligated to indemnify an Indemnified Party for losses, claims, damages or liabilities resulting from the gross negligence, with regard to the Authority, or negligence with regard to the Purchaser or Escrow Agent, or willful misconduct of such Indemnified Party.

Section 5.11 Deposit Relationship. The Borrower shall maintain its primary deposits and treasury management services with the Purchaser throughout the term of the Loan.

Section 5.12 Brokerage Fee. The Authority shall not be liable to any person for any brokerage fee, finders' fee, or loan servicing fee in connection with the Loan and the Borrower shall hold the Authority harmless from any such fees or claims.

Section 5.13 Cost Recovery. To the extent that any property is financed by Bond Proceeds, the cost recovery deduction allowed for such property shall be determined by using the alternative depreciation system determined in accordance with Section 168(g) of the Code.

Section 5.14 Costs and Expenses. All expenses in connection with the preparation, execution, delivery, recording and filing of this Bond Agreement, the Notes, the Mortgages and other Bond Documents and in connection with the preparation, issuance and delivery of the Bonds, including, but not limited to, the Initial Fee, the fees and expenses of Bond Counsel, the fees and expenses of the Escrow Agent, the fees and expenses of Counsel for the Escrow Agent, the fees and expenses of the Purchaser and the fees and expenses of Counsel for the Purchaser shall be paid directly by the Borrower. The Borrower shall also pay throughout the term of the Bonds the Authority's Annual Administrative Fee, if any, and other annual expenses, if any, and the Escrow Agent's annual and special fees and expenses, if any, under this Bond Agreement, the Notes, the Mortgages and the other Bond Documents including, but not limited to, reasonable attorneys' fees and all costs of issuing, marketing, collecting payment on and redeeming the Bonds hereunder and thereunder, and any costs and expenses of the Purchaser in connection with

any approval, consent or waiver under, or modification of, any such document. The Borrower shall pay on demand all expenses of the Purchaser in connection with the preparation, administration, default, collection, waiver or amendment of any Loan Document terms, or in connection with the Purchaser's exercise, preservation or enforcement of any of its rights, remedies or options hereunder or any other Loan Document, including, without limitation, fees of outside legal counsel or the allocated costs of in-house legal counsel, accounting, consulting, brokerage or other similar professional fees or expenses, and any fees or expenses associated with travel or other costs relating to any appraisals or examinations (including field examinations) conducted in connection with the Loan or the Collateral therefor, and the amount of all such expenses shall, until paid, bear interest at the rate applicable to principal hereunder (including any Default Rate) and be an Obligation secured by the Collateral. The Purchaser may, at its discretion and at any time when due, after notifying the Borrower, charge any account maintained by the Borrower with the Purchaser (other than the Rebate Fund), an amount equal to the sums due hereunder, and all such sums to the extent not paid shall be added to the outstanding Obligations to the Purchaser.

Section 5.15 Damage to Projects or Collateral. In the event of damage or destruction of part or all of the Projects or the Collateral, the Borrower shall notify the Authority, the Escrow Agent and the Purchaser not later than five (5) days after the occurrence of such event. Damage to or destruction of all or a portion of the Projects or the Collateral shall not terminate this Bond Agreement, or cause any abatement of or reduction in the payments to be made by the Borrower or otherwise affect the respective obligations of the Authority or the Borrower, except as set forth in this Bond Agreement. In the event of damage or destruction of the Projects or the Collateral or any part thereof, the net proceeds of any insurance policies required to be maintained under Section 5.2 shall be paid to the Escrow Agent and deposited into the Escrow Fund, and if no Event of Default hereunder has occurred and is continuing, subject to the provisions of Section 5.2, at the election of the Purchaser, with respect to proceeds received from the destruction of Collateral or Projects or, if no Default or Event of Default is occurring, the Borrower, with respect to proceeds received from the destruction of the Projects: (i) be applied to the redemption of the Bonds or (ii) applied to restore or replace the Collateral or the Projects, as the case may be, to substantially its condition immediately prior to such event or to a condition of at least equivalent value; provided, however, that if the cost of restoration or replacement exceeds the amount of such proceeds, the Borrower shall deposit the excess in the Escrow Fund to be applied for such restoration or replacement. The Borrower or the Purchaser, as the case may be, shall notify the Escrow Agent and Purchaser or Borrower, as the case may be, of its election within ninety (90) days of its receipt of notice of such destruction. If the Borrower is the payee, or one of the payees, of any check or other instrument representing payment of any insurance proceeds referred to in this Section, the Borrower will endorse the same to the order of the Escrow Agent and deliver the same to the Escrow Agent; and if the Borrower fails to do so, the Borrower hereby irrevocably authorize any officer or employee of the Escrow Agent to endorse and deliver the same as the Borrower's attorney-in-fact.

The Borrower and the Purchaser shall cooperate and consult with each other in all matters pertaining to the settlement or adjudication of any such insurance claims or pertaining to the settlement, compromising or arbitration of any claim on account of any damage or destruction of the Projects. In no event shall the Borrower voluntarily settle, or consent to the settlement of,

any insurance claim equal to or greater than \$100,000 with relation to the Collateral without the prior written consent of the Purchaser.

In the event the terms of this Section 5.15 conflict with the terms of the Mortgages or other Loan Document, the terms of the Mortgages or such Loan Document shall prevail.

Section 5.16 Notice and Certification with Respect to Bankruptcy Proceedings. The Borrower shall promptly notify the Purchaser, the Authority and the Escrow Agent in writing of the occurrence of any of the following events and shall keep the Purchaser, the Authority and the Escrow Agent informed of the status of any petition in bankruptcy filed (or bankruptcy or similar proceeding otherwise commenced) against the Borrower: (i) application by the Borrower for or consent by it to, the appointment of a receiver, trustee, liquidator or custodian or the like of such party or of its property, or (ii) the fact that it is generally not paying its debts as they become due, or (iii) general assignment by the Borrower for the benefit of creditors, or (iv) adjudication of the Borrower, as insolvent or the entry of an order for relief under the United States Bankruptcy Code, or (v) commencement by the Borrower of a voluntary case under the United States Bankruptcy Code or filing by it of a voluntary petition or answer seeking its reorganization, an arrangement with creditors of the Borrower, an order for relief or seeking to take advantage of any insolvency law or filing by the Borrower of an answer admitting the material allegations of an insolvency proceeding, or action by the Borrower for the purpose of effecting any of the foregoing, or (vi) if without the application, approval or consent of the Borrower, a proceeding shall be instituted in any court of competent jurisdiction, under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, seeking in respect of such party an order for relief or an adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or custodian or the like of the Borrower or of all or any substantial part of its respective assets, or other relief in respect thereof under any bankruptcy or insolvency law.

Section 5.17 Eminent Domain. Immediately after the commencement of any condemnation or similar proceedings by a third party in the exercise of a power of eminent domain, or a power in the nature of eminent domain, the Borrower shall immediately notify the Escrow Agent, Purchaser and Authority in writing. The proceeds of any condemnation award or other compensation paid by reason of conveyance in lieu of the exercise of such power relating to the Premises shall be applied pursuant to Section 5.15. In the event the terms of this Section 5.17 conflict with the terms of the Mortgages or other Loan Document, the terms of the Mortgages or such Loan Document shall prevail.

Section 5.18 Inspection. The Borrower agrees that the Authority, the Escrow Agent and the Purchaser, and each of their duly authorized agents, shall, upon reasonable notice, have the right during normal business hours to enter upon and to examine and inspect any portion of the Projects and Premises. The Authority, Escrow Agent and Purchaser shall be permitted, at all reasonable times, to examine the books and records of the Borrower with respect to the Projects and to make copies or abstracts thereof. The Borrower also agrees to provide the Authority and Purchaser with such information and materials relating to the Projects, the Premises and the Borrower as are reasonably requested by the Authority or the Purchaser from time to time.

Section 5.19 Notice of Default. The Borrower further agrees, in addition to and not in limitation of Section 5.1(g), to notify the Authority, the Purchaser and the Escrow Agent as soon as possible, but in any event within five (5) days (a) after the occurrence of any Event of Default as specified in this Bond Agreement or of any act, omission, thing or condition (including the failure to observe any covenant herein) which upon the giving of notice or lapse of time, or both, would constitute such an Event of Default has happened or exists, which notice shall also specify the Event of Default or act, omission, thing or condition in question and set forth in detail what action the Borrower proposes to take with respect thereto; (b) after (i) the Borrower's receipt of notice of any pending litigation or administrative proceedings or investigations against or affecting the Borrower, which, if determined adversely to the Borrower would have a Material Adverse Effect upon the financing condition or operations of the Borrower and (ii) a determination by the Borrower to set aside reserves in connection with such proceedings, which shall be in accordance with GAAP, consistently applied, and (c) after each event that has the potential to have a material adverse impact upon the Borrower, the Projects or the Premises.

Section 5.20 Use of Proceeds. No portion of the proceeds of the Loan shall be used, in whole or in part, for the purpose of purchasing or carrying any "margin stock," as such term is defined in Regulation U of the Board of Governors of the Federal Reserve System.

Section 5.21 Additional Representations, Warranties and Covenants of the Borrower. The Borrower shall satisfy all terms, conditions, and covenants applicable to it pursuant to the terms of this Bond Agreement and the other Bond Documents. In addition, the Borrower covenants and agrees that, from the date hereof until payment in full of the principal of, and accrued interest on, the Notes, it shall comply with the following requirements:

(a) The Borrower shall not, without the prior, written consent of the Purchaser, cause or permit any lien or encumbrance upon the Premises, whether inferior or superior in priority to the lien of the Mortgages, except for easements for utility purposes, including, but not limited to, alternative energy equipment, or as may be required by governmental entities, in which case the Borrower need only furnish the Purchaser with notice thereof.

(b) Upon the request of the Purchaser, the Borrower shall provide proof, in form and substance satisfactory to the Purchaser, of payment of any and all real estate taxes, assessments, sewer charges, water charges, insurance premiums, and other periodic charges relating to the Premises, if any. At the option of the Purchaser, the Borrower shall establish an escrow with the Purchaser for the payment of real estate taxes and assessments.

(c) The Borrower, in its operation of the Premises, shall at all times comply with the requirements of the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq.*, to the extent that such requirements are applicable to the Premises.

Section 5.22 Financial Covenants. (a) Debt Service Coverage Ratio. The Borrower shall maintain a minimum Debt Service Coverage Ratio of 1.25x, to be tested annually at fiscal year-end and certified by the senior vice president, controller or chief financial officer of the Borrower.

(b) Liquidity Covenant. The Borrower shall maintain a minimum Liquidity of

\$2,000,000, to be tested annually at fiscal year-end and certified by the senior vice president, controller or chief financial officer of the Borrower.

Section 5.23 Additional Negative Covenants.

(a) Borrower shall maintain a Loan to Value Ratio of not more than 65%. For purposes of calculating the "Loan to Value Ratio," Loan to Value Ratio shall mean the combined outstanding principal balance of the Bonds and the Line of Credit divided by the current fair market value of the Property, as determined by the Purchaser in its reasonable judgment based on a then current appraisal of the Property;

(b) Borrower shall not pledge, grant a security interest in, mortgage, assign, encumber or otherwise create a lien on any of its Property (whether real or personal, tangible or intangible, and now owned or hereafter acquired) in favor of any person or entity other than the Purchaser, except for those liens, security interests and encumbrances existing on the date hereof and previously disclosed in writing to and approved by the Purchaser;

(c) Borrower shall not make any loans or advances to any other person or entity, including without limitation, officers, directors, shareholders, principals, partners or affiliates of Borrower;

(d) Borrower shall not create, incur or assume any indebtedness for borrowed money other than (i) existing indebtedness previously disclosed to and consented to by the Purchaser and (ii) purchase money indebtedness and/or trade payables incurred in the ordinary course of Borrower's business in the aggregate principal amount not to exceed \$100,000.00 in any one fiscal year; and

(e) Borrower shall not assume, guarantee, endorse or otherwise become directly or contingently liable for the obligations of any other person or entity except by endorsement of negotiable instruments for deposit or collection in the ordinary course of business.

Section 5.24 Consent to Authority's Use of Photographs and Videos. The Borrower agrees that the Authority may use photographs or videos taken on the Borrower's campus (whether taken by the Authority or other person) in the Authority's newsletters, reports or other publications or materials (including PowerPoint presentations) in connection with the Authority's operations.

ARTICLE VI

Events of Default and Remedies.

Section 6.1 Events of Default; Acceleration. Each of the following events is hereby defined as, and is declared to be and to constitute, an "Event of Default" hereunder:

(a) failure by the Borrower to make or cause to be made any payment required to be made under Section 4.2 or the Notes on its due date;

(b) failure of the Borrower to make any payment due (other than a payment required to be made under Section 4.2 hereof) under this Bond Agreement or under any of the other Bond Documents within ten (10) days from the earlier to occur of Borrower's knowledge of such failure or notice from the Purchaser or the Authority to the Borrower of such failure;

(c) default in the due observance or performance of any covenant, condition or agreement on the part of the Borrower to be observed or performed pursuant to the terms hereof or under any other Loan Document (other than the payment of monies which shall be governed by (a) or (b) above, and other than default under any financial covenant, covenant to deliver financial information or reports, covenant that already includes a grace period, or covenant that, by its nature, is not capable of cure, for which no cure periods shall apply) and such default shall continue unremedied for thirty (30) days from the earlier to occur of Borrower's knowledge of such default or notice from the Purchaser or the Authority to the Borrower;

(d) the Borrower shall have applied for or consented to the appointment of a custodian, receiver, trustee or liquidator of all or a substantial part of its assets; a custodian shall have been appointed with or without consent of the Borrower; the Borrower shall generally not be paying its debts as they become due; the Borrower admits in writing its inability to pay its debts when or as they become due; the Borrower shall have made a general assignment for the benefit of creditors; the Borrower shall have filed a voluntary petition in bankruptcy, or a petition or an answer seeking reorganization or an arrangement with creditors, or has taken advantage of any insolvency law, or has filed an answer admitting the material allegations of a petition in a bankruptcy, reorganization or insolvency proceeding; or a petition in bankruptcy shall have been filed against the Borrower and shall not have been dismissed for a period of forty five (45) consecutive days, or if an order for relief has been entered under the Bankruptcy Code; or an order, judgment or decree shall have been entered without the application, approval or consent of the Borrower by any court of competent jurisdiction appointing a receiver, trustee, custodian or liquidator of the Borrower of a substantial part of its respective assets and such order, judgment or decree shall have continued unstayed and in effect for any period of forty five (45) consecutive days;

(e) a writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in any of the properties or assets of the Borrower or any judgment involving monetary damages shall be entered against the Borrower which shall become a lien on the Collateral or any portion thereof or interest therein and such execution, attachment or similar process is not released, bonded, satisfied, vacated or stayed within thirty (30) days after its entry or levy and such writ, attachment, levy or judgment shall involve monetary damages aggregating more than \$100,000;

(f) in the event that proceedings shall have been instituted for foreclosure or collection of any Collateral with a value of \$100,000 or more;

(g) the transfer of title to, sale, assignment, lease or mortgage of the Projects, the Collateral, or any part thereof (in one or more transactions) for any reason and to any party without prior express written consent of the Authority and the Purchaser, except as provided in the Bond Documents;

(h) the voluntary closing of business or cessation of operations of the Borrower at the Premises or an abandonment by the Borrower of same;

(i) if any representation or warranty by or on behalf of the Borrower made herein or in any of the other Bond Documents or in any report, certificate, financial statement or other instrument furnished in connection with this Bond Agreement or any of the other Bond Documents shall prove to be false, incorrect or misleading in any material respect when made;

(j) an event of default shall have occurred under any of the Bond Documents;

(k) an event of default shall have occurred under any of the documents executed by the Borrower with respect to any indebtedness owed by the Borrower in excess of \$250,000 which would allow the creditor to accelerate such indebtedness;

(l) any material adverse change in the business, assets, operations or financial condition or results of operation of the Borrower;

(m) the existence of any liens for taxes due with respect to the Premises unless such liens are being contested in good faith and adequate reserves with respect thereto have been deposited with the Purchaser, or carrier's, warehousemen's, mechanic's, materialmen's, repairmen's or other liens which, if for an amount \$100,000 or less, have not been dismissed for 30 days or for which escrows, satisfactory in amount to the Purchaser, have not been established by the Borrower;

(n) if the State Department of Environmental Protection or the federal Environmental Protection Agency, or any other State or federal agency or any other person or entity asserts or creates a lien upon any or all of the Premises by reason of the occurrences of a hazardous discharge or environmental complaint or otherwise or asserts a claim against the Borrower, the Premises, the Authority or the Purchaser for damages or cleanup costs related to a hazardous discharge or environmental complaint;

(o) if any Loan Document granting Collateral shall not create or remain a first priority, perfect lien on the such Collateral, subject only to Permitted Encumbrances;

(p) if the Financing Statements do not perfect a first lien on the property described therein;

(q) if the improvements existing or to be made or constructed on the Premises shall encroach upon the street or adjoining property or violate restrictive covenants of record or local zoning ordinances and such encroachment or violation is not cured within ninety (90) days of the Purchaser's or the Authority's notice to the Borrower; provided, such encroachment or violation shall not constitute an Event of Default if it is not curative within ninety (90) days, provided the Borrower is diligently pursuing remediation to such encroachment or violation;

(r) any change in the tax-exempt status of the Borrower;

(s) upon a Determination of Taxability; and

(t) if the Borrower shall default in its performance of any other liabilities or obligations (other than the Obligations) owed to the Purchaser or its affiliates, including without limitation, the Line of Credit or with respect to any swap contracts, corporate cards or cash management services, past any applicable grace and/or cure periods.

Section 6.2 Purchaser's Remedies. Upon receipt by the Purchaser of notice of the occurrence of an Event of Default hereunder, and at any time thereafter during the continuance of such Event of Default, the Purchaser, as direct pledgee of the Collateral and as assignee of the Authority as provided herein, may, by written notice to the Authority and the Borrower, declare the entire unpaid principal amount of the Bonds and the Notes to be due and payable forthwith, to the extent and in accordance with this Bond Agreement, whereupon, such amount shall become forthwith due and payable, both as to principal and interest, without presentment, demand, protest, or other notice of any kind, all of which are hereby expressly waived, anything contained herein or elsewhere to the contrary notwithstanding, and thereupon the Purchaser may take one or more of the following remedial steps in such order and sequence as the Purchaser in its sole judgment may determine:

(a) take any action at law or in equity to collect the payments, costs and expenses then due and thereafter to become due under this Bond Agreement or any of the other Bond Documents or to enforce performance and observance of any obligation, agreement or covenant of the Borrower under this Bond Agreement or under any other Loan Document or to otherwise protect its rights hereunder; or

(b) exercise any and all rights and remedies conferred upon secured parties by the Uniform Commercial Code and other applicable laws.

If the Purchaser shall have proceeded to enforce the rights of the Purchaser under this Bond Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Purchaser, then the Borrower and the Purchaser shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Borrower and the Purchaser shall continue as though no such proceedings had taken place.

The Authority agrees that the Purchaser, subject to the provisions of this Bond Agreement reserving the Reserved Rights to the Authority and respecting actions by the Purchaser in its name or where necessary to validly assert its rights, as assignee of the Authority, (but not in the name of the Authority) may enforce all rights of the Authority and all obligations of the Borrower under and pursuant to this Bond Agreement whether or not the Authority is in default hereunder.

In addition to the foregoing, if an Event of Default specified in 6.1(d) shall occur, the outstanding principal balance and accrued interest under the Notes, together with any additional amounts payable hereunder or thereunder, shall be immediately due and payable without demand or notice of any kind.

Section 6.3 Additional Remedies. In addition to the above remedies, if the Borrower commits a breach, or threatens to commit a breach of this Bond Agreement or of any other Loan

Document, the Authority and the Purchaser shall have the right and remedy, without posting bond or other security, to have the provisions of this Bond Agreement specifically enforced by any court having equity jurisdiction, it being acknowledged and agreed that any such breach or threatened breach will cause irreparable injury to the Authority and that money damages will not provide an adequate remedy therefor.

Notwithstanding anything in this Bond Agreement or in any of the other Bond Documents to the contrary, neither the Escrow Agent nor the Purchaser shall have the right to waive an Event of Default under any of the Bond Documents which arises out of a violation of a Reserved Right without the prior written consent of the Authority, which it shall give in its sole and complete discretion. Notwithstanding anything herein or in any other Loan Document to the contrary, nothing herein shall affect the Authority's unconditional right to specifically enforce its Reserved Rights.

Section 6.4 No Remedy Exclusive. No remedy herein conferred or reserved to the Authority or the Purchaser 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 Bond Agreement or now or hereafter existing under any other agreements at law or in equity or by statute. No delay or omission to exercise any right or power occurring upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Purchaser to exercise any remedy reserved to either of them in this Article, it shall not be necessary to give notice, other than such notice as may be required in this Article.

Section 6.5 Agreement to Pay Attorneys' Fees and Expenses. In the event the Borrower should default under any of the provisions of this Bond Agreement and either the Authority or the Purchaser shall require and employ attorneys or incur other expenses for the collection of payments due or to become due or for the enforcement or performance or observance of any obligation or agreement on the part of the Borrower herein contained, the Borrower agrees that it will on demand therefor pay to the Authority and the Purchaser the reasonable fees of such attorneys and such other expenses so incurred by the Authority or the Purchaser or both whether or not suit be brought.

In the event of a judgment on the Notes, the Borrower agrees to pay to the holder of the Notes on demand all costs and expenses incurred by the holder in satisfying such judgment, including without limitation, reasonable fees and expenses of the holder's counsel; it being expressly understood that such agreement by the Borrower to pay all post-judgment costs and expenses of the holder is absolute and unconditional and (a) shall survive (and not merge into) the entry of a judgment for amounts owing hereunder and (b) shall not be limited regardless of whether the Notes are secured or unsecured, and regardless of whether the holder exercises any available rights or remedies against any collateral pledged as security for the Notes.

Section 6.6 No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Bond Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 6.7 Payment of Loan on Event of Default; Suit Therefor. (a) The Borrower covenants that, in case it shall fail to pay or cause to be paid any sum payable by or on behalf of the Borrower under Section 4.2 as and when the same shall become due and payable whether at maturity or by acceleration or otherwise, then, the Borrower will pay to the Purchaser the whole amount of the Loan that then shall have become due and payable under this Bond Agreement; and, in addition thereto, such further amount as shall be sufficient to cover the reasonable costs and expenses of collection, including reasonable compensation to the Purchaser, its agents and counsel, and any reasonable expenses or liabilities incurred by the Authority or the Purchaser. In case the Borrower shall fail forthwith to pay such amounts upon such demand, the Purchaser shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Borrower and collect in the manner provided by law out of the property of the Borrower the moneys adjudged or decreed to be payable.

(b) In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Borrower under the federal bankruptcy laws or any other applicable law, or in case a receiver or trustee shall have been appointed for the benefit of the creditors or the property of the Borrower, the Purchaser and the Authority, as applicable, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of the Loan, including interest owing and unpaid in respect thereof, and any other amount owed by the Borrower hereunder, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Purchaser or the Authority allowed in such judicial proceedings relative to the Borrower, its creditors, or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its charges and expenses. Any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized to make such payments to the Authority or the Purchaser, and to pay to the Authority or the Purchaser any amount due it for reasonable compensation and expenses, including counsel fees incurred by it up to the date of such distribution.

Section 6.8 Event of Cancellation. (a) The occurrence of a Determination of Taxability or an Event of Default shall constitute an "Event of Cancellation" hereunder, and at any time thereafter during the continuance of such Event of Cancellation, the Authority may, by written notice direct the Purchaser to call and cancel the Bonds (but not the Notes, which shall continue in full force and effect). The Purchaser and any assignees and the Borrower hereby expressly agree that the Bonds may be called and canceled by the Authority if and in the manner provided above, and upon the date specified in the notice from the Authority (the "Cancellation Date"), which shall be at least thirty (30) and no more than sixty (60) days after the giving of such notice, the Bonds will be called and canceled, and the Purchaser may, at its option, declare the obligation evidenced by the Notes immediately due and payable. The Purchaser will deliver the Bonds to the Authority for cancellation upon the Cancellation Date, but even if such delivery does not occur, the Bonds will be considered canceled and of no further force or effect on the Cancellation Date (but with no effect on the Notes whatsoever).

(b) Upon cancellation of the Bonds, the Notes will solely evidence the Obligations and, in the event the Notes are not accelerated by the Purchaser as hereinabove provided, all of

the terms of Notes will control the obligations of the Borrower to the Purchaser, except that from and after cancellation of the Bonds the per annum interest rate will automatically increase and change to the interest rate on the Notes equal to the equivalent taxable rate thereon as determined by the Purchaser, and the Notes will continue to be repaid in new monthly payments of principal and interest, at the new interest rate, in an amount sufficient to fully amortize the Notes to the maturity date thereof as provided herein and therein. This condition may be reflected, at the option of the Purchaser, in a separate agreement to be prepared by counsel for the Borrower. The Authority will no longer be a party to the transaction and shall have no further rights with respect thereto (except the rights to indemnification and to its fees and expenses which shall survive) and shall be released of any and all debts, liabilities and obligations to any party under this Bond Agreement, the Bonds or any other Loan Document. The Authority and the Purchaser shall execute and deliver to each other such other documents and agreements as the other may reasonably request in order to evidence the cancellation of the Bonds, continuation of the Notes (if applicable) and the withdrawal of the Authority from the transaction.

(c) Upon cancellation of the Bonds pursuant to the provisions hereof, the Authority hereby agrees that the Purchaser shall automatically be vested with all of the Authority's right, title and interest in and to the Bond Documents, except as expressly reserved. Any amounts remaining in the Escrow Fund on the Cancellation Date after deduction of amounts which may be due the Authority pursuant to the terms of this Bond Agreement shall thereby be assigned to the Purchaser (if not already assigned) for application to the repayment of amounts due the Purchaser. The Authority hereby authorizes the holder of any such funds to pay to the Purchaser any such amounts remaining in the Escrow Fund on the Cancellation Date after payments which may be due the Authority.

(d) In the event that there is a dispute among any of the parties concerning the right of the Authority to cancel the Bonds pursuant to the provisions of this Section, the Borrower shall nevertheless comply with the terms of the Notes as hereinabove amended and make all payments required thereunder from and after the Cancellation Date directly to the Purchaser. If a court of competent jurisdiction determines finally that the Authority's attempted cancellation of the Bonds violated the terms of this Bond Agreement, the Bonds will be reinstated in accordance with the final order of the court, but until such final order is made, the Borrower will continue to comply with the terms of this Bond Agreement, the Notes and the other Bond Documents as hereinabove amended. Any overpayment by the Borrower will be promptly returned to it by the Purchaser upon reinstatement of the Bonds.

(e) The provisions of this Section 6.8 shall not be construed to limit the Purchaser's right to immediately pursue its rights and remedies set forth in this Article VI upon the occurrence of an Event of Default.

Section 6.9 Preservation of Collateral. At all times prior and subsequent to an Event of Default hereunder, without prior notice to the Borrower, subject to the Reserved Rights, the Purchaser may take any and all action which in its sole discretion is necessary and proper to preserve its interest in the Collateral, the payment of debts of the Borrower which might, in the Purchaser's sole discretion, impair the Collateral or the Purchaser's security interest therein, purchasing insurance on the Collateral, or paying taxes or assessments thereon, and the sums so expended by the Purchaser shall be secured by the Collateral, shall be added to the amount of the

Obligations due the Purchaser and shall be payable on demand with interest at the Default Rate from the date expended by the Purchaser until repaid by the Borrower.

ARTICLE VII

Miscellaneous

Section 7.1 Limitation of Liability of Authority. In the event of any default by the Authority hereunder, the liability of the Authority to the Borrower shall be enforceable only out of its interest in the Projects and under this Bond Agreement and there shall be no other recourse for damages by the Borrower against the Authority, its officers, members, agents, counsel and employees, or any of the property now or hereafter owned by it or them.

Section 7.2 Notices. Notice hereunder shall be effective upon receipt and shall be given by personal service or by certified or registered mail, return receipt requested, to:

The Authority:

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540
Attention: Executive Director

with a copy to:

McManimon, Scotland & Bauman, LLC
75 Livingston Avenue
Roseland, New Jersey 07068
Attention: John V. Cavaliere, Esq.

The Borrower:

Caldwell University
120 Bloomfield Avenue
Caldwell, New Jersey 07006
Attention: Vice President-Finance and Administration

with a copy to:

Connell Foley LLP
56 Livingston Avenue
Roseland, New Jersey 07068
Attention: Rafael Perez, Esq.

The Purchaser/Escrow Agent:

Provident Bank
100 Wood Avenue South

P.O. Box 1001
Iselin, New Jersey 08830-1001
Attention: Vincent S. Vita, Senior Vice President

with a copy to:

Windels Marx Lane & Mittendorf, LLP
120 Albany Street Plaza
New Brunswick, New Jersey 08901
Attention: John Bitar, Esq.

Section 7.3 Severability. If any provision hereof is found by a court of competent jurisdiction to be prohibited or unenforceable, it shall be ineffective only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate the balance of such provision to the extent it is not prohibited or unenforceable, nor invalidate the other provisions hereof, all of which shall be liberally construed in order to effect the provisions of this Bond Agreement.

Section 7.4 Applicable Law. This Bond Agreement shall be governed by the laws of the State without regard to conflicts of laws principles.

THE BORROWER AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS BOND AGREEMENT OR ANY OF THE OTHER BOND DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE STATE LOCATED IN THE COUNTY OF MERCER AND CONSENTS TO THE JURISDICTION OF SUCH COURT OR SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON THE BORROWER BY MAIL AT THE ADDRESS SET FORTH HEREIN. THE BORROWER HEREBY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT FORUM.

Section 7.5 Assignment. Except as otherwise permitted herein, the Borrower shall not assign this Bond Agreement or any interest of the Borrower herein, either in whole or in part, without the prior written consent of the Purchaser and the Authority, which consent may be withheld in either party's sole and absolute discretion. This Bond Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective permitted successors and assigns, and the terms "Authority", "Borrower", "Escrow Agent" and "Purchaser" shall, where the context requires, include the respective permitted successors and assigns of such persons.

Section 7.6 Change in Law. If any regulatory change (including, without limitation, in Regulation D promulgated by the Board of Governors of the Federal Reserve System) affecting lending institutions (a "Regulatory Change") occurs that:

(a) subjects the Purchaser or any affiliate thereof to any tax or other charge not imposed on the date of this Agreement, with respect to any amount paid or to be paid by or to the Purchaser or such affiliate under this Agreement or the Bonds (other than any tax measured by or

based upon the overall net income of the Purchaser or such affiliate), or changes the basis of taxation of payments to the Purchaser or any affiliate thereof of principal of or interest on any amounts described above, including, without limitation, the imposition of any excise tax or surcharge thereon, or any other amounts payable hereunder; or

(b) imposes, modifies, or deems applicable any reserve, deposit, or similar requirements against any assets held by, deposits with or for the account of, or credit extended by, an office of the Purchaser or any affiliate thereof in connection with payments by the Purchaser or any affiliate thereof under this Agreement; or

(c) imposes any condition upon or causes in any manner the addition of any supplement to or increase of any kind to the Purchaser's or any of the Purchaser's affiliates' capital or cost base for purchasing or holding the Bonds or any interest therein; or

(d) imposes upon the Purchaser or any affiliate thereof any other condition with respect to this Agreement or the Bonds;

and if the result of any of the foregoing is to increase the cost to the Purchaser or any affiliate thereof of purchasing or holding the Bonds or any interest therein, or to reduce the amount of any payment (whether of principal, interest, or otherwise) receivable by the Purchaser or any affiliate thereof under this Agreement or the Bonds, or to require the Purchaser or any affiliate thereof to make any payment on, or calculated by reference to, the gross amount of any sum received by it under this Agreement or under the Bonds, or to deny any federal, state or local income tax deduction to the Purchaser or any affiliate thereof, in each case by an amount which the Purchaser in its sole judgment deems material, then, in any such case the Borrower shall promptly pay the Purchaser, within thirty (30) days of demand by the Purchaser, such additional amount as will compensate the Purchaser or any applicable affiliate thereof for such additional cost, reduction, payment, expense or lost deduction, as the case may be.

If the Purchaser determines that the amount of capital required or expected to be maintained by the Purchaser or any affiliate thereof is increased as a result of a Regulatory Change, then, within thirty (30) days of demand by the Purchaser, the Borrower shall pay the Purchaser the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which the Purchaser determines is attributable to this Agreement or in connection with purchasing or holding the Bonds or any interest therein or making any other financial accommodation pursuant to this Agreement (after taking into account the Purchaser's or any of the Purchaser's applicable affiliates, as applicable, policies as to capital adequacy).

The Purchaser shall certify the amount of such additional cost, reduction, payment, expense or lost deduction to the Borrower (with a copy to the Authority) and such certification shall be conclusive absent manifest error. Any statement or certification provided by the Purchaser to the Borrower in connection with this Section shall be conclusive absent manifest error.

For purposes of this Agreement (a) all requests, rules, guidelines or directives in connection with the Dodd-Frank Act shall be deemed to be a Regulatory Change, regardless of

the date enacted, adopted or issued, and (b) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Regulations and Supervisory Practices (or any successor or similar authority) or the United States financial regulatory authorities in connection with the implementation of the Basel Committee on Banking Regulations requests, rules, guidelines or directives, shall be deemed a Regulatory Change regardless of the date enacted, adopted or issued.

The provisions of this Section shall survive the termination of this Agreement with respect to any occurrence prior to such termination.

Section 7.7 USA Patriot Act Notice. The Borrower is hereby given notice that pursuant to the requirements of the USA Patriot Act, the Purchaser is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow the Purchaser to identify the Borrower in accordance with the USA Patriot Act.

Section 7.8 Amendments. This Bond Agreement may not be amended except by an instrument in writing signed by the Purchaser, the Escrow Agent and the Authority.

Section 7.9 Term of Agreement. This Bond Agreement and the respective obligations of the parties hereto shall be in full force and effect from the date hereof until (a) the principal or redemption price of, and all interest on, the Bonds shall have been paid and (b) payment in full of the fees, charges and expenses of the Purchaser, Escrow Agent and the Authority in accordance herewith. Notwithstanding the foregoing, the indemnification provisions of Section 5.10 and the rebate requirements of Section 5.5 hereof shall survive the termination of this Bond Agreement.

Section 7.10 No Warranty of Condition or Suitability by Authority. The Authority makes no warranty, either express or implied, as to the condition of the Projects or any part thereof or that they will be suitable for the Borrower's purposes or needs. The Borrower acknowledges and agrees that the Authority is not a dealer in property of such kind, and that the Authority has not made, and does not hereby make, any representation or warranty or covenant with respect to the merchantability, fitness for a particular purpose, condition or suitability of the Projects in any respect or in connection with or for the purposes and uses of the Borrower or its tenants.

Section 7.11 OFAC. Neither the Borrower nor, to the Borrower's knowledge, any director, officer, employee, agent or controlled affiliate, is an individual or entity currently the subject of any Sanctions, nor is the Borrower or, to the Borrower's knowledge, any director, officer, employee, agent or controlled affiliate, organized or resident in a Designated Jurisdiction. For purposes hereof, "OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury, "Sanction(s)" means any international economic sanction administered or enforced by the United States Government (including without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority, and "Designated Jurisdiction" means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

Section 7.12 Amounts Remaining in Escrow Fund. It is agreed by the parties that any amounts remaining in the Escrow Fund, after payment in full of the Bonds and of the fees, charges and expenses of the Purchaser, Escrow Agent and the Authority in accordance herewith, shall be paid to the Borrower by the Purchaser as overpayment of the Loan.

Section 7.13 Headings. The captions or headings in this Bond Agreement are for convenience of reference only and shall not control or affect the meaning or construction of any provision hereof.

Section 7.14 Further Assurances and Corrective Instruments. The Authority and the Borrower hereby agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such further acts, instruments, conveyances, transfers and assurances, as the Purchaser reasonably deems necessary or advisable for the implementation, correction, confirmation or perfection of this Bond Agreement or the Borrower's Tax Certificate and any rights of the Authority hereunder.

Section 7.15 Jury Trial Waiver. THE BORROWER, THE AUTHORITY AND THE PURCHASER MUTUALLY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY CLAIM BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS BOND AGREEMENT OR ANY OTHER BOND DOCUMENTS CONTEMPLATED TO BE EXECUTED IN CONNECTION HEREWITH OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY, INCLUDING, WITHOUT LIMITATION, ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENTS OR ACTIONS OF THE AUTHORITY OR THE PURCHASER RELATING TO THE ADMINISTRATION OF THE LOAN OR ENFORCEMENT OF THE BOND DOCUMENTS, AND AGREE THAT THE PARTIES WILL NOT SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. EXCEPT AS PROHIBITED BY LAW, THE BORROWER HEREBY WAIVES ANY RIGHT IT MAY HAVE TO CLAIM OR RECOVER IN ANY LITIGATION ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, ACTUAL DAMAGES. THE BORROWER CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF THE AUTHORITY OR THE PURCHASER HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT THE AUTHORITY OR THE PURCHASER WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER. THIS WAIVER CONSTITUTES A MATERIAL INDUCEMENT FOR THE PURCHASER TO ACCEPT THE BONDS AND THE NOTES AND FOR THE AUTHORITY TO MAKE THE LOAN.

Section 7.16 Right of Set-Off. In addition to the remedies provided above, the Borrower hereby grants the Authority and the Purchaser a continuing lien, security interest, and right of set-off as security for all liabilities and obligations to the Authority and the Purchaser, whether now existing or hereafter arising, upon and against all deposits, credits, collateral, and property, now or hereafter in the possession, custody, safekeeping or control of the Authority, the Purchaser or any entity under the control of the Purchaser and its successors and assigns or in transit to any of them. At any time, without demand or notice (any such notice being expressly

waived by the Borrower), the Authority or the Purchaser may set off the same or any part thereof and apply the same to any liability or obligation of the Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Loan. ANY AND ALL RIGHTS TO REQUIRE THE AUTHORITY OR THE PURCHASER TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE LOAN, PRIOR TO EXERCISING ITS RIGHT OF SET-OFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF THE BORROWER OR ANY GUARANTOR, ARE HEREBY KNOWINGLY, VOLUNTARILY, AND IRREVOCABLY WAIVED.

Section 7.17 Payment of Fees and Expenses. The Borrower shall pay, on demand, all expenses of the Authority and the Purchaser in connection with the preparation, administration, default, collection, waiver or amendment of Loan terms, or in connection with the Authority's and the Purchaser's exercise, preservation or enforcement of any of its rights, remedies or options hereunder, including without limitation fees of outside legal counsel or the allocated costs of in-house legal counsel, accounting, consulting, brokerage or other similar professional fees or expenses, and any fees or expenses associated with travel or other costs relating to any appraisals or examinations conducted in connection with the Loan or any Collateral therefor, and the amount of all such expenses shall, until paid, bear interest at the rate applicable to principal hereunder (including any Default Rate) and be an obligation secured by any Collateral.

Section 7.18 Pledge to Federal Reserve. Subject to the provisions of Section 1.5(b) hereof, the Purchaser may at any time pledge or assign all or any portion of its rights under the Bond Documents (including any portion of the Notes) to any of the 12 Federal Reserve Banks organized under Section 4 of the Federal Reserve Act, 12 U.S.C. § 341. No such pledge or assignment or enforcement thereof shall release the Borrower from its obligations under any of the Bond Documents.

Section 7.19 Right to Sell Bonds to Third Party. Subject to the provisions of Section 1.5(b) hereof, the Purchaser shall have the right at any time or from time to time, and without the Borrower's consent, to assign all or any portion of its rights and obligations hereunder to one or more banks or other financial institutions (each, an "Assignee"), and the Borrower agrees that it shall execute, or cause to be executed, such documents, including without limitation amendments to this Bond Agreement and to any other documents, instruments, and agreements executed in connection herewith as the Purchaser shall deem necessary to effect the foregoing. In addition, at the request of the Purchaser and any such Assignee, the Borrower shall issue one or more new promissory notes, as applicable, to any such Assignee and, if the Purchaser has retained any of its rights and obligations hereunder following such assignment, then to the Purchaser, which new promissory notes shall be issued in replacement of, but not in discharge of, the liability evidenced by the Notes and shall reflect the amount of the respective commitments and loans held by such Assignee and the Purchaser after giving effect to such assignment. Upon the execution and delivery of appropriate assignment documentation, amendments and any other documentation required by the Purchaser in connection with such assignment, and the payment by Assignee of the purchase price agreed to by the Purchaser and such Assignee, such Assignee shall be a party to the Bond Documents and shall have all of the rights and obligations of the Purchaser thereunder (and under any and all other guaranties, documents, instruments, and agreements executed in connection therewith) to the extent that such rights and obligations have

been assigned by the Purchaser pursuant to the assignment documentation between the Purchaser and such Assignee, and the Purchaser shall be released from its obligations hereunder and thereunder to a corresponding extent. The Borrower may furnish any information concerning the Borrower in its possession from time to time to prospective Assignees, provided that the Purchaser shall require any such prospective Assignees to agree in writing to maintain the confidentiality of such information.

Section 7.20 Right to Sell a Portion of the Bonds to a Prospective Participant. The Purchaser shall have the unrestricted right at any time and from time to time, and without the consent of or notice to the Borrower to grant to one or more banks or other financial institutions (each, a "Participant") participating interests in the Bonds. In the event of any such grant by the Purchaser of a participating interest to a Participant, whether or not upon notice to the Borrower, the Purchaser shall remain responsible for the performance of its obligations hereunder and the Borrower shall continue to deal solely and directly with the Purchaser in connection with the Purchaser's rights and obligations hereunder. The Purchaser may furnish any information concerning the Borrower in its possession from time to time to prospective Participants, provided that the Purchaser shall require any such prospective Participant to agree in writing to maintain the confidentiality of such information.

Section 7.21 Integration Clause; Survival of Representations, Warranties and Modifications. This Bond Agreement and the other Bond Documents are intended by the parties as the final, complete, and exclusive statement of the transactions evidenced by this Bond Agreement and the other Bond Documents. All prior or contemporaneous promises, agreements, and understandings, whether oral or written, are deemed to be superseded by this Bond Agreement and the other Bond Documents, and no party is relying on any promise, agreement or understanding not set forth in this Bond Agreement and the other Bond Documents. All warranties, representations and covenants imposed or made herein, or in the other Bond Documents shall survive the execution and delivery of this Bond Agreement and the other Bond Documents. No delay or omission of the Purchaser or the Authority in exercising or enforcing any of the Purchaser's and the Authority's rights and remedies hereunder shall constitute a waiver thereof; nor shall any single or partial exercise by the Purchaser or the Authority of any right hereunder preclude any other or further exercise thereof or the exercise of any other right; and no waiver by the Purchaser or the Authority of any default or Event of Default shall operate as a waiver of any other default or Event of Default. No term or provision of this Bond Agreement, or any other Loan Document shall be waived, altered or modified except with the prior written consent of the Purchaser (and the Authority with respect to rights hereunder which have been specifically reserved by the Authority), which consent makes explicit reference hereto or thereto. Except as provided in the preceding sentence, no other agreement or transaction, of whatsoever nature, entered into among the Purchaser, the Authority and the Borrower at any time (whether before, during or after the effective date or terms of this Bond Agreement), shall be construed in any particular as a waiver, modification or limitation of any of the Purchaser's and the Authority's rights and remedies under this Bond Agreement, or the other Bond Documents nor shall anything in this Bond Agreement, or in the other Bond Documents be construed as a waiver, modification or limitation of any of the Purchaser's and the Authority's rights and remedies, not only under the provisions of this Bond Agreement or the other Bond Documents but also of any such other agreement or transaction.

Section 7.22 Usury Limitation. If, at any time, the rate of interest, together with all amounts which constitute interest and which are reserved, charged or taken by the Purchaser or the Authority as compensation for fees, services or expenses incidental to the making, negotiating or collection of the Loan, shall be deemed by any competent court of law, governmental agency or tribunal to exceed the maximum rate of interest permitted to be charged under the Notes under applicable law, then, during such time as such rate of interest would be deemed excessive, that portion of each sum paid attributable to that portion of such interest rate that exceeds the maximum rate of interest so permitted shall be deemed a voluntary prepayment of principal. As used herein, the term “applicable law” shall mean the law in effect as of the date hereof; provided, however, that in the event there is a change in the law which results in a higher permissible rate of interest, then this Bond Agreement shall be governed by such new law as of its effective date.

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IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused this Bond Agreement to be executed and delivered as of the date first written above.

ATTEST

NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY

[Steven Nelson]
Assistant Secretary

By: _____
Eric D. Brophy, Esq.
Executive Director

CALDWELL UNIVERSITY

By: _____
Shin K. Moon
Vice President for Finance and
Auxiliary Services

PROVIDENT BANK,
as Purchaser and Escrow Agent

By: _____
Vincent S. Vita
Senior Vice President

Each of said monthly payments shall be applied first in payment of accrued and unpaid interest and the balance to the payment of unpaid principal.

Notwithstanding the foregoing, the holder of this Bond shall have the right to demand payment in full of the principal amount of this Bond, plus all accrued interest hereon, on each Reset Date (which shall then be deemed the Maturity Date hereunder), upon no less than [90] days written notice prior to such date to the Authority and Caldwell University (the "Borrower").

All sums due hereunder shall be paid solely from the revenues or other moneys derived from the Loan (as defined in the hereinafter defined Bond Agreement) made with respect to the Project hereinafter referred to or any other revenues pledged therefor under the Bond Agreement or the other Bond Documents. This Bond, as to principal, interest and premium, if any, when due, will be payable by debit to the Demand Deposit Account as provided in the Bond Agreement, or if applicable, at the offices of Provident Bank, 100 Wood Avenue South, Iselin, New Jersey 08830-2727.

This Bond is the duly authorized bond designated as the New Jersey Educational Facilities Authority Revenue Refunding Bond, Caldwell University Issue, 2019 Series A issued in the principal amount of \$[] (this "Bond"). This Bond has been issued under and by virtue of the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented) (the "Act"), and by virtue of a resolution adopted by the Authority on April 23, 2019 (the "Resolution"). This Bond is secured under a Bond Agreement (and the documents referred to therein) dated the Dated Date (as amended, restated or otherwise supplemented, the "Bond Agreement") by and among the Authority, the Purchaser and the Borrower, for the purpose of financing the Project as defined in the Bond Agreement. Capitalized terms used herein and not defined shall be defined as set forth in the Bond Agreement.

Reference is hereby made to the Resolution and the Bond Agreement, copies of which are on file at the office of the Authority for a description of the provisions, among others, with respect to the terms upon which this Bond is issued, the nature and extent of the security for this Bond, the rights, duties and obligations of the Authority, the Borrower and the Purchaser, and the modification or amendment of the Bond Agreement and the Resolution, to all of which the holder of this Bond hereto assents by acceptance of this Bond.

This Bond is subject to cancellation as provided in Section 6.8 of the Bond Agreement upon the occurrence of an Event of Cancellation under the Bond Agreement.

This Bond is subject to Redemption (defined below), in whole or in part, at any time upon at least ten (10) Business Days prior written notice to the Purchaser (which notice shall be irrevocable). Upon the occurrence of a Redemption in whole or in part, in addition to interest and all other charges then properly due, the following Redemption premium (the "Redemption Premium") shall be due:

- (a) 5% of the principal amount prepaid during the first Bond Year;

- (b) 4% of the principal amount prepaid during the second Bond Year;
- (c) 3% of the principal amount prepaid during the third Bond Year;
- (d) 2% of the principal amount prepaid during the fourth Bond Year; and
- (e) 1% of the principal amount prepaid during the fifth Bond Year.

As used herein, "Redemption" shall mean the payment of any sum in reduction of principal which exceeds the amount due under any term or provision of this Bond or any other document constituting a part of the transaction evidenced by this Bond. "Bond Year" shall mean each 12 month period during the term of this Bond commencing with the Dated Date. The amount, if any, of the Redemption Premium for the period commencing with each Reset Date shall be determined by the Purchaser in its sole discretion.

The Redemption Premium shall apply to a voluntary or involuntary redemption, by acceleration or otherwise.

[Notwithstanding the foregoing, up to 10% of the outstanding principal amount of this Bond may be redeemed in whole or in part without Redemption Premium during any fiscal year of the Borrower at any time if the source of such funds is the internal cash flow of the Borrower, but shall not include funds derived from refinancings from institution other than the Purchaser.]

This Bond is also subject to redemption prior to maturity in whole or in part in the following manner: if the applicable Note is prepaid, in whole or in part, or is accelerated in accordance with the Bond Agreement, then this Bond shall be redeemed in whole or in part or accelerated.

Any partial redemption hereunder shall be accompanied by the payment of all accrued and unpaid interest on this Bond and all other fees, expenses and other sums due and owing, if any, and be applied in inverse order of maturity and shall be applied first to fees, costs, expenses or charges under the Bond Documents, then to the payment of accrued interest and the balance to principal hereunder.

Any prepayment premium due on the Note pursuant to the Bond Agreement, if any, shall be deemed to be a redemption premium to be paid to the Holder of this Bond.

This Bond is a special and limited obligation of the Authority payable from the Revenues derived by the Authority from the Borrower under the Bond Agreement, and neither the State of New Jersey nor any political subdivision thereof, other than the Authority, shall be obligated to pay the principal of or interest on this Bond except from the Revenues pledged therefor under the Resolution, and neither the faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof is pledged to the payment of the principal of or interest on this Bond. The Authority has no taxing power.

No recourse shall be had for the payment of the principal of or interest on this Bond against any member or other officer of the Authority or any person executing this Bond, all such liability, if any, being hereby expressly waived and released by every holder or registered owner of this Bond by the acceptance hereof and as a part of the consideration hereof, as provided in the Resolution.

It is hereby certified, recited and declared by the Authority that all acts, conditions and things required by the Constitution and statutes of the State of New Jersey and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Bond in order to make it the legal, valid and binding, special and limited obligations of the Authority in accordance with its terms, exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the issuance of this Bond, together with all other indebtedness of the Authority, does not exceed or violate any constitutional, statutory or other limitation upon the amount of the bonded indebtedness prescribed by law for the Authority.

{THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK}

IN WITNESS WHEREOF, New Jersey Educational Facilities Authority has caused this bond to be executed in its name by the manual or facsimile signature of its Chair, Vice Chair or Executive Director and its official common seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Executive Director, Secretary or any Assistant Secretary, all as of the Dated Date.

NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY

{SEAL}

By: _____

Eric D. Brophy, Esq.
Executive Director

ATTEST:

[Steven Nelson]
Assistant Secretary

EXHIBIT A-2

FORM OF SERIES B BOND

THE STATE OF NEW JERSEY IS NOT OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF NEW JERSEY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE, IF ANY, OF OR THE INTEREST ON THIS BOND. THIS BOND IS NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY. THIS BOND IS A SPECIAL AND LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE AUTHORITY PLEDGED UNDER THE BOND AGREEMENT FOR THE PAYMENT OF THIS BOND. THIS BOND DOES NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE BOND
CALDWELL UNIVERSITY ISSUE, 2019 SERIES B**

DATED DATE:
[CLOSING DATE]

MATURITY DATE:
[May] 1, 20[39]

INTEREST RATE:
(As described below)

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (herein called the "Authority"), a public body corporate and politic constituting an instrumentality of the State of New Jersey (the "State"), acknowledges itself indebted and for value received hereby promises to pay, or cause to be paid, in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts, to **PROVIDENT BANK** (the "Purchaser") the principal sum of [] and 00/100 DOLLARS (\$[]) as follows:

The principal amount outstanding hereunder shall be equal to the principal payments of the purchase price of this Bond as described in Section 3.4 of the Bond Agreement dated the Dated Date (the "Bond Agreement") by and among the Authority, the Purchaser and Caldwell University (the "Borrower") that have not been repaid. Principal hereunder shall be payable on June 1, 2022 and on the first day of each month thereafter in substantially equal installments determined by the Purchaser to be sufficient to amortize the principal amount hereof to the Maturity Date. Interest shall be payable monthly commencing on [July] 1, 2019 and on the first day of each month thereafter through and including the Maturity Date.

From the Dated Date to the Interest Rate Conversion Date (as defined below), this Bond shall bear interest at a per annum rate equal to 79% of the sum of 30 Day LIBOR plus 2.25%. The

Purchaser's determination of the rate shall be conclusive in the absence of manifest error. "LIBOR" means the rate per annum (rounded upward, if necessary), as determined on the basis of the offered rates for deposits in U.S. dollars, for a period of time equal to one month (the "Interest Period") which appears on the Telerate page 3750 as of 11:00 a.m. London time on the day that is two London Business Days preceding the first day of such Interest Period; provided, however, if the rate described above does not appear on the Telerate System on any applicable interest determination date, LIBOR shall be the rate (rounded upwards as described above, if necessary) for deposits in dollars for a period substantially equal to the Interest Period on the Reuters Page "LIBO" (or such other page as may replace the LIBO Page on that service for the purpose of displaying such rates), as of 11:00 a.m. (London Time), on the day that is two (2) London Business Days prior to the beginning of such Interest Period. If both the Telerate and Reuters system are unavailable, then the rate for that date will be determined on the basis of the offered rates for deposits in U.S. dollars for a period of time comparable to such Interest Period which are offered by four major banks in the London interbank market at approximately 11:00 a.m. London time, on the day that is two (2) London Business Days preceding the first day of such Interest Period as selected by the Purchaser. The principal London office of each of the four major London banks will be requested to provide a quotation of its U.S. dollar deposit offered rate. If at least two such quotations are provided, the rate for the date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for that date will be determined on the basis of the rates quoted for loans in U.S. dollars to leading European banks for a period of time comparable to such Interest Period offered by major banks in New York City at approximately 11:00 a.m. New York City time, on the day that is two London Business Days preceding the first day of such Interest Period. In the event that the Purchaser is unable to obtain any such quotation as provided above, it will be deemed that LIBOR cannot be determined. In the event that the Board of Governors of the Federal Reserve System shall impose a Reserve Percentage with respect to LIBOR deposits of the Purchaser, then for any period during which such Reserve Percentage shall apply, LIBOR shall be equal to the amount determined above divided by an amount equal to 1 minus the Reserve Percentage. "Reserve Percentage" shall mean the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed on member banks of the Federal Reserve System against "Euro-currency Liabilities" as defined in Regulation D. "London Banking Day" shall mean a day in which banks are open for business in the London interbank market. (the "Index"). The Index is not necessarily the lowest rate charged by Purchaser on its loans. If the Index becomes unavailable during the term of this loan, Purchaser may designate a substitute index after notifying Borrower. Purchaser will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each daily. Borrower understands that Purchaser may make loans based on other rates as well. In no event shall LIBOR (or any replacement Index) be calculated hereunder to be less than zero (0). [Interest on the unpaid principal balance of this Bond will be calculated as described in the "INTEREST CALCULATION METHOD" paragraph using a rate of 1.000 percentage point over the Index.]

NOTICE: Under no circumstances will the interest rate on this Bond be more than the maximum rate allowed by applicable law.

Commencing on May 1, 2022 (the “Interest Rate Conversion Date”), this Bond shall bear interest at a fixed rate per annum rate equal to 79% of the sum of the then current yield on the 7-year United States Treasury Bond plus 2.25%, as determined by the Purchaser [three Business Days] prior to the Interest Rate Conversion Date.

On [May] 1, 2029 (the “Reset Date”), the interest rate hereunder shall be reset to an interest rate acceptable to and determined by the Purchaser in its sole discretion. All interest payable hereunder shall be due arrears and calculated on a 360 day year based on the actual number of days elapsed.

Each of said monthly payments shall be applied first in payment of accrued and unpaid interest and the balance to the payment of unpaid principal.

Notwithstanding the foregoing, the holder of this Bond shall have the right to demand payment in full of the principal amount of this Bond, plus all accrued interest hereon, on the Reset Date (which shall then be deemed the Maturity Date hereunder) (which shall then be deemed the Maturity Date hereunder), upon no less than [90] days written notice prior to such date to the Authority and the Borrower.

[If Authority repays (whether voluntary, on default or otherwise) all or any part of this Bond which is accruing interest based on LIBOR prior to the end of an Interest Period, the Authority shall be liable to the Purchaser for any liabilities, losses or expenses (including loss of margin, any loss or expense sustained or incurred in liquidating or employing deposits from third parties, and any loss or expense incurred in connection with funds acquired to effect, fund or maintain any advance (or any part hereof) bearing interest based on LIBOR) which the Purchaser sustains or incurs as a consequence of either: (a) the Authority’s failure to make a payment on the due date thereof, or (b) the Authority’s revocation (expressly, by later inconsistent notices or otherwise) in whole or in part of any notice given to the Purchaser to make a prepayment.]

All sums due hereunder shall be paid solely from the revenues or other moneys derived from the Loan (as defined in the hereinafter defined Bond Agreement) made with respect to the Project hereinafter referred to or any other revenues pledged therefor under the Bond Agreement. This Bond, as to principal, interest and premium, if any, when due, will be payable by debit to the Demand Deposit Account as provided in the Bond Agreement, or if applicable, at the offices of Provident Bank, 100 Wood Avenue South, Iselin, New Jersey 08830-2727.

This Bond is the duly authorized bond designated as the New Jersey Educational Facilities Authority Revenue Bond, Caldwell University Issue, 2019 Series B issued in the principal amount of \$[] (this “Bond”). This Bond has been issued under and by virtue of the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented) (the “Act”), and by virtue of a resolution adopted by the Authority on April 23, 2019 (the “Resolution”). This Bond is secured under a Bond Agreement (and the documents referred to therein), for the purpose of financing the Project as defined in the Bond Agreement. Capitalized terms used herein and not defined shall be defined as set forth in the Bond Agreement.

Reference is hereby made to the Resolution and the Bond Agreement, copies of which are on file at the office of the Authority for a description of the provisions, among others, with respect to the terms upon which this Bond is issued, the nature and extent of the security for this Bond, the rights, duties and obligations of the Authority, the Borrower and the Purchaser, and the modification or amendment of the Bond Agreement and the Resolution, to all of which the holder of this Bond hereto assents by acceptance of this Bond.

This Bond is subject to cancellation as provided in Section 6.8 of the Bond Agreement upon the occurrence of an Event of Cancellation under the Bond Agreement.

This Bond is subject to Redemption (defined below), in whole or in part, at any time after the Interest Rate Conversion Date upon at least ten (10) Business Days prior written notice to the Purchaser (which notice shall be irrevocable). Upon the occurrence of a Redemption in whole or in part, in addition to interest and all other charges then properly due, the following Redemption premium (the "Redemption Premium") shall be due:

- (a) 5% of the principal amount prepaid during the first Bond Year following the Interest Rate Conversion Date;
- (b) 4% of the principal amount prepaid during the second Bond Year following the Interest Rate Conversion Date;
- (c) 3% of the principal amount prepaid during the third Bond Year following the Interest Rate Conversion Date;
- (d) 2% of the principal amount prepaid during the fourth Bond Year following the Interest Rate Conversion Date; and
- (e) 1% of the principal amount prepaid during the fifth Bond Year following the Interest Rate Conversion Date.

As used herein, "Redemption" shall mean the payment of any sum in reduction of principal which exceeds the amount due under any term or provision of this Bond or any other document constituting a part of the transaction evidenced by this Bond. "Bond Year" shall mean each 12 month period during the term of this Bond commencing with the Interest Rate Conversion Date. The amount, if any, of the Redemption Premium for the period commencing with each Reset Date shall be determined by the Purchaser in its sole discretion.

The Redemption Premium shall apply to a voluntary or involuntary redemption, by acceleration or otherwise.

[Notwithstanding the foregoing, up to 10% of the outstanding principal amount of this Bond may be redeemed in whole or in part without Redemption Premium during any fiscal year of the Borrower at any time if the source of such funds is the internal cash flow of the Borrower, but shall not include funds derived from refinancings from institution other than the Purchaser.]

This Bond is also subject to redemption prior to maturity in whole or in part in the following manner: if the applicable Note is prepaid, in whole or in part, or is accelerated in accordance with the Bond Agreement, then this Bond shall be redeemed in whole or in part or accelerated.

Any partial redemption hereunder shall be accompanied by the payment of all accrued and unpaid interest on this Bond and all other fees, expenses and other sums due and owing, if any, and be applied in inverse order of maturity and shall be applied first to fees, costs, expenses or charges under the Bond Documents, then to the payment of accrued interest and the balance to principal hereunder.

Any prepayment premium due on the Note pursuant to the Bond Agreement, if any, shall be deemed to be a redemption premium to be paid to the Holder of this Bond.

This Bond is a special and limited obligation of the Authority payable from the Revenues derived by the Authority from the Borrower under the Bond Agreement, and neither the State of New Jersey nor any political subdivision thereof, other than the Authority, shall be obligated to pay the principal of or interest on this Bond except from the Revenues pledged therefor under the Resolution, and neither the faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof is pledged to the payment of the principal of or interest on this Bond. The Authority has no taxing power.

No recourse shall be had for the payment of the principal of or interest on this Bond against any member or other officer of the Authority or any person executing this Bond, all such liability, if any, being hereby expressly waived and released by every holder or registered owner of this Bond by the acceptance hereof and as a part of the consideration hereof, as provided in the Resolution.

It is hereby certified, recited and declared by the Authority that all acts, conditions and things required by the Constitution and statutes of the State of New Jersey and the Resolution to exist, to have happened and to have been performed precedent to and in the issuance of this Bond in order to make it the legal, valid and binding, special and limited obligations of the Authority in accordance with its terms, exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the issuance of this Bond, together with all other indebtedness of the Authority, does not exceed or violate any constitutional, statutory or other limitation upon the amount of the bonded indebtedness prescribed by law for the Authority.

{THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK}

IN WITNESS WHEREOF, New Jersey Educational Facilities Authority has caused this bond to be executed in its name by the manual or facsimile signature of its Chair, Vice Chair or Executive Director and its official common seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Executive Director, Secretary or any Assistant Secretary, all as of the Dated Date.

NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY

{SEAL}

By: _____

Eric D. Brophy, Esq.
Executive Director

ATTEST:

[Steven Nelson]
Assistant Secretary

EXHIBIT B

Section 1.3(o)(ii) Disclosures

None.

EXHIBIT C

Capital One, National Association Wire Instructions

[]

EXHIBIT D

Special Notice Events

1. **Change of ownership of the financed property** -- if the ownership of any portion of the financed and/or refinanced Projects is transferred to anyone, prior to the earlier of the end of the expected economic life of the property, or the latest maturity date of any bond of the issue financing (or refinancing) the property;

2. **Private business use of the Bond Financed Property** -- if any portion of the financed and/or refinanced Projects will be used by anyone other than a State or local governmental unit or a 501(c)(3) organization acting in furtherance of its exempt purpose (an "Exempt Person") or members of the general public who are not using the property in the conduct of a trade or business (e.g., use by a person as an owner, lessee, purchaser of the output of facilities under a "take and pay" or "take or pay" contract, purchaser or licensee of research, a manager or independent contractor under certain management or professional service contracts or any other arrangement that conveys special legal entitlements including an arrangement that conveys priority rights to the use or capacity of the financed property, for beneficial use of the property financed with proceeds of tax-exempt debt or an arrangement that conveys a special economic benefit);

3. **Unrelated trade or business** -- if any portion of the financed and/or refinanced Projects is to be used by any 501(c)(3) organization (including by the Borrower) in an unrelated trade or business (i.e., a trade or business not substantially related to the 501(c)(3) purpose or purposes of the 501(c)(3) organization);

4. **Private Loans Bond Proceeds** -- if any portion of the proceeds of the Bonds (including any investment earnings thereon are to be re-loaned by the Borrower;

5. **Naming rights agreements for the Bond Financed Property** -- if any portion of the financed and/or refinanced Projects will become subject to a naming rights agreement, other than a "brass plaque" dedication;

6. **Research using the Bond Financed Property** -- if any portion of the financed and/or refinanced Projects will be used for the conduct of research under the sponsorship, or for the benefit of, any organization other than an Exempt Person;

7. **Management agreement or service agreement** -- if any portion of the financed and/or refinanced Projects is to be used under a management contract or professional service contract (e.g., medical group), other than a contract for services that are solely incidental to the primary function of financed and/or refinanced Projects, such as janitorial services or office equipment repair, or a qualified management contract described in Rev. Proc. 97-13;

8. **Joint ventures** -- if any portion of the financed and/or refinanced Projects has been used in any joint venture arrangement with any person other than an Exempt Person; or

9. **Sinking fund or pledge fund** -- if the Borrower, or any organization related to the Borrower, identifies funds which are expected to be used to pay debt service on the Bonds or secure the payment of debt service on the Bonds, other than those funds or accounts described in this Bond Agreement or the other Bond Documents.

SCHEDULE 1.3(d)

Litigation

In 2013, the Borrower terminated its relationship with a service provider as a result of a pending investigation. The Borrower has cooperated fully during this investigation. The investigation continues, however no charges are pending and no liabilities were imposed. In 2018, the Borrower made a comprehensive settlement offer which included payment of \$3.8 million over a number of years and further in-kind support in the form of scholarships. This amount is included in accounts payable and accrued liabilities in the financial statements at June 30, 2018.



103 College Road East • Princeton, New Jersey 08540
 phone 609-987-0880 • fax 609-987-0850 • www.nj.gov/njefa

Date: April 23, 2019

To: Members of the Authority

Issue: Selection of an Independent Registered Municipal Advisor (IRMA)

Below please find the procurement procedures that were undertaken with respect to the selection of an Independent Registered Municipal Advisor (IRMA) and staff's recommendations with respect thereto.

IRMA

On March 14, 2019, the staff of the New Jersey Educational Facilities Authority (the "Authority") distributed a Request for Proposals ("RFP") for Services as an Independent Registered Municipal Advisor (IRMA) to a distribution list of eleven (11) firms and posted the RFP on the Authority's and the State of New Jersey's website. The Authority received a total of five (5) responses from firms seeking appointment as the Authority's IRMA.

The Authority formed an Evaluation Committee in accordance with Paragraph 13 of Executive Order 37 (2006) consisting of the Authority's Project Manager and the Authority's Associate Project Manager. The Evaluation Committee reviewed the responses on the basis of factors outlined in EO 26 and EO 37, which included a firm's qualifications and experience, expertise, price, and personnel dedicated to the role. The responsive firms and their respective scores may be found below:

<u>Firm</u>	<u>Evaluator #1</u>	<u>Evaluator #2</u>	<u>All Evaluators</u>	<u>Final Ranking</u>	<u>Proposed Fee</u>
Hilltop Securities	87.41	84.16	171.57	3	\$219
Lamont Financial	86.75	79.50	166.25	4	\$335
NW Financial	74.73	73.48	148.21	5	\$180
PFM Financial Advisors	91.96	88.96	180.92	1	\$300
Phoenix Advisors	88.50	88.00	176.50	2	\$170

Recommendation: PFM Financial Advisors LLC

The Authority's staff involvement in the procurement processes related to the above referenced professionals was completed as of the 12th day of April 2019.

By: 

Eric D. Brophy, Esq.
Executive Director

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
APPROVING THE APPOINTMENT OF AN
INDEPENDENT REGISTERED MUNICIPAL ADVISOR**

Adopted: April 23, 2019

- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") was duly created and now exists under the New Jersey Educational Facilities Authority Law, Public Laws of 1967, Chapter 271, *N.J.S.A.* 18A:72A-1 et seq., as amended (the "Act") for the purpose of issuing its obligations to obtain funds to finance eligible educational facilities as such may be required for the purposes of public and private institutions of higher education, private colleges and public libraries, and to sell such obligations at public or private sale at a price or prices and in a manner as the Authority shall determine; and
- WHEREAS:** The policies and procedures of the Authority with regard to the selection of professionals are governed, *inter alia*, by Executive Order No. 26 (Whitman) ("EO 26") which took effect on January 1, 1995 and which supersedes Executive Orders No. 79 and 92 and Executive Order No. 37 (Corzine) ("EO 37") which took effect on November 25, 2006; and
- WHEREAS:** The staff of the Authority distributed a Request for Proposals for Services as an Independent Registered Municipal Advisor dated March 14, 2019 (the "RFP"), attached hereto as **EXHIBIT A**, to eleven (11) firms and posted the RFP on the Authority's and the State of New Jersey's websites; and
- WHEREAS:** The Authority received responses from five (5) firms (the "Responses"); and
- WHEREAS:** The Authority formed an Evaluation Committee consisting of the Authority's Project Manager and Associate Project Manager in accordance with Paragraph 13 of EO 37; and
- WHEREAS:** The Evaluation Committee reviewed the Responses on the basis of factors outlined in EO 26 and EO 37, including qualifications and experience, expertise, price, and personnel dedicated to the role of Independent Registered Municipal Adviser; and
- WHEREAS:** The Authority has determined that it would be in the best interests of the Authority to appoint PFM Financial Advisors LLC ("PFM") as the Authority's Independent Registered Municipal Advisor for a period of twenty-four (24) months with two (2) additional successive twelve (12) month period extensions at the discretion of the Authority, commencing on the effective date of this Resolution, unless terminated earlier in the sole discretion of the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY THAT:

SECTION 1. The Authority hereby authorizes the engagement of PFM Financial Advisors LLC (“PFM”) to serve as the Authority’s Independent Registered Municipal Advisor for a period of twenty-four (24) months with two (2) additional successive twelve (12) month period extensions at the discretion of the Authority, commencing on the effective date of this Resolution subject to the terms and conditions set forth in this Resolution, unless terminated earlier in the sole discretion of the Authority.

SECTION 2. The Authority hereby authorizes the Executive Director, Deputy Executive Director and Director of Project Management, including any of the foregoing authorized officers serving in an interim or acting capacity, to take and do any and all acts and things as may be necessary or desirable in connection with the engagement of PFM Financial Advisors LLC (“PFM”) as the Authority’s Independent Registered Municipal Advisor.

SECTION 3. This Resolution shall take effect in accordance with the Act.

____ Mr. Moore ____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ____ Mr. Rodriguez __ and upon roll call the following members voted:

AYE: Ridgeley Hutchinson
Louis Rodriguez
Zakiya Smith Ellis (represented by Angela Bethea)
Elizabeth Maher Muoio (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes

The Vice Chair thereupon declared said motion carried and said resolution adopted.

EXHIBIT A

REQUEST FOR PROPOSALS

New Jersey Educational Facilities Authority

**REQUEST FOR PROPOSALS
FOR SERVICES AS AN
INDEPENDENT REGISTERED MUNICIPAL ADVISOR**



103 College Road East, 2nd Floor
Princeton, NJ 08540

Issue Dated: March 14, 2019

Deadline for Questions/Inquiries: March 19, 2019

Proposals Due: March 27, 2019, 3:00 PM EDT

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REQUEST FOR PROPOSALS FOR SERVICES AS AN
INDEPENDENT REGISTERED MUNICIPAL ADVISOR

Issue Dated: March 14, 2019

1.0 BACKGROUND OF THE AUTHORITY

The New Jersey Educational Facilities Authority (“NJEFA” or “Authority”), an independent and self-supporting state entity, was created as a public body corporate and politic of the State of New Jersey (the “State”) pursuant to the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented), *N.J.S.A. 18A:72A-1 et seq.* (the “Act”), to provide a means for New Jersey public and private colleges and universities of higher education (the “Institutions”) to construct educational facilities through the financial resources of a public authority empowered to sell tax-exempt and taxable bonds, notes and other obligations. NJEFA is New Jersey’s primary issuer of municipal bonds to finance and refinance the construction and development of academic facilities at the Institutions.

The Authority finances and refinances various types of projects for Institutions of higher education in New Jersey. Projects include, but are not limited to, the construction, renovation and acquisition of residential, academic, and research facilities; libraries; technology infrastructures; student life and athletic facilities; parking structures; energy and utilities-related projects; and refinancing of existing debt. The Authority also, from time to time, issues State-backed bonds to fund the State of New Jersey’s Higher Education Capital Grant Programs and public library facilities.

The obligations issued by the Authority are special and limited obligations of the Authority and are not a debt or liability of the State of New Jersey or of any political subdivision thereof other than the Authority, and are not a pledge of the faith and credit of the State or of any such political subdivision thereof. The Authority has no taxing power. The obligations issued by the Authority are payable solely from amounts received by the Authority under the transaction documents and amounts on deposit in certain funds established under the transaction documents. The Authority’s State-backed bond programs for higher education and public library facilities provide that debt service will be paid by the State Treasurer pursuant to a contract between the Authority and the State Treasurer, subject to annual appropriation by the New Jersey State Legislature.

This solicitation of responses is being conducted pursuant to State laws, regulations and executive orders, specifically Executive Order No. 37 (Corzine, 2006) (“EO 37”), and the policies and procedures of the Authority with regard to procurement.

2.0 PURPOSE AND INTENT OF REQUEST FOR PROPOSALS

The Authority wishes to engage the services of a Financial Advisor to serve as an “Independent Registered Municipal Advisor” pursuant to the “IRMA” exemption provided by Rule 15Ba1-1 (the “Rule”) adopted by the U.S. Securities and Exchange Commission (the “SEC”) from the registration requirements of Section 975 of the Dodd-Frank Wall Street Reform and Investor Protection Act (“Dodd-Frank”). The Financial Advisor selected will serve solely as an Independent Registered Municipal Advisor (“IRMA”) on a **non-transactional** basis, except as otherwise set forth under Scope of Services 4.11 and 4.12 below.

Financial advisory transactional services shall be procured separately from the Authority’s Financial Advisory Pool (“Pool”). The Financial Advisor selected pursuant to this RFP as the Authority’s IRMA may also be eligible to serve in the Authority’s Pool. However, when a Financial Advisor is procured from the Authority’s Pool, the Authority may, in its sole discretion, deem its IRMA ineligible to provide financial advisory services on specific transaction. Any such determination will be made by the Authority on a case by case basis and may be based on a perceived or actual conflict of interest or other determination(s) deemed by the Authority in its best interests.

This RFP is being distributed to firms to provide IRMA services for a twenty-four (24) month period with two (2) additional successive twelve (12) month periods at the Authority’s discretion. The Authority shall have the option to terminate the contract upon thirty (30) days written notice with or without cause.

The firm selected by the Authority to serve as its IRMA is responsible for immediately notifying the Authority of any changes in ownership, organization and key personnel as well as any real or potential conflicts or the initiation of any governmental investigation or regulatory proceedings.

Please note: Advice provided by the firm selected as the Authority’s IRMA will be made available to the Institutions served by the Authority.

3.0 MINIMUM REQUIREMENTS

All firms must meet the minimum requirements specified below. Failure of a firm to meet all of the minimum requirements will result in the proposal’s immediate rejection.

- The firm must be currently registered as a municipal advisor with both the SEC and the MSRB and remain such throughout the term of the proposed contract.

4.0 SCOPE OF SERVICES

The firm selected for this engagement shall provide some or all of the services identified below at the request of the Authority:

- 4.1 Be able to provide advice with respect to any and all aspects of issuance by the Authority of municipal securities to finance and refinance educational facilities of the New Jersey colleges and universities served by the Authority within the meaning of the Rule (i.e. from pre-issuance planning to repayment of municipal securities). The Authority reserves the right to only forward to the selected firm those proposals received from market participants that in the view of the Authority merit serious consideration;
- 4.2 Be available to provide advice with respect to “municipal financial products” within the meaning of the Rule (i.e., municipal derivatives, guaranteed investment contracts and investment strategies. 15 U.S.C. 78o-4(e)(5));
- 4.3 Attend Authority Board meetings and provide market update reports as requested;
- 4.4 Monitor market conditions and advise the Authority of refunding/refinancing opportunities for its constituent institutions;
- 4.5 Review and evaluate proposals, analyses and various products and advise on potential use by the Authority (including refunding opportunities, investment products, derivative products, innovative structures, credit enhancement, etc.);
- 4.6 Review pending and new Federal and State legislation and advise the Authority on compliance with same and/or potential issues/opportunities;
- 4.7 Attend, testify, prepare, direct, and/or participate in presentations;
- 4.8 Assist professionals representing the Authority;
- 4.9 Advise the Authority on the current status of the Authority's bond issues, conditions in the market for similar issues by other New Jersey issuers and other issuers in similar fields;
- 4.10 Provide articles or other materials for the Authority's periodic newsletter, other publications or conferences;
- 4.11 For a competitively bid issue, verify all bids, coordinate with the electronic bidding platform utilized by the Authority, identify the winning bidder and prepare final debt service schedules; and,
- 4.12 For negotiated transactions, shadow the underwriter's financial analyses, provide relevant information for pre-pricing and pricing, and participate in pricing process including assisting the Authority and Institution in negotiating the underwriters' discount and interest rates.

5.0 REQUIRED COMPONENTS OF THE FIRM'S PROPOSAL IN RESPONSE TO THE REQUEST FOR PROPOSALS

Each firm submitting a proposal must follow the instructions contained in this RFP. Proposals must be in writing, should be completed in the most concise manner possible, and must contain all of the information requested in the order and format requested. All terms and conditions set forth in this RFP will be deemed to be incorporated by reference in their entirety into any proposal submitted by each firm.

In responding to this RFP, please address the following areas:

- 5.1** Please include the addresses, telephone numbers, and email addresses, for those individuals who will be directly responsible for serving the Authority on a day-to-day basis and the individual who will have the primary responsibility for the engagement. Please also provide brief resumes including relevant experience for those individuals.
- 5.2** Describe the organization of your firm, its ownership structure and its state/country of incorporation or formation. Describe your firms' physical presence in the State of New Jersey, including the number of offices, the number of employees and the type of business activity conducted in the State. Also, please describe the participation of women and minorities in your firm. Please indicate the percentage of your firm that is owned by women and minorities.
- 5.3** Provide an overview of your firm's history in the Financial Advisor profession. Briefly describe your firm's qualifications, knowledge and experience in serving as a financial advisor, both in general and specifically related to higher education on general matters as well as debt issuance. Include the total par amount and number of deals relating to higher education. Please discuss any experience your firm may have with challenged credits.
- 5.4** Provide a list of all New Jersey transactions on which your firm has served as Financial Advisor since January 1, 2017 in **ATTACHMENT A**.
- 5.5** Provide a list of all higher education transactions on which your firm has served as Financial Advisor since January 1, 2017 in **ATTACHMENT B**. Please highlight all New Jersey higher education transactions.
- 5.6** Please describe your approach to serving the Authority as its IRMA, including providing review and advice with respect to proprietary information and unsolicited proposals provided by investment banking firms and providing regular market updates to our Board.
- 5.7** Describe your firm's knowledge and experience with variable rate debt and derivative products. Include total notional amount and number of deals since 2016. Please specify the types and uses of variable rate debt and derivative products you have provided advice on for clients.

- 5.8** Discuss how the Authority can use real-time reporting of secondary market activity in the tax-exempt market to benefit its clients. Specifically, discuss how your firm currently uses such information and how your firm can help the Authority use this information to price new issues.
- 5.9** Discuss any innovative ideas for new financing programs or outstanding Authority debt that may be beneficial to the Authority's clients.
- 5.10 Proposed Fees**
Submit your Fee Proposal on the attached **EXHIBIT A**. Proposed fees as stated in the completed **EXHIBIT A** shall remain in effect for the duration of the term of the contract unless otherwise mutually agreed to in writing by the Authority and the successful firm.
- 5.11** Please provide three (3) references from current and/or past clients and discuss the services you have provided or are currently providing to them.
- 5.12** Provide the names of all clients who have terminated your firm's services in the last three (3) years. In each case, detail the reason for termination.
- 5.13** Provide proof of registration as a "municipal advisor" with the SEC and with the MSRB of your firm and of each person at your firm who will be directly responsible for serving the Authority on a day-to-day basis.
- 5.14** Please identify any market participant listed on **ATTACHMENT C** which may want to rely on the IRMA exemption which within the last two (2) years has been directly or indirectly controlling, controlled by, or under common control with your firm. For this purpose, control means the ability to direct management or policies, whether through ownership of securities, by contract or otherwise. See Securities and Exchange Commission Frequently Asked Questions dated May 16, 2014.
- 5.15** Please identify any market participant listed on **ATTACHMENT C** which may wish to rely on the IRMA exemption which, within the last two (2) years, has employed or otherwise been associated with (i) any partner, officer, director, or branch manager of your firm (or any person occupying a similar status or performing similar functions); or (ii) any other employee of your firm who is engaged in the management, direction, supervision, or performance of any activities relating to the provision of advice with respect to municipal financial products or the issuance of municipal securities.
- 5.16** Please identify any market participant listed on **ATTACHMENT C** which may wish to rely on the IRMA exemption which employs any individual who, within the last two (2) years: (i) was a partner, officer, director, or branch manager of your firm (or any person occupying a similar status or performing similar functions), or (ii) was an employee of your firm who was engaged in the management, direction, supervision, or performance of any activities relating to the provision of advice with respect to municipal financial products or the issuance of municipal securities.

5.17 Litigation

Describe any pending, concluded or threatened litigation and/or investigations, administrative proceedings or federal or state investigations or audits, subpoenas or other information requests of or involving your firm or the owners, principals or employees which might materially affect your ability to serve the Authority. Describe the nature and status of the matter and the resolution, if any.

5.18 Conflicts of Interest

Describe any actual or potential conflicts of interest that might arise if your firm is selected to serve as Bidding Agent to the Authority taking into consideration both the Authority and its college and university clients.

5.19 Required Documents and Forms

In addition to all required components of the Proposal as listed above, all documents and forms listed in the RFP Checklist referenced below must be timely submitted in order for your proposal to be considered responsive to this RFP.

6.0 SUBMISSION OF THE PROPOSAL

Proposals must be limited to **fifteen (15) pages** not including materials in the Appendices.

In order to be considered for appointment, your firm must email a PDF of your proposal to Steven Nelson, Director of Project Management, at Procurement@njefa.nj.gov by no later than **3:00 PM EDT on Wednesday, March 27, 2019**.

Proposals received after **3:00 PM EDT on March 27, 2019** will not be considered. Please note that the Authority's office hours are Monday through Friday between 9:00 am and 5:00 pm.

No firm submitting a proposal may make any inquiries concerning this RFP, except as expressly set forth herein, to any other NJEFA or Institution employee, Board member, or other state official until final selections have been determined. All inquiries related to this RFP must be received by **Tuesday, March 19, 2019** and directed in writing via email or fax to:

Steven Nelson, Director of Project Management
Email: Procurement@njefa.nj.gov
Facsimile: (609) 987-0850

If the Authority determines that any answers to such inquiries should be provided to all potential bidders, the answers will be posted on the Authority's website at www.njefa.nj.gov on or about **March 20, 2019**. It is your responsibility to check the Authority's website for any updates. All answers to inquiries or addenda shall be incorporated into and made part of this RFP.

The Authority assumes no responsibility and bears no liability for costs incurred in the preparation and submission of a proposal, or attendance of interviews, if any, in response to this RFP.

The Authority assumes no responsibility and bears no liability for the disclosure of any information or material received in connection with this solicitation, whether by negligence or otherwise.

All documents and information submitted in response to this RFP will become property of the Authority and shall be open to inspection by members of the general public in accordance with the Open Public Records Act, *N.J.S.A. 47:1A et seq.* once the selection process is complete.

7.0 SELECTION PROCESS

In accordance with EO 37, the factors used to evaluate responsive proposals shall include, but are not limited to:

- The background, qualifications, skills and experience of the vendor and its staff;
- The vendor's degree of expertise;
- The rates or fees to be charged by the vendor;
- The Authority's prior experience with the vendor;
- The vendor's familiarity with the work, requirements, and systems of the Authority;
- The vendor's capacity to meet the requirements listed in the Scope of Services;
- The vendor's references; and,
- Geographical location of the vendor's offices.

All proposals will be reviewed to determine responsiveness. Non-responsive proposals will be rejected without evaluation. Responsive proposals will be reviewed and scored by an evaluation committee pursuant to the grading scale it creates and a recommendation for appointment will be made to the Authority's Board. The Authority reserves the right to request clarifying information subsequent to the submission of the proposal if necessary.

In making the appointment, strong consideration will be given to the respective price quotations submitted. The Authority reserves the right to establish a fee schedule that is acceptable to the vendor selected and to the Authority and to negotiate fees as deemed in the best interests of the Authority.

The Authority reserves the right to request additional information if necessary or to request an interview with vendor(s) in which the evaluation committee will participate. The Authority also reserves the right to reject any and all submitted proposals with or without cause, and waive any irregularities or informalities in the proposals submitted.

The Authority further reserves the right to make such investigations as it deems necessary as to the qualifications of any and all vendors submitting proposals. In the event that all proposals are rejected, the Authority reserves the right to resolicit proposals.

8.0 ADDITIONAL TERMS AND CONDITIONS

These additional terms and conditions are required by law as indicated herein. The below forms are hyperlinked in the following RFP Checklist and can be downloaded from the Department of the Treasury website at: <http://www.state.nj.us/treasury/purchase/forms.shtml>.

All statutes, regulations, and Executive Orders can be accessed online by visiting the NJ State Library's website at: https://www.njstatelib.org/research_library/legal_resources/.

8.1 Equal Employment Requirements and Anti-Discrimination Policy

Vendors and bidders are required to comply with the requirements of *N.J.S.A. 10:5-31 et seq.* and *N.J.A.C. 17:27 et seq.* and the terms set forth in **EXHIBITS B-1 and B-2**.

8.2 Ownership Disclosure

The Ownership Disclosure addresses the requirements of *N.J.S.A. 52:25-24.2*, for any contract or service agreement.

8.3 Disclosure of Investigations and Other Actions Involving Vendor

This form requires that the vendor/bidder list all officers and directors and to disclose certain information regarding the individuals.

8.4 Disclosure of Investment Activities in Iran

Pursuant to *N.J.S.A. 52:32-58*, vendors must certify that neither the bidder, nor any of its parents, subsidiaries, and/or affiliates (as defined in *N.J.S.A. 52:32 – 56(e)(3)*), is listed on the Department of the Treasury's List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither is involved in any of the investment activities set forth in *N.J.S.A. 52:32 – 56(f)*. If the bidder is unable to so certify, the bidder shall provide a detailed and precise description of such activities.

8.5 Affirmative Action Compliance

N.J.S.A. 10:5-31 to -34 and *N.J.A.C. 17:27.3.1 et seq.* addresses Affirmative Action Compliance. The vendor/bidder must submit to the Authority one of the following three documents:

- New Jersey Certificate of Employee Information Report
- Federal Letter of Approval Verifying a Federally Approved or Sanctioned Affirmative Action Program (dated within one (1) year of submission)
- Affirmative Action Employee Information Report (AA-302)

8.6 Two-Year Chapter 51 and Executive Order No. 117 Certification and Disclosure of Political Contributions

Pursuant to P.L. 2005, c. 51 ("Chapter 51") and Executive Order No. 117 (Corzine 2008) ("Executive Order 117"), State departments, agencies and independent authorities, such as the Authority, are precluded from awarding contracts exceeding \$17,500 to vendors who make certain political contributions on and after October 15, 2004, to avoid any appearance that the selection of contracts is based on the

contractors' political contributions. The vendor(s) selected pursuant to this RFP shall be required to maintain compliance with Chapter 51 and Executive Order 117 during the term of its engagement.

If your firm has questions regarding the requirements of P.L. 2005, c. 51/Executive Order No. 117, please contact Rebecca Clark, Associate Project Manager at 609-987-0880.

8.7 Disclosure Requirement of P.L. 2005, c. 271.

Pursuant to P.L. 2005, c. 271 ("Chapter 271"), at least ten (10) days prior to entering into any agreement or contract with a value over \$17,500 with the Authority, business entities are required to submit a disclosure of certain political contributions.

Vendors are also advised of their responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC) pursuant to *N.J.S.A.* 19:44A-20.13 (P.L. 2005, c. 271, Section 3) if your firm receives contracts with public entities, such as the Authority, in excess of \$50,000 or more in the aggregate in a calendar year. It is the vendor's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or www.elec.state.nj.us.

8.8 New Jersey Business Registration

Pursuant to *N.J.S.A.* 52:32-44, the Authority is prohibited from entering into a contract with any entity providing goods or services to the Authority unless the bidder/vendor/contractor has a valid New Jersey Business Registration Certificate (or interim registration) on file with the Division of Revenue and Enterprise Services within the New Jersey Department of the Treasury.

Pursuant to *N.J.S.A.* 54:49-4.1, a business organization that fails to provide a copy of a business registration as required, or that provides false business registration information, shall be liable for a penalty of \$25 for each day of violation, not to exceed \$50,000, for each proof of business registration not properly provided under a contract with a contracting agency.

To verify the registration status of your business and obtain a Business Registration Certificate visit the Division of Revenue website at: https://www1.state.nj.us/TYTR_BRC/jsp/BRCLoginJsp.jsp. If your firm is not already registered with the New Jersey Division of Revenue, the form should be completed online at the Division of Revenue website at: www.state.nj.us/treasury/revenue/index.html.

8.9 Source Disclosure

In accordance with Executive Order 129 (McGreevey 2004) and *N.J.S.A.* 52:34-13.2 (P.L. 2005, c.92), all services performed pursuant to this RFP shall be performed within the United States.

8.10 New Jersey Conflicts of Interest Law

The New Jersey Conflicts of Interest Law, *N.J.S.A. 52:13D-12 et seq.* and Executive Order 189 (Kean, 1988), prohibit certain actions by persons or entities which provide goods or services to any State Agency.

8.11 Obligation to Maintain Records

The firm shall maintain all records for products and/or services delivered against the contract for a period of five (5) years from the date of final payment under the RFP unless otherwise specified in the RFP. Such records shall be made available to the Authority for audit and review upon request.

8.12 Set-off for State Taxes

Pursuant to *N.J.S.A. 54:49-19 et seq.* (P.L. 1995, c159), and notwithstanding the provision of any other law to the contrary, whenever any taxpayer, partnership or S corporation under contract to provide goods or services or construction projects to the State of New Jersey or its agencies or instrumentalities, including the legislative and judicial branches of State government, is entitled to payment for those goods or services at the same time a taxpayer, partner or shareholder of that entity is indebted for any State tax, the Director of the Division of Taxation shall seek to set off so much of that payment as shall be necessary to satisfy the indebtedness. The amount set-off shall not allow for the deduction of any expense or other deduction which might be attributable to the taxpayer, partner, or shareholder subject to set-off under this Act.

The Director of the Division of Taxation shall give notice of the set-off to the taxpayer, partner or shareholder and provide an opportunity for a hearing within thirty (30) days of such notice under the procedures for protests established under *N.J.S.A. 54:49-19*. No request for conference, protest, or subsequent appeal to the Tax Court from any protest shall stay the collection of the indebtedness.

8.13 New Jersey State W-9

No firm shall be paid unless a New Jersey State W-9 has been completed and is on file with the Authority.

8.14 State of New Jersey SBE/MBE/WBE Certification

Potential Small Business Vendors wishing to participate in the NJ State Set-Aside program may register their company with the New Jersey Division of Revenue and Enterprise Services, Small Business Enterprise Unit at: <https://www.njportal.com/DOR/SBERegistry/>

Firms that wish to become certified as a Minority and/or Women Business Enterprise may apply at: <https://www.nj.gov/njbusiness/contracting/>

8.15 NJStart Vendor Registration

It is recommended that all vendors register to use NJStart. It provides access to such information as the status of a vendor's Chapter 51 Certification, Business Registration,

Ownership Disclosure, AA/EEOC Compliance and other required forms. Vendors can visit www.njstart.gov and click on “Register” to start the process.

8.16 Diane B. Allen Equal Pay Act

Vendors and bidders are advised that pursuant to the Diane B. Allen Equal Pay Act, L. 2018, c. 9, any State Contractor providing services within the meaning of that Act is required to file the report required therein, with the New Jersey Department of Labor and Workforce Development. Information about the Act and the reporting requirement is available at: <https://nj.gov/labor/equalpay/equalpay.html>

8.17 Local, State and Federal Laws

The vendor must comply with all local, State and federal laws, rules and regulations applicable to this contract and to the services performed hereunder. All contractual arrangements shall be governed and construed and the rights and obligations of the parties hereto shall be determined in accordance with the laws of the State of New Jersey.

9.0 RFP CHECKLIST

The following RFP Checklist is to be executed by an authorized signer of your firm, and it is recommended that all required forms and documents listed therein be included and submitted with your proposal as contract award or authorization to the successful bidder is contingent upon receipt.

RFP CHECKLIST – It is recommended that all applicable and required forms and documents below be submitted simultaneously with the written proposal.		CHECK BOX IF INCLUDED	
PROPOSAL	1	Your written proposal in response to this Request for Proposals. Please Note: Written proposals that do not address all items listed in Section 5.0 above, "Required Components of the Proposal", will not be evaluated and will be rejected as non-responsive.	<input type="checkbox"/>
	2	ATTACHMENT A – List of New Jersey transactions	<input type="checkbox"/>
ATTACHMENTS/ EXHIBITS	3	ATTACHMENT B – List of higher education transactions	<input type="checkbox"/>
	4	ATTACHMENT C – IRMA exemptions	<input type="checkbox"/>
	5	EXHIBIT A - Fee Proposal to NJEFA	<input type="checkbox"/>
	6	EXHIBIT B-1 - Mandatory Equal Employment Opportunity Language – <i>Please sign to indicate acceptance and acknowledgment.</i>	<input type="checkbox"/>
	7	EXHIBIT B-2 – State Policy Prohibiting Discrimination in the Workplace EXHIBIT B-3 – Acknowledgment of Receipt	<input type="checkbox"/>
DIVISION OF PURCHASE & PROPERTY FORMS	8	<u>Ownership Disclosure Form</u>	<input type="checkbox"/>
	9	<u>Disclosure of Investigations and Other Actions Involving Vendor</u>	<input type="checkbox"/>
	10	<u>Disclosure of Investment Activities in Iran</u>	<input type="checkbox"/>
	11	Affirmative Action Compliance (submit one of the following)	
		a. New Jersey Certificate of Employee Information Report	<input type="checkbox"/>
		b. Federal Letter of Approval Verifying a Federally Approved or Sanctioned Affirmative Action Program (dated within one (1) year of submission of Proposal)	<input type="checkbox"/>
		c. <u>Affirmative Action Employee Information Report (AA-302)</u>	<input type="checkbox"/>
	12	<u>Disclosure of Political Contributions</u> <u>Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions</u>	<input type="checkbox"/>
	13	<u>Chapter 271 Vendor Certification and Political Disclosure Form</u>	<input type="checkbox"/>
	14	<u>Proof of New Jersey Business Registration</u>	<input type="checkbox"/>
15	<u>Source Disclosure Form</u>	<input type="checkbox"/>	
16	Small, Minority and/or Women-Owned Business Enterprise Certification or Documentation (if applicable)	<input type="checkbox"/>	

I hereby agree to the Additional Terms and Conditions set forth in Section 8.0 above and understand that all applicable and required documents and forms listed in this RFP Checklist must be provided to the Authority prior to contract award or authorization.

Firm Name: _____

Submitted By: _____

Signature: _____

Title: _____

Date: _____

ATTACHMENT A
List of New Jersey transactions

ATTACHMENT B

List of higher education transactions

ATTACHMENT C

IRMA exemptions

Senior Manager Pool

- Bank of America Merrill Lynch
- Barclays Capital, Inc.
- Citigroup Global Markets Inc.
- D.A. Davidson & Co.
- Goldman, Sachs & Co.
- Janney Montgomery Scott LLC
- Jefferies LLC
- J.P. Morgan Securities LLC
- Morgan Stanley & Co. LLC
- Ramirez & Co., Inc.
- Raymond James & Associates, Inc.
- RBC Capital Markets, LLC
- Siebert Cisneros Shank & Co., LLC
- Stifel, Nicolaus & Company, Incorporated
- UBS Financial Services Inc.
- Wells Fargo Bank, N.A.

Co-Manager Pool

- Academy Securities, Inc.
- BNY Mellon Capital Markets, LLC
- FTN Financial Capital Markets
- Drexel Hamilton LLC
- Fidelity Capital Markets
- Loop Capital Markets LLC
- M&T Securities, Inc.
- PNC Capital Markets LLC
- Rice Securities, LLC
- Stern Brothers & Co.
- TD Securities (USA) LLC
- The Williams Capital Group, L.P.

EXHIBIT A

Request for Proposals for Services as an Independent Registered Municipal Advisor

Issue Date: March 14, 2019

FEE PROPOSAL TO NJEFA

Please list the blended hourly rate which you would expect to charge for any individual listed in the Firm's staffing plan who would be responsible for providing assistance in accordance with the RFP's scope of services. In making the appointment, strong consideration will be given by the Authority to the respective price quotations submitted. As identified in Section 7.0 of the RFP, the Authority reserves the right to establish a fee schedule that is acceptable to the vendor selected and to the Authority and to negotiate fees as deemed in the best interests of the Authority.

I. Blended hourly rate for all professional services:

\$ _____

II. Hourly rate for each professional listed in staffing plan:

Lead Advisor:

\$ _____

Advisor:

\$ _____

Quantitative and Transaction Support:

\$ _____

Other:

\$ _____

EXHIBIT B-1

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE

N.J.S.A. 10:5-31 et seq. (P.L. 1975, C. 127)

N.J.A.C. 17:27

GOODS, PROFESSIONAL SERVICE AND GENERAL SERVICE CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor, where applicable, will send to each labor union or representative or workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to *N.J.S.A. 10:5-31 et seq.*, as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to employ minority and women workers consistent with the applicable county employment goals established in accordance with *N.J.A.C. 17:27-5.2*, or a binding determination of the applicable county employment goals determined by the Division, pursuant to *N.J.A.C. 17:27-5.2*.

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the applicable employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval

Certificate of Employee Information Report

Employee Information Report Form AA302

The contractor and its subcontractors shall furnish such reports or other documents to the Div. of Contract Compliance & EEO as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Div. of Contract Compliance & EEO for conducting a compliance investigation pursuant to **Subchapter 10 of the Administrative Code at N.J.A.C. 17:27.**

Firm Name: _____

Submitted By: _____

Signature: _____

Title: _____

Date: _____

EXHIBIT B-2

NEW JERSEY STATE

POLICY PROHIBITING DISCRIMINATION IN THE WORKPLACE

I. POLICY

a. Protected Categories

The State of New Jersey is committed to providing every State employee and prospective State employee with a work environment free from prohibited discrimination or harassment. Under this policy, forms of employment discrimination or harassment based upon the following protected categories are prohibited and will not be tolerated: race, creed, color, national origin, nationality, ancestry, age, sex/gender (including pregnancy), marital status, civil union status, domestic partnership status, familial status, religion, affectional or sexual orientation, gender identity or expression, atypical hereditary cellular or blood trait, genetic information, liability for service in the Armed Forces of the United States, or disability.

To achieve the goal of maintaining a work environment free from discrimination and harassment, the State of New Jersey strictly prohibits the conduct that is described in this policy. This is a zero-tolerance policy. This means that the state and its agencies reserve the right to take either disciplinary action, if appropriate, or other corrective action, to address any unacceptable conduct that violates this policy, regardless of whether the conduct satisfies the legal definition of discrimination or harassment.

b. Applicability

Prohibited discrimination/harassment undermines the integrity of the employment relationship, compromises equal employment opportunity, debilitates morale and interferes with work productivity. Thus, this policy applies to all employees and applicants for employment in State departments, commissions, State colleges or universities, agencies, and authorities (hereafter referred to in this section as "State agencies" or "State agency"). The State of New Jersey will not tolerate harassment or discrimination by anyone in the workplace including supervisors, co-workers, or persons doing business with the State. This policy also applies to both conduct that occurs in the workplace and conduct that occurs at any location which can be reasonably regarded as an extension of the workplace (any field location, any off-site business-related social function, or any facility where State business is being conducted and discussed).

This policy also applies to third party harassment. Third party harassment is unwelcome behavior involving any of the protected categories referred to in (a) above that is not directed at an individual but exists in the workplace and interferes with an individual's ability to do his or her job. Third party harassment based upon any of the aforementioned

protected categories is prohibited by this policy.

II. PROHIBITED CONDUCT

a. Defined

It is a violation of this policy to engage in any employment practice or procedure that treats an individual less favorably based upon any of the protected categories referred to in I (a) above. This policy pertains to all employment practices such as recruitment, selection, hiring, training, promotion, transfer, assignment, layoff, return from layoff, termination, demotion, discipline, compensation, fringe benefits, working conditions and career development.

It is also a violation of this policy to use derogatory or demeaning references regarding a person's race, gender, age, religion, disability, affectional or sexual orientation, ethnic background, or any other protected category set forth in I(a) above. A violation of this policy can occur even if there was no intent on the part of an individual to harass or demean another.

Examples of behaviors that may constitute a violation of this policy include, but are not limited to:

- Discriminating against an individual with regard to terms and conditions of employment because of being in one or more of the protected categories referred to in I(a) above;
- Treating an individual differently because of the individual's race, color, national origin or other protected category, or because an individual has the physical, cultural or linguistic characteristics of a racial, religious, or other protected category;
- Treating an individual differently because of marriage to, civil union to, domestic partnership with, or association with persons of a racial, religious or other protected category; or due to the individual's membership in or association with an organization identified with the interests of a certain racial, religious or other protected category; or because an individual's name, domestic partner's name, or spouse's name is associated with a certain racial, religious or other protected category;
- Calling an individual by an unwanted nickname that refers to one or more of the above protected categories, or telling jokes pertaining to one or more protected categories;
- Using derogatory references with regard to any of the protected categories in any communication;

- Engaging in threatening, intimidating, or hostile acts toward another individual in the workplace because that individual belongs to, or is associated with, any of the protected categories; or
- Displaying or distributing material (including electronic communications) in the workplace that contains derogatory or demeaning language or images pertaining to any of the protected categories.

b. Sexual Harassment

It is a violation of this policy to engage in sexual (or gender-based) harassment of any kind, including hostile work environment harassment, quid pro quo harassment, or same-sex harassment. For the purposes of this policy, sexual harassment is defined, as in the Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when, for example:

- Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Examples of prohibited behaviors that may constitute sexual harassment and are therefore a violation of this policy include, but are not limited to:

- Generalized gender-based remarks and comments;
- Unwanted physical contact such as intentional touching, grabbing, pinching, brushing against another's body or impeding or blocking movement;
- Verbal, written or electronic sexually suggestive or obscene comments, jokes or propositions including letters, notes, e-mail, text messages, invitations, gestures or inappropriate comments about a person's clothing;
- Visual contact, such as leering or staring at another's body; gesturing; displaying sexually suggestive objects, cartoons, posters, magazines or pictures of scantily-clad individuals; or displaying sexually suggestive material on a bulletin board, on a locker room wall, or on a screen saver;

- Explicit or implicit suggestions of sex by a supervisor or manager in return for a favorable employment action such as hiring, compensation, promotion, or retention;
- Suggesting or implying that failure to accept a request for a date or sex would result in an adverse employment consequence with respect to any employment practice such as performance evaluation or promotional opportunity; or
- Continuing to engage in certain behaviors of a sexual nature after an objection has been raised by the target of such inappropriate behavior.

III. EMPLOYEE RESPONSIBILITIES

Any employee who believes that she or he has been subjected to any form of prohibited discrimination/harassment, or who witnesses others being subjected to such discrimination/harassment is encouraged to promptly report the incident(s) to a supervisor or directly to the State agency's Equal Employment Opportunity/Affirmative Action Officer or to any other persons designated by the State agency to receive workplace discrimination complaints.

All employees are expected to cooperate with investigations undertaken pursuant to VI below. Failure to cooperate in an investigation may result in administrative and/or disciplinary action, up to and including termination of employment.

IV. SUPERVISOR RESPONSIBILITIES

Supervisors shall make every effort to maintain a work environment that is free from any form of prohibited discrimination/harassment. Supervisors shall immediately refer allegations of prohibited discrimination/harassment to the State agency's Equal Employment Opportunity/Affirmative Action Officer, or any other individual designated by the State agency to receive complaints of workplace discrimination/harassment. A supervisor's failure to comply with these requirements may result in administrative and/or disciplinary action, up to and including termination of employment. For purposes of this section and in the State of New Jersey Model Procedures for Processing Internal Complaints Alleging Discrimination in the Workplace (Model Procedures), a supervisor is defined broadly to include any manager or other individual who has authority to control the work environment of any other staff member (for example, a project leader).

V. DISSEMINATION

Each State agency shall annually distribute the policy described in this section, or a summarized notice of it, to all of its employees, including part-time and seasonal employees. The policy, or summarized notice of it, shall also be posted in conspicuous

locations throughout the buildings and grounds of each State agency (that is, on bulletin boards or on the State agency's intranet site). The Department of the Treasury shall distribute the policy to State-wide vendors/contractors, whereas each State agency shall distribute the policy to vendors/contractors with whom the State agency has a direct relationship.

VI. COMPLAINT PROCESS

Each State agency shall follow the Model Procedures with regard to reporting, investigating, and where appropriate, remediating claims of discrimination/harassment. See N.J.A.C. 4A:7-3.2. Each State agency is responsible for designating an individual or individuals to receive complaints of discrimination/harassment, investigating such complaints, and recommending appropriate remediation of such complaints. In addition to the Equal Employment Opportunity/Affirmative Action Officer, each State agency shall designate an alternate person to receive claims of discrimination/harassment.

All investigations of discrimination/harassment claims shall be conducted in a way that respects, to the extent possible, the privacy of all the persons involved. The investigations shall be conducted in a prompt, thorough and impartial manner. The results of the investigation shall be forwarded to the respective State agency head to make a final decision as to whether a violation of the policy has been substantiated.

Where a violation of this policy is found to have occurred, the State agency shall take prompt and appropriate remedial action to stop the behavior and deter its reoccurrence. The State agency shall also have the authority to take prompt and appropriate remedial action, such as moving two employees apart, before a final determination has been made regarding whether a violation of this policy has occurred.

The remedial action taken may include counseling, training, intervention, mediation, and/or the initiation of disciplinary action up to and including termination of employment.

Each State agency shall maintain a written record of the discrimination/harassment complaints received. Written records shall be maintained as confidential records to the extent practicable and appropriate.

VII. PROHIBITION AGAINST RETALIATION

Retaliation against any employee who alleges that she or he was the victim of discrimination/harassment, provides information in the course of an investigation into claims of discrimination/harassment in the workplace, or opposes a discriminatory practice, is prohibited by this policy. No employee bringing a complaint, providing information for an investigation, or testifying in any proceeding under this policy shall be subjected to adverse employment consequences based upon such involvement or be the subject of other retaliation.

Following are examples of prohibited actions taken against an employee because the employee has engaged in activity protected by this subsection:

- Termination of an employee;
- Failing to promote an employee;
- Altering an employee's work assignment for reasons other than legitimate business reasons;
- Imposing or threatening to impose disciplinary action on an employee for reasons other than legitimate business reasons; or
- Ostracizing an employee (for example, excluding an employee from an activity or privilege offered or provided to all other employees)

VIII. FALSE ACCUSATIONS AND INFORMATION

An employee who knowingly makes a false accusation of prohibited discrimination/harassment or knowingly provides false information in the course of an investigation of a complaint, may be subjected to administrative and/or disciplinary action, up to and including termination of employment. Complaints made in good faith, however, even if found to be unsubstantiated, shall not be considered a false accusation.

IX. CONFIDENTIALITY

All complaints and investigations shall be handled, to the extent possible, in a manner that will protect the privacy interests of those involved. To the extent practical and appropriate under the circumstances, confidentiality shall be maintained throughout the investigatory process. In the course of an investigation, it may be necessary to discuss the claims with the person(s) against whom the complaint was filed and other persons who may have relevant knowledge or who have a legitimate need to know about the matter. All persons interviewed, including witnesses, shall be directed not to discuss any aspect of the investigation with others in light of the important privacy interests of all concerned. Failure to comply with this confidentiality directive may result in administrative and/or disciplinary action, up to and including termination of employment.

X. ADMINISTRATIVE AND/OR DISCIPLINARY ACTION

Any employee found to have violated any portion or portions of this policy may be subject to appropriate administrative and/or disciplinary action which may include, but which shall not be limited to: referral for training, referral for counseling, written or verbal reprimand, suspension, reassignment, demotion or termination of employment. Referral to another appropriate authority for review for possible violation of State and Federal statutes may also be appropriate.

XI. TRAINING

All State agencies shall provide all new employees with training on the policy and procedures set forth in this section within a reasonable period of time after each new employee's appointment date. Refresher training shall be provided to all employees, including supervisors, within a reasonable period of time. All State agencies shall also provide supervisors with training on a regular basis regarding their obligations and duties under the policy and regarding procedures set forth in this section.

Issued: December 16, 1999

Revised: June 3, 2005

Revised: September 5, 2013 See N.J.A.C.
4A:7-3.1

EXHIBIT B-3

VENDOR ACKNOWLEDGMENT OF RECEIPT

New Jersey Educational Facilities Authority is committed to establishing and maintaining a workplace environment that is free from discrimination or harassment.

Attached for your review is the New Jersey State Policy Prohibiting Discrimination in the Workplace, which must be distributed to all vendors/contractors with whom New Jersey Educational Facilities Authority has a direct relationship.

Please sign and return this Acknowledgment of Receipt to confirm you have received a copy of the New Jersey State Policy Prohibiting Discrimination in the Workplace.

Vendor Name: _____

Submitted By: _____

Signature: _____

Title: _____

Date: _____



103 College Road East • Princeton, New Jersey 08540
 phone 609-987-0880 • fax 609-987-0850 • www.nj.gov/njefa

Date: April 23, 2019

To: Members of the Authority

Issue: Selection of a Bidding Agent

Below please find the procurement procedures that were undertaken with respect to the selection of a Bidding Agent and staff's recommendations with respect thereto.

Bidding Agent

On March 14, 2019, the staff of the New Jersey Educational Facilities Authority (the "Authority") distributed a Request for Proposals ("RFP") for Bidding Agent Services to a distribution list of fifteen (15) firms and posted the RFP on the Authority's and the State of New Jersey's website. The Authority received a total of eight (8) responses from firms seeking appointment as the Authority's Bidding Agent.

The Authority formed an Evaluation Committee in accordance with Paragraph 13 of Executive Order 37 (2006) consisting of the Authority's Project Manager and the Authority's Associate Project Manager. The Evaluation Committee reviewed the responses on the basis of factors outlined in EO 26 and EO 37, which included firm's qualifications and experience, expertise, price, and personnel dedicated to the role. The responsive firms and their respective scores may be found below:

Firm	<u>Evaluator #1</u>	<u>Evaluator #2</u>	<u>All Evaluators</u>	<u>Final Ranking</u>	<u>Proposed Fee</u>
Acacia Financial Group	92.96	89.96	182.92	2	\$7,500
Blue Rose Capital Advisors	91.82	71.82	163.64	7	\$4,500
BLX Group	99.09	98.59	197.68	1	\$5,000
Causey Demgen & Moore	93.00	86.50	179.50	3	\$3,000
Hilltop Securities	90.09	85.09	175.18	5	\$5,000
NW Financial Group	86.27	74.27	160.54	8	\$3,500
PFM Financial Advisors	93.07	82.57	175.64	4	\$15,000
Phoenix Advisors	89.2	78.7	167.90	6	\$12,500

Recommendation: BLX Group LLC

The Authority's staff involvement in the procurement processes related to the above referenced professionals was completed as of the 12th day of April 2019.

By: 
Eric D. Brophy, Esq.
Executive Director

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
APPROVING THE APPOINTMENT OF A BIDDING AGENT**

Adopted: April 23, 2019

- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") was duly created and now exists under the New Jersey Educational Facilities Authority Law, Public Laws of 1967, Chapter 271, *N.J.S.A.* 18A:72A-1 et seq., as amended (the "Act") for the purpose of issuing its obligations to obtain funds to finance eligible educational facilities as such may be required for the purposes of public and private institutions of higher education, private colleges and public libraries, and to sell such obligations at public or private sale at a price or prices and in a manner as the Authority shall determine; and
- WHEREAS:** The policies and procedures of the Authority with regard to the selection of professionals are governed, *inter alia*, by Executive Order No. 26 (Whitman) ("EO 26") which took effect on January 1, 1995 and which supersedes Executive Orders No. 79 and 92 and Executive Order No. 37 (Corzine) ("EO 37") which took effect on November 25, 2006; and
- WHEREAS:** The staff of the Authority distributed a Request for Proposals for Bidding Agent Services dated March 14, 2019 (the "RFP") which is attached hereto as Exhibit A to fifteen (15) firms and posted the RFP on the Authority's and the State of New Jersey's websites; and
- WHEREAS:** The Authority received responses from eight (8) firms (the "Responses"); and
- WHEREAS:** The Authority formed an Evaluation Committee consisting of the Authority's Project Manager and Associate Project Manager in accordance with Paragraph 13 of EO 37; and
- WHEREAS:** The Evaluation Committee reviewed the Responses on the basis of factors outlined in EO 26 and EO 37, including qualifications and experience, expertise, price, and personnel dedicated to the role; and
- WHEREAS:** The Authority has determined that it would be in the best interests of the Authority to appoint BLX Group LLC as the Authority's Bidding Agent for a period of twenty-four (24) months with two (2) additional successive twelve (12) month period extensions at the discretion of the Authority, commencing on the effective date of this Resolution, unless terminated earlier in the sole discretion of the Authority.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY THAT:

SECTION 1. The Authority hereby authorizes the engagement of BLX Group LLC to serve as the Authority's Bidding Agent for a period of twenty-four (24) months with two (2) additional successive twelve (12) month period extensions at the discretion of the Authority, commencing on the effective date of this Resolution and subject to the terms and conditions set forth in this Resolution, unless terminated earlier in the sole discretion of the Authority.

SECTION 2. The Authority hereby authorizes the Executive Director, Deputy Executive Director and Director of Project Management, including any of the foregoing authorized officers serving in an interim or acting capacity, to take and do any and all acts and things as may be necessary or desirable in connection with the engagement of BLX Group LLC as the Authority's Bidding Agent.

SECTION 3. This Resolution shall take effect in accordance with the Act.

____ Mr. Rodriguez ____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ____ Ms. Bethea ____ and upon roll call the following members voted:

AYE: Ridgeley Hutchinson
Louis Rodriguez
Zakiya Smith Ellis (represented by Angela Bethea)
Elizabeth Maher Muoio (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes

The Vice Chair thereupon declared said motion carried and said resolution adopted.

EXHIBIT A

REQUEST FOR PROPOSALS

New Jersey Educational Facilities Authority

REQUEST FOR PROPOSALS

FOR BIDDING AGENT SERVICES



103 College Road East, 2nd Floor
Princeton, NJ 08540

Issue Date: March 14, 2019

Deadline for Questions/Inquiries: March 19, 2019

Proposals Due: March 27, 2019 3:00 PM EDT

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

REQUEST FOR PROPOSALS FOR

BIDDING AGENT SERVICES

Issue Date: March 14, 2019

1.0 BACKGROUND OF THE AUTHORITY

The New Jersey Educational Facilities Authority (“NJEFA” or “Authority”), an independent and self-supporting state entity, was created as a public body corporate and politic of the State of New Jersey (the “State”) pursuant to the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented), *N.J.S.A. 18A:72A-1 et seq.* (the “Act”), to provide a means for New Jersey public and private colleges and universities of higher education (the “Institutions”) to construct educational facilities through the financial resources of a public authority empowered to sell tax-exempt and taxable bonds, notes and other obligations. NJEFA is New Jersey’s primary issuer of municipal bonds to finance and refinance the construction and development of academic facilities at the Institutions.

The Authority finances and refinances various types of projects for Institutions of higher education in New Jersey. Projects include, but are not limited to, the construction, renovation and acquisition of residential, academic, and research facilities; libraries; technology infrastructures; student life and athletic facilities; parking structures; energy and utilities-related projects; and refinancing of existing debt. The Authority also, from time to time, issues State-backed bonds to fund the State of New Jersey’s Higher Education Capital Grant Programs and public library facilities.

The obligations issued by the Authority are special and limited obligations of the Authority and are not a debt or liability of the State of New Jersey or of any political subdivision thereof other than the Authority, and are not a pledge of the faith and credit of the State or of any such political subdivision thereof. The Authority has no taxing power. The obligations issued by the Authority are payable solely from amounts received by the Authority under the transaction documents and amounts on deposit in certain funds established under the transaction documents. The Authority’s State-backed bond programs for higher education and public library facilities provide that debt service will be paid by the State Treasurer pursuant to a contract between the Authority and the State Treasurer, subject to annual appropriation by the New Jersey State Legislature.

This solicitation of responses is being conducted pursuant to State laws, regulations and executive orders, specifically Executive Order No. 26 (Whitman, 1994) (“EO 26”) and Executive Order No. 37 (Corzine, 2006) (“EO 37”), and the policies and procedures of the Authority with regard to the procurement of professional services.

2.0 PURPOSE AND INTENT OF REQUEST FOR PROPOSALS

The Authority wishes to engage a firm to act as Bidding Agent for the purchase of Open Market Securities (“OMS”) on certain Authority transactions to optimize escrow earnings or in the event of closure of the State and Local Government Securities (“SLGS”) window.

This RFP is being distributed to firms to provide services for a twenty-four (24) month period with two (2) additional successive twelve (12) month periods at the Authority’s discretion.

3.0 SCOPE OF SERVICES

The firm selected for this engagement shall provide some or all of the services identified below at the request of the Authority:

- 3.1** Prepare term sheet(s) and requests for proposals and all other necessary documentation related to the bid for OMS;
- 3.2** Coordinate the acceptance of bids and the award to the winning bidder;
- 3.3** Coordinate as necessary with the transaction team to ensure that the necessary documents and legal opinions are distributed and executed;
- 3.4** Coordinate as necessary with the transaction team to ensure that the necessary information concerning the Refunded Bonds and OMS is accurately and completely transmitted and included in the verification reports;
- 3.5** Deliver documentation to the Authority including but not limited to bid summaries, summaries of winning bid portfolios, evidence of all trades such as trade confirmations/tickets, all appropriate fairness letters or opinions including without limitation certifications of the Bidding Agent that the bidding process was conducted in accordance with IRS regulations and other applicable provisions of law related to each OMS bid, addressed to the Authority and the borrower Institution; and,
- 3.6** Such other assistance as requested by the Authority.

Note: Documentation

All bond financing documents and contractual arrangements will be governed by New Jersey law and the form and substance of any agreements must be satisfactory to both Bond Counsel and the Office of the Attorney General.

4.0 REQUIRED COMPONENTS OF THE FIRM'S PROPOSAL IN RESPONSE TO THE REQUEST FOR PROPOSALS

Each firm submitting a proposal must follow the instructions contained in this RFP. Proposals must be in writing, should be completed in the most concise manner possible, and must contain all of the information requested in the order and format requested. All terms and conditions set forth in this RFP will be deemed to be incorporated by reference in their entirety into any proposal submitted by each firm.

In responding to this RFP, please address the following areas:

- 4.1 Please include the addresses, telephone numbers, and email addresses, for those individuals who will be directly responsible for serving the Authority on a day-to-day basis and the individual who will lead the assignments if selected. Please also provide brief resumes including relevant experience for those individuals.
- 4.2 Describe the bidding process on the day of pricing. Include in your description how your firm coordinates the acceptance of bids and how your firm proposes to inform the Authority of bids received.
- 4.3 Your firm's experience and presence within the State of New Jersey, with an indication of the location of any offices and number of employees in the State.
- 4.4 Three (3) separate references from entities for which your firm has served as Bidding Agent.
- 4.5 Provide the names of all clients who have terminated your firm's services in the last three (3) years. In each case, detail the reason for termination.
- 4.6 **Proposed Fees**
Submit your Fee Proposal on the attached **EXHIBIT A**. Proposed fees as stated in the completed **EXHIBIT A** shall remain in effect for the duration of the term of the contract. The Authority reserves the right to negotiate final fees with the firm selected to provide services.

Please note that fees for services will only be rendered in connection with a completed transaction. Any transaction to purchase OMS, which has commenced, may be stopped at any time prior to its completion.

The Authority places significant reliance on fee proposals and fee caps. Any deviation from the fee cap established for a transaction based on the scope of services described in this RFP for a specific matter will be considered by the Authority only as the result of a material or unforeseeable substantial change in the structure or circumstances of the transaction. The Authority expects to be consulted promptly if you feel that the most recent fee cap that you have provided is no longer accurate. A request for a proposed fee cap increase must be in writing to the Authority and the rates to be charged

for actual services rendered must be set forth in a schedule of billing rates as provided for in this RFP response.

4.7 Litigation

Describe any pending, concluded or threatened litigation and/or investigations, administrative proceedings or federal or state investigations or audits, subpoenas or other information requests of or involving your firm or the owners, principals or employees which might materially affect your ability to serve the Authority. Describe the nature and status of the matter and the resolution, if any.

4.8 Conflicts of Interest

Describe any actual or potential conflicts of interest that might arise if your firm is selected to serve as Bidding Agent to the Authority taking into consideration both the Authority and its college and university clients.

4.9 Required Documents and Forms

In addition to all required components of the Proposal as listed above, all documents and forms listed in the RFP Checklist referenced below must be timely submitted in order for your proposal to be considered responsive to this RFP.

5.0 SUBMISSION OF THE PROPOSAL

Proposals must be limited to **five (5) pages** not including materials in the Appendices.

In order to be considered for appointment, your firm must email a PDF of your proposal to Steven Nelson, Director of Project Management, at Procurement@njefa.nj.gov by no later than **3:00 PM EDT on Wednesday, March 27, 2019**.

Proposals received after **3:00 PM EDT on March 27, 2019** will not be considered. Please note that the Authority's office hours are Monday through Friday between 9:00 am and 5:00 pm.

No firm submitting a proposal may make any inquiries concerning this RFP, except as expressly set forth herein, to any other NJEFA or Institution employee, Board member, or other state official until final selections have been determined. All inquiries related to this RFP must be received by **Tuesday, March 19, 2019** and directed in writing via email or fax to:

Steven Nelson, Director of Project Management
Email: Procurement@njefa.nj.gov
Facsimile: (609) 987-0850

If the Authority determines that any answers to such inquiries should be provided to all potential bidders, the answers will be posted on the Authority's website at www.njefa.nj.gov on or about **March 20, 2019**. It is your responsibility to check the Authority's website for any updates. All answers to inquiries or addenda shall be incorporated into and made part of this RFP.

The Authority assumes no responsibility and bears no liability for costs incurred in the preparation and submission of a proposal, or attendance of interviews, if any, in response to this RFP. The Authority assumes no responsibility and bears no liability for the disclosure of any information or material received in connection with this solicitation, whether by negligence or otherwise.

All documents and information submitted in response to this RFP will become property of the Authority and shall be open to inspection by members of the general public in accordance with the Open Public Records Act, *N.J.S.A. 47:1A et seq.* once the selection process is complete.

6.0 SELECTION PROCESS

In accordance with EO 37, the factors used to evaluate responsive proposals shall include, but are not limited to:

- The background, qualifications, skills and experience of the vendor and its staff;
- The vendor's degree of expertise;
- The rates or fees to be charged by the vendor;
- The Authority's prior experience with the vendor;
- The vendor's familiarity with the work, requirements, and systems of the Authority;
- The vendor's capacity to meet the requirements listed in the Scope of Services;
- The vendor's references; and,
- Geographical location of the vendor's offices.

All proposals will be reviewed to determine responsiveness. Non-responsive proposals will be rejected without evaluation. Responsive proposals will be reviewed and scored by an evaluation committee pursuant to the grading scale it creates and a recommendation for appointment will be made to the Authority's Board. The Authority reserves the right to request clarifying information subsequent to the submission of the proposal if necessary.

In making the appointment, strong consideration will be given to the respective price quotations submitted. The Authority reserves the right to establish a fee schedule that is acceptable to the vendor selected and to the Authority and to negotiate fees when appropriate.

The Authority reserves the right to request additional information if necessary or to request an interview with vendor(s) in which the evaluation committee will participate. The Authority also reserves the right to reject any and all submitted proposals with or without cause and waive any irregularities or informalities in the proposals submitted.

The Authority further reserves the right to make such investigations as it deems necessary as to the qualifications of any and all vendors submitting proposals. In the event that all proposals are rejected, the Authority reserves the right to resolicit proposals.

7.0 ADDITIONAL TERMS AND CONDITIONS

These additional terms and conditions are required by law as indicated herein. The below forms are hyperlinked in the following RFP Checklist and can be downloaded from the Department of the Treasury website at: <http://www.state.nj.us/treasury/purchase/forms.shtml>.

All statutes, regulations, and Executive Orders can be accessed online by visiting the NJ State Library's website at: https://www.njstatelib.org/research_library/legal_resources/.

7.1 Equal Employment Requirements and Anti-Discrimination Policy

Vendors and bidders are required to comply with the requirements of *N.J.S.A. 10:5-31 et seq.* and *N.J.A.C. 17:27 et seq.* and the terms set forth in **EXHIBITS B-1 and B-2**.

7.2 Ownership Disclosure

The Ownership Disclosure addresses the requirements of *N.J.S.A. 52:25-24.2*, for any contract or service agreement.

7.3 Disclosure of Investigations and Other Actions Involving Vendor

This form requires that the vendor/bidder list all officers and directors and to disclose certain information regarding the individuals.

7.4 Disclosure of Investment Activities in Iran

Pursuant to *N.J.S.A. 52:32-58*, vendors must certify that neither the bidder, nor any of its parents, subsidiaries, and/or affiliates (as defined in *N.J.S.A. 52:32 – 56(e)(3)*), is listed on the Department of the Treasury's List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither is involved in any of the investment activities set forth in *N.J.S.A. 52:32 – 56(f)*. If the bidder is unable to so certify, the bidder shall provide a detailed and precise description of such activities.

7.5 Affirmative Action Compliance

N.J.S.A. 10:5-31 to -34 and *N.J.A.C. 17:27.3.1 et seq.* addresses Affirmative Action Compliance. The vendor/bidder must submit to the Authority one of the following three documents:

- New Jersey Certificate of Employee Information Report
- Federal Letter of Approval Verifying a Federally Approved or Sanctioned Affirmative Action Program (dated within one (1) year of submission)
- Affirmative Action Employee Information Report (AA-302)

7.6 Two-Year Chapter 51 and Executive Order No. 117 Certification and Disclosure of Political Contributions

Pursuant to P.L. 2005, c. 51 ("Chapter 51") and Executive Order No. 117 (Corzine 2008) ("Executive Order 117"), State departments, agencies and independent authorities, such as the Authority, are precluded from awarding contracts exceeding \$17,500 to vendors who make certain political contributions on and after October 15, 2004, to avoid any appearance that the selection of contracts is based on the

contractors' political contributions. The vendor(s) selected pursuant to this RFP shall be required to maintain compliance with Chapter 51 and Executive Order 117 during the term of its engagement.

If your firm has questions regarding the requirements of P.L. 2005, c. 51/Executive Order No. 117, please contact Rebecca Clark, Associate Project Manager at 609-987-0880.

7.7 Disclosure Requirement of P.L. 2005, c. 271:

Pursuant to P.L. 2005, c. 271 ("Chapter 271"), at least ten (10) days prior to entering into any agreement or contract with a value over \$17,500 with the Authority, business entities are required to submit a disclosure of certain political contributions.

Vendors are also advised of their responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC) pursuant to *N.J.S.A.* 19:44A-20.13 (P.L. 2005, c. 271, Section 3) if your firm receives contracts with public entities, such as the Authority, in excess of \$50,000 or more in the aggregate in a calendar year. It is the vendor's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or www.elec.state.nj.us.

7.8 New Jersey Business Registration

Pursuant to *N.J.S.A.* 52:32-44, the Authority is prohibited from entering into a contract with any entity providing goods or services to the Authority unless the bidder/vendor/contractor has a valid New Jersey Business Registration Certificate (or interim registration) on file with the Division of Revenue and Enterprise Services within the New Jersey Department of the Treasury.

Pursuant to *N.J.S.A.* 54:49-4.1, a business organization that fails to provide a copy of a business registration as required, or that provides false business registration information, shall be liable for a penalty of \$25 for each day of violation, not to exceed \$50,000, for each proof of business registration not properly provided under a contract with a contracting agency.

To verify the registration status of your business and obtain a Business Registration Certificate visit the Division of Revenue website at: https://www1.state.nj.us/TYTR_BRC/jsp/BRCLLoginJsp.jsp. If your firm is not already registered with the New Jersey Division of Revenue, the form should be completed online at the Division of Revenue website at: www.state.nj.us/treasury/revenue/index.html.

7.9 Source Disclosure

In accordance with Executive Order 129 (McGreevey 2004) and *N.J.S.A.* 52:34-13.2 (P.L. 2005, c.92), all services performed pursuant to this RFP shall be performed within the United States.

7.10 New Jersey Conflicts of Interest Law

The New Jersey Conflicts of Interest Law, *N.J.S.A. 52:13D-12 et seq.* and Executive Order 189 (Kean, 1988), prohibit certain actions by persons or entities which provide goods or services to any State Agency.

7.11 Obligation to Maintain Records

The firm shall maintain all records for products and/or services delivered against the contract for a period of five (5) years from the date of final payment under the RFP unless otherwise specified in the RFP. Such records shall be made available to the Authority for audit and review upon request.

7.12 Set-off for State Taxes

Pursuant to *N.J.S.A. 54:49-19 et seq.* (P.L. 1995, c159), and notwithstanding the provision of any other law to the contrary, whenever any taxpayer, partnership or S corporation under contract to provide goods or services or construction projects to the State of New Jersey or its agencies or instrumentalities, including the legislative and judicial branches of State government, is entitled to payment for those goods or services at the same time a taxpayer, partner or shareholder of that entity is indebted for any State tax, the Director of the Division of Taxation shall seek to set off so much of that payment as shall be necessary to satisfy the indebtedness. The amount set-off shall not allow for the deduction of any expense or other deduction which might be attributable to the taxpayer, partner, or shareholder subject to set-off under this Act.

The Director of the Division of Taxation shall give notice of the set-off to the taxpayer, partner or shareholder and provide an opportunity for a hearing within thirty (30) days of such notice under the procedures for protests established under *N.J.S.A. 54:49-19*. No request for conference, protest, or subsequent appeal to the Tax Court from any protest shall stay the collection of the indebtedness.

7.13 New Jersey State W-9

No firm shall be paid unless a New Jersey State W-9 has been completed and is on file with the Authority.

7.14 State of New Jersey SBE/MBE/WBE Certification

Potential Small Business Vendors wishing to participate in the NJ State Set-Aside program may register their company with the New Jersey Division of Revenue and Enterprise Services, Small Business Enterprise Unit at: <https://www.njportal.com/DOR/SBERegistry/>

Firms that wish to become certified as a Minority and/or Women Business Enterprise may apply at: <https://www.nj.gov/njbusiness/contracting/>

7.15 NJStart Vendor Registration

It is recommended that all vendors register to use NJStart. It provides access to such information as the status of a vendor's Chapter 51 Certification, Business Registration, Ownership Disclosure, AA/EEOC Compliance and other required forms. Vendors can visit www.njstart.gov and click on "Register" to start the process.

7.16 Diane B. Allen Equal Pay Act

Vendors and bidders are advised that pursuant to the Diane B. Allen Equal Pay Act, L. 2018, c. 9, any State Contractor providing services within the meaning of that Act is required to file the report required therein, with the New Jersey Department of Labor and Workforce Development. Information about the Act and the reporting requirement is available at: <https://nj.gov/labor/equalpay/equalpay.html>

7.17 Local, State and Federal Laws

The vendor must comply with all local, State and federal laws, rules and regulations applicable to this contract and to the services performed hereunder. All contractual arrangements shall be governed and construed and the rights and obligations of the parties hereto shall be determined in accordance with the laws of the State of New Jersey.

8.0 RFP CHECKLIST

The following RFP Checklist is to be executed by an authorized signer of your firm, and it is recommended that all required forms and documents listed therein be included and submitted with your proposal as contract award or authorization to the successful bidder is contingent upon receipt.

RFP CHECKLIST – It is recommended that all applicable and required forms and documents below be submitted simultaneously with the written proposal.		CHECK BOX IF INCLUDED	
PROPOSAL	1	Your written proposal in response to this Request for Proposals. Please Note: Written proposals that do not address all items listed in Section 4.0 above, "Required Components of the Proposal", will not be evaluated and will be rejected as non-responsive.	<input type="checkbox"/>
	2	EXHIBIT A - Fee Proposal to NJEFA	<input type="checkbox"/>
EXHIBITS	3	EXHIBIT B-1 - Mandatory Equal Employment Opportunity Language -- Please sign to indicate acceptance and acknowledgment.	<input type="checkbox"/>
	4	EXHIBIT B-2 – State Policy Prohibiting Discrimination in the Workplace	<input type="checkbox"/>
		EXHIBIT B-3 – Acknowledgment of Receipt	<input type="checkbox"/>
DIVISION OF PURCHASE & PROPERTY FORMS	5	<u>Ownership Disclosure Form</u>	<input type="checkbox"/>
	6	<u>Disclosure of Investigations and Other Actions Involving Vendor</u>	<input type="checkbox"/>
	7	<u>Disclosure of Investment Activities in Iran</u>	<input type="checkbox"/>
	8	Affirmative Action Compliance (submit one of the following)	
		a. New Jersey Certificate of Employee Information Report	<input type="checkbox"/>
		b. Federal Letter of Approval Verifying a Federally Approved or Sanctioned Affirmative Action Program (dated within one (1) year of submission of Proposal)	<input type="checkbox"/>
		c. <u>Affirmative Action Employee Information Report (AA-302)</u>	<input type="checkbox"/>
	9	<u>Disclosure of Political Contributions</u> <u>Two-Year Chapter 51/Executive Order 117 Vendor Certification and Disclosure of Political Contributions</u>	<input type="checkbox"/>
	10	<u>Chapter 271 Vendor Certification and Political Disclosure Form</u>	<input type="checkbox"/>
	11	<u>Proof of New Jersey Business Registration</u>	<input type="checkbox"/>
12	<u>Source Disclosure Form</u>	<input type="checkbox"/>	
13	<u>Small, Minority and/or Women-Owned Business Enterprise Certification or Documentation (if applicable)</u>	<input type="checkbox"/>	

I hereby agree to the Additional Terms and Conditions set forth in Section 7.0 above and understand that all applicable and required documents and forms listed in this RFP Checklist must be provided to the Authority prior to contract award or authorization.

Firm Name: _____

Submitted By: _____

Signature: _____

Title: _____

Date: _____

EXHIBIT A

Request for Proposals for Bidding Agent Services

Date Issued: March 14, 2019

FEE PROPOSAL TO NJEFA

I. Fixed Fee for the First Escrow Bid

\$ _____

II. Additional Fee for Every Bid Thereafter

\$ _____

EXHIBIT B-1

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE

N.J.S.A. 10:5-31 et seq. (P.L. 1975, C. 127)

N.J.A.C. 17:27

GOODS, PROFESSIONAL SERVICE AND GENERAL SERVICE CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor, where applicable, will send to each labor union or representative or workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to *N.J.S.A. 10:5-31 et seq.*, as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to employ minority and women workers consistent with the applicable county employment goals established in accordance with *N.J.A.C. 17:27-5.2*, or a binding determination of the applicable county employment goals determined by the Division, pursuant to *N.J.A.C. 17:27-5.2*.

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, labor unions, that it does not discriminate on the basis of age, creed, color, national origin, ancestry, marital status, affectional or sexual

orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the applicable employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval

Certificate of Employee Information Report

Employee Information Report Form AA302

The contractor and its subcontractors shall furnish such reports or other documents to the Div. of Contract Compliance & EEO as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Div. of Contract Compliance & EEO for conducting a compliance investigation pursuant to **Subchapter 10 of the Administrative Code at N.J.A.C. 17:27.**

Firm Name: _____

Submitted By: _____

Signature: _____

Title: _____

Date: _____

EXHIBIT B-2
NEW JERSEY STATE
POLICY PROHIBITING DISCRIMINATION IN THE WORKPLACE

I. POLICY

a. Protected Categories

The State of New Jersey is committed to providing every State employee and prospective State employee with a work environment free from prohibited discrimination or harassment. Under this policy, forms of employment discrimination or harassment based upon the following protected categories are prohibited and will not be tolerated: race, creed, color, national origin, nationality, ancestry, age, sex/gender (including pregnancy), marital status, civil union status, domestic partnership status, familial status, religion, affectional or sexual orientation, gender identity or expression, atypical hereditary cellular or blood trait, genetic information, liability for service in the Armed Forces of the United States, or disability.

To achieve the goal of maintaining a work environment free from discrimination and harassment, the State of New Jersey strictly prohibits the conduct that is described in this policy. This is a zero-tolerance policy. This means that the state and its agencies reserve the right to take either disciplinary action, if appropriate, or other corrective action, to address any unacceptable conduct that violates this policy, regardless of whether the conduct satisfies the legal definition of discrimination or harassment.

b. Applicability

Prohibited discrimination/harassment undermines the integrity of the employment relationship, compromises equal employment opportunity, debilitates morale and interferes with work productivity. Thus, this policy applies to all employees and applicants for employment in State departments, commissions, State colleges or universities, agencies, and authorities (hereafter referred to in this section as "State agencies" or "State agency"). The State of New Jersey will not tolerate harassment or discrimination by anyone in the workplace including supervisors, co-workers, or persons doing business with the State. This policy also applies to both conduct that occurs in the workplace and conduct that occurs at any location which can be reasonably regarded as an extension of the workplace (any field location, any off-site business-related social function, or any facility where State business is being conducted and discussed).

This policy also applies to third party harassment. Third party harassment is unwelcome behavior involving any of the protected categories referred to in (a) above that is not

directed at an individual but exists in the workplace and interferes with an individual's ability to do his or her job. Third party harassment based upon any of the aforementioned protected categories is prohibited by this policy.

II. PROHIBITED CONDUCT

a. Defined

It is a violation of this policy to engage in any employment practice or procedure that treats an individual less favorably based upon any of the protected categories referred to in I (a) above. This policy pertains to all employment practices such as recruitment, selection, hiring, training, promotion, transfer, assignment, layoff, return from layoff, termination, demotion, discipline, compensation, fringe benefits, working conditions and career development.

It is also a violation of this policy to use derogatory or demeaning references regarding a person's race, gender, age, religion, disability, affectional or sexual orientation, ethnic background, or any other protected category set forth in I(a) above. A violation of this policy can occur even if there was no intent on the part of an individual to harass or demean another.

Examples of behaviors that may constitute a violation of this policy include, but are not limited to:

- Discriminating against an individual with regard to terms and conditions of employment because of being in one or more of the protected categories referred to in I(a) above;
- Treating an individual differently because of the individual's race, color, national origin or other protected category, or because an individual has the physical, cultural or linguistic characteristics of a racial, religious, or other protected category;
- Treating an individual differently because of marriage to, civil union to, domestic partnership with, or association with persons of a racial, religious or other protected category; or due to the individual's membership in or association with an organization identified with the interests of a certain racial, religious or other protected category; or because an individual's name, domestic partner's name, or spouse's name is associated with a certain racial, religious or other protected category;
- Calling an individual by an unwanted nickname that refers to one or more of the above protected categories, or telling jokes pertaining to one or more protected categories;
- Using derogatory references with regard to any of the protected categories in any

communication;

- Engaging in threatening, intimidating, or hostile acts toward another individual in the workplace because that individual belongs to, or is associated with, any of the protected categories; or
- Displaying or distributing material (including electronic communications) in the workplace that contains derogatory or demeaning language or images pertaining to any of the protected categories.

b. Sexual Harassment

It is a violation of this policy to engage in sexual (or gender-based) harassment of any kind, including hostile work environment harassment, quid pro quo harassment, or same-sex harassment. For the purposes of this policy, sexual harassment is defined, as in the Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when, for example:

- Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Examples of prohibited behaviors that may constitute sexual harassment and are therefore a violation of this policy include, but are not limited to:

- Generalized gender-based remarks and comments;
- Unwanted physical contact such as intentional touching, grabbing, pinching, brushing against another's body or impeding or blocking movement;
- Verbal, written or electronic sexually suggestive or obscene comments, jokes or propositions including letters, notes, e-mail, text messages, invitations, gestures or inappropriate comments about a person's clothing;
- Visual contact, such as leering or staring at another's body; gesturing; displaying

sexually suggestive objects, cartoons, posters, magazines or pictures of scantily-clad individuals; or displaying sexually suggestive material on a bulletin board, on a locker room wall, or on a screen saver;

- Explicit or implicit suggestions of sex by a supervisor or manager in return for a favorable employment action such as hiring, compensation, promotion, or retention;
- Suggesting or implying that failure to accept a request for a date or sex would result in an adverse employment consequence with respect to any employment practice such as performance evaluation or promotional opportunity; or
- Continuing to engage in certain behaviors of a sexual nature after an objection has been raised by the target of such inappropriate behavior.

III. EMPLOYEE RESPONSIBILITIES

Any employee who believes that she or he has been subjected to any form of prohibited discrimination/harassment, or who witnesses others being subjected to such discrimination/harassment is encouraged to promptly report the incident(s) to a supervisor or directly to the State agency's Equal Employment Opportunity/Affirmative Action Officer or to any other persons designated by the State agency to receive workplace discrimination complaints.

All employees are expected to cooperate with investigations undertaken pursuant to VI below. Failure to cooperate in an investigation may result in administrative and/or disciplinary action, up to and including termination of employment.

IV. SUPERVISOR RESPONSIBILITIES

Supervisors shall make every effort to maintain a work environment that is free from any form of prohibited discrimination/harassment. Supervisors shall immediately refer allegations of prohibited discrimination/harassment to the State agency's Equal Employment Opportunity/Affirmative Action Officer, or any other individual designated by the State agency to receive complaints of workplace discrimination/harassment. A supervisor's failure to comply with these requirements may result in administrative and/or disciplinary action, up to and including termination of employment. For purposes of this section and in the State of New Jersey Model Procedures for Processing Internal Complaints Alleging Discrimination in the Workplace (Model Procedures), a supervisor is defined broadly to include any manager or other individual who has authority to control the work environment of any other staff member (for example, a project leader).

V. DISSEMINATION

Each State agency shall annually distribute the policy described in this section, or a summarized notice of it, to all of its employees, including part-time and seasonal employees. The policy, or summarized notice of it, shall also be posted in conspicuous locations throughout the buildings and grounds of each State agency (that is, on bulletin boards or on the State agency's intranet site). The Department of the Treasury shall distribute the policy to State-wide vendors/contractors, whereas each State agency shall distribute the policy to vendors/contractors with whom the State agency has a direct relationship.

VI. COMPLAINT PROCESS

Each State agency shall follow the Model Procedures with regard to reporting, investigating, and where appropriate, remediating claims of discrimination/harassment. See N.J.A.C. 4A:7-3.2. Each State agency is responsible for designating an individual or individuals to receive complaints of discrimination/harassment, investigating such complaints, and recommending appropriate remediation of such complaints. In addition to the Equal Employment Opportunity/Affirmative Action Officer, each State agency shall designate an alternate person to receive claims of discrimination/harassment.

All investigations of discrimination/harassment claims shall be conducted in a way that respects, to the extent possible, the privacy of all the persons involved. The investigations shall be conducted in a prompt, thorough and impartial manner. The results of the investigation shall be forwarded to the respective State agency head to make a final decision as to whether a violation of the policy has been substantiated.

Where a violation of this policy is found to have occurred, the State agency shall take prompt and appropriate remedial action to stop the behavior and deter its reoccurrence. The State agency shall also have the authority to take prompt and appropriate remedial action, such as moving two employees apart, before a final determination has been made regarding whether a violation of this policy has occurred.

The remedial action taken may include counseling, training, intervention, mediation, and/or the initiation of disciplinary action up to and including termination of employment.

Each State agency shall maintain a written record of the discrimination/harassment complaints received. Written records shall be maintained as confidential records to the extent practicable and appropriate.

VII. PROHIBITION AGAINST RETALIATION

Retaliation against any employee who alleges that she or he was the victim of discrimination/harassment, provides information in the course of an investigation into claims of discrimination/harassment in the workplace, or opposes a discriminatory practice, is prohibited by this policy. No employee bringing a complaint, providing information for an investigation, or testifying in any proceeding under this policy shall

be subjected to adverse employment consequences based upon such involvement or be the subject of other retaliation.

Following are examples of prohibited actions taken against an employee because the employee has engaged in activity protected by this subsection:

- Termination of an employee;
- Failing to promote an employee;
- Altering an employee's work assignment for reasons other than legitimate business reasons;
- Imposing or threatening to impose disciplinary action on an employee for reasons other than legitimate business reasons; or
- Ostracizing an employee (for example, excluding an employee from an activity or privilege offered or provided to all other employees)

VIII. FALSE ACCUSATIONS AND INFORMATION

An employee who knowingly makes a false accusation of prohibited discrimination/harassment or knowingly provides false information in the course of an investigation of a complaint, may be subjected to administrative and/or disciplinary action, up to and including termination of employment. Complaints made in good faith, however, even if found to be unsubstantiated, shall not be considered a false accusation.

IX. CONFIDENTIALITY

All complaints and investigations shall be handled, to the extent possible, in a manner that will protect the privacy interests of those involved. To the extent practical and appropriate under the circumstances, confidentiality shall be maintained throughout the investigatory process. In the course of an investigation, it may be necessary to discuss the claims with the person(s) against whom the complaint was filed and other persons who may have relevant knowledge or who have a legitimate need to know about the matter. All persons interviewed, including witnesses, shall be directed not to discuss any aspect of the investigation with others in light of the important privacy interests of all concerned. Failure to comply with this confidentiality directive may result in administrative and/or disciplinary action, up to and including termination of employment.

X. ADMINISTRATIVE AND/OR DISCIPLINARY ACTION

Any employee found to have violated any portion or portions of this policy may be subject to appropriate administrative and/or disciplinary action which may include, but which shall not be limited to: referral for training, referral for counseling, written or verbal reprimand, suspension, reassignment, demotion or termination of employment. Referral to another appropriate authority for review for possible violation of State and Federal statutes may also be appropriate.

XI. TRAINING

All State agencies shall provide all new employees with training on the policy and procedures set forth in this section within a reasonable period of time after each new employee's appointment date. Refresher training shall be provided to all employees, including supervisors, within a reasonable period of time. All State agencies shall also provide supervisors with training on a regular basis regarding their obligations and duties under the policy and regarding procedures set forth in this section.

Issued: December 16, 1999

Revised: June 3, 2005

Revised: September 5, 2013 See N.J.A.C.
4A:7-3.1

EXHIBIT B-3

VENDOR ACKNOWLEDGMENT OF RECEIPT

New Jersey Educational Facilities Authority is committed to establishing and maintaining a workplace environment that is free from discrimination or harassment.

Attached for your review is the New Jersey State Policy Prohibiting Discrimination in the Workplace, which must be distributed to all vendors/contractors with whom New Jersey Educational Facilities Authority has a direct relationship.

Please sign and return this Acknowledgment of Receipt to confirm you have received a copy of the New Jersey State Policy Prohibiting Discrimination in the Workplace.

Vendor Name: _____

Submitted By: _____

Signature: _____

Title: _____

Date: _____

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY APPROVING THE APPOINTMENT OF
1st CONSTITUTION BANK AS CUSTODIAN FOR OPERATING
FUNDS**

Adopted: April 23, 2019

- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") was duly created and now exists under the New Jersey Educational Facilities Authority Law, Public Laws of 1967, Chapter 271, *N.J.S.A.* 18A:72A-1 et seq., as amended (the "Act") for the purpose of issuing its obligations to obtain funds to finance eligible educational facilities as such may be required for the purposes of public and private institutions of higher education, private colleges and public libraries, and to sell such obligations at public or private sale at a price or prices and in a manner as the Authority shall determine; and
- WHEREAS:** The policies and procedures of the Authority with regard to the selection of professionals including Custodians are governed, *inter alia*, by Executive Order No. 26 (Whitman) ("EO 26") which took effect on January 1, 1995 and which supersedes Executive Orders No. 79 and 92, and Executive Order No. 37 (Corzine) ("EO 37") which took effect on November 25, 2006; and
- WHEREAS:** The Authority's current custodian for operating funds was appointed by a resolution adopted on March 15, 1995; and
- WHEREAS:** To increase the Authority's level of satisfaction with services and associated fees, the Authority has determined that it is advisable to appoint a new custodian for operating funds ("Custodian");
- WHEREAS:** EO 37 established that public advertisement is not required where the contract price is below the bid threshold set forth by the State Treasurer pursuant to *N.J.S.A.* 52:34-7(b); and
- WHEREAS:** As the amount of the contract price with a Custodian for banking services was anticipated to be and is below the public bid threshold as set forth by the State Treasurer pursuant to *N.J.S.A.* 52:34-7(b), Authority staff, in accordance with EO 26 and EO 37 for the selection of trustees for the Authority, solicited bids by obtaining written proposals of qualifications, service level, and fee quotations from four (4) firms;

WHEREAS: The Authority reviewed and scored the responses from the four (4) firms (the "Responses") based on established criteria including services offered such as positive pay functionality, location of branches and price; and

WHEREAS: The Authority has determined that it would be in the best interests of the Authority to appoint 1st Constitution Bank as the Authority's Custodian for its Operating Account commencing on the effective date of this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY THAT:

SECTION 1. The Authority hereby authorizes the appointment of 1st Constitution Bank to serve as the Authority's Custodian for operating funds commencing on the effective date of this Resolution and subject to the terms and conditions set forth in this Resolution.

SECTION 2. The Authority hereby authorizes the Executive Director, Deputy Executive Director and Director of Finance, including any of the foregoing authorized officers serving in an interim or acting capacity, to take and do any and all acts and things as may be necessary or desirable in connection with the appointment of 1st Constitution Bank to serve as the Authority's custodian for operating funds.

SECTION 3. This Resolution shall take effect in accordance with the Act.

_____ Ms. Bethea _____ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ___ Mr. Rodriguez ___ and upon roll call the following members voted:

AYE: Ridgeley Hutchinson
Louis Rodriguez
Zakiya Smith Ellis (represented by Angela Bethea)
Elizabeth Maher Muoio (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes

The Vice Chair thereupon declared said motion carried and said resolution adopted.

Scoresheet for Custody of Authority Operating Account

Firm	25% Cost/Deposit Requirements	25% Services Offered (including positive pay)	25% Location of Branches	25% Ability to service the Authority's account	Total Score
Bank Of America	1	3	3	2	2.25
TD Bank	1	3	3	3	2.5
First Bank of Princeton	3	2	3	3	2.75
1st Constitution Bank	3	3	3	3	3

Score 1-3
(1 Poor; 3 Excellent)

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2019 BUDGET VARIANCE ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2019**

EXECUTIVE SUMMARY

Net Operating Income

The NJEFA concluded March with a year-to-date net operating loss in the amount of \$59,958 based on year to date revenues of \$669,138 and expenses of \$729,096.

Revenues

Year-to-date actual revenues were \$100,670 less than projected due to no transactions closing during the first three months of the year.

Expenses

Actual operating expenditures for the first three month of the year were under budget by \$81,600 primarily due to timing of expenditures and staff vacancies.

Exhibits

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NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
MARCH 2019

	Month Ended March 31, 2019			Year-To-Date March 31, 2019		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Operating Revenues</u>						
Annual Administrative Fees	\$206,603	\$206,603	\$ -	\$ 619,810	\$ 619,811	\$ (1)
Initial Fees	-	118,750	(118,750)	-	118,750	(118,750)
Investment Income	16,102	10,417	5,685	49,328	31,247	18,081
	<u>\$ 222,705</u>	<u>\$ 335,770</u>	<u>\$ (113,065)</u>	<u>\$ 669,138</u>	<u>\$ 769,808</u>	<u>\$ (100,670)</u>
<u>Operating Expenses</u>						
Salaries	\$113,164	\$123,172	\$ 10,008	\$ 341,942	\$ 369,506	\$ 27,564
Employee Benefits	43,617	72,055	28,438	131,558	216,167	84,609
Provision for Post Ret. Health Benefits	29,167	29,167	-	87,500	87,497	(3)
Office of The Governor	2,083	2,083	-	6,253	6,253	-
Office of The Attorney General	10,417	10,417	-	31,247	31,247	-
Sponsored Programs & Meetings	189	817	628	839	2,447	1,608
Telecom & Data	2,894	2,833	(61)	6,162	8,503	2,341
Rent	15,903	16,667	764	47,709	49,997	2,288
Utilities	1,977	2,167	190	5,933	6,497	564
Office Supplies & Postage Expense	1,186	2,250	1,064	2,606	6,750	4,144
Travel & Expense Reimbursement	429	1,417	988	2,203	4,247	2,044
Staff Training & Conferences	691	3,583	2,892	3,306	10,753	7,447
Insurance	4,307	4,307	-	12,922	12,921	(1)
Publications & Public Relations	140	2,238	2,098	419	6,708	6,289
Professional Services	9,980	18,500	8,520	29,701	55,498	25,797
Dues & Subscriptions	3,083	7,458	4,375	8,470	22,378	13,908
Maintenance Expense	1,052	1,500	448	4,084	4,500	416
Depreciation	2,080	3,167	1,087	6,242	9,497	3,255
Contingency	-	-	-	-	-	-
	<u>242,359</u>	<u>303,798</u>	<u>61,439</u>	<u>729,096</u>	<u>911,366</u>	<u>182,270</u>
Net Operating Income	<u>\$ (19,654)</u>	<u>\$ 31,972</u>	<u>\$ (51,626)</u>	<u>\$ (59,958)</u>	<u>\$ (141,558)</u>	<u>\$ 81,600</u>

NJEFA
Vendor Payments
March 2019

5:02 PM

Type	Date	Num	Name	Memo	Account	Accrual Basis Amount
Bill Pmt -Check	03/04/2019	EFT	NJSHBP	Mar Covg	Accounts Payable	25,245.47
Bill Pmt -Check	03/04/2019	EFT	NJSHBP	Mar Covg	Accounts Payable	1,857.14
Bill Pmt -Check	03/07/2019	12294	CDW Government, Inc.	RDJ2008	Accounts Payable	234.04
Bill Pmt -Check	03/07/2019	12295	Clark, Rebecca	VC03062019	Accounts Payable	214.98
Bill Pmt -Check	03/07/2019	12296	Dell Marketing L.P.	Inv 10298325848	Accounts Payable	1,824.78
Bill Pmt -Check	03/07/2019	12297	DocuSafe	116974	Accounts Payable	172.07
Bill Pmt -Check	03/07/2019	12298	Government News Network	83344 G	Accounts Payable	340.00
Bill Pmt -Check	03/07/2019	12299	LaborLawCenter	100565619	Accounts Payable	62.99
Bill Pmt -Check	03/07/2019	12300	National Business Institute	1748616	Accounts Payable	346.95
Bill Pmt -Check	03/07/2019	12301	Neopost	Inv 56484495	Accounts Payable	600.11
Bill Pmt -Check	03/07/2019	12302	NJ OTT Fiscal Services	January 2019	Accounts Payable	1,582.48
Bill Pmt -Check	03/07/2019	12303	NJBIA	5145663909 SN	Accounts Payable	25.00
Bill Pmt -Check	03/07/2019	12304	Polar Inc.	048885	Accounts Payable	43.20
Bill Pmt -Check	03/07/2019	12305	Refruitive Global Markets Inc.	96407074	Accounts Payable	760.00
Bill Pmt -Check	03/07/2019	12306	Treasurer, State of New Jersey - Pinnacle	Acct # 100-997-0017-001	Accounts Payable	1,184.30
Bill Pmt -Check	03/07/2019	12307	UPS	ZY687X089, ZY687X099	Accounts Payable	29.19
Bill Pmt -Check	03/07/2019	12308	W.B. Mason Company, Inc.	IS0920033	Accounts Payable	488.83
Bill Pmt -Check	03/07/2019	12309	Yang, Eileen	02282019	Accounts Payable	18.62
Bill Pmt -Check	03/22/2019	12326	100 & RW CRA, LLC	005039	Accounts Payable	12,097.67
Bill Pmt -Check	03/22/2019	12327	Bank of America - Acct Analysis	19020004696	Accounts Payable	34.70
Bill Pmt -Check	03/22/2019	12328	Barby, John Zachary	03082019 Travel 2/25/19-3/1/19	Accounts Payable	146.00
Bill Pmt -Check	03/22/2019	12329	Comcast	Acct # 8499 05 253 0247545 Mar	Accounts Payable	74.23
Bill Pmt -Check	03/22/2019	12330	Lexis Nexis	1902057082	Accounts Payable	292.00
Bill Pmt -Check	03/22/2019	12331	Neopost	15669796	Accounts Payable	196.56
Bill Pmt -Check	03/22/2019	12332	NJ Alliance For Action, Inc.	34477, 34378, 2019 Membership	Accounts Payable	820.00
Bill Pmt -Check	03/22/2019	12333	NJ Economic Development Authority	2019March	Accounts Payable	1,661.86
Bill Pmt -Check	03/22/2019	12334	NJ Legislative Manual	Order 101675329, Cust 543185	Accounts Payable	181.00
Bill Pmt -Check	03/22/2019	12335	Paterson, Debra L.	03112019 Notary Renewal, 5yr	Accounts Payable	63.06
Bill Pmt -Check	03/22/2019	12336	PFM Financial Advisors LLC	PFM-030619 ZB	Accounts Payable	138.54
Bill Pmt -Check	03/22/2019	12337	Polar Inc.	049634	Accounts Payable	57.10
Bill Pmt -Check	03/22/2019	12338	Treasurer, State of New Jersey - DAG	FY 2019 2nd Qtr (Oct, Nov, Dec)	Accounts Payable	12,903.03
Bill Pmt -Check	03/22/2019	12339	Treasurer, State of New Jersey - Pinnacle	01-Mar-2019 Acct 100-997-017-001	Accounts Payable	1,195.44
Bill Pmt -Check	03/22/2019	12340	UPS	ZY687X109	Accounts Payable	11.72
Bill Pmt -Check	03/22/2019	12341	Verizon Wireless	9825320417	Accounts Payable	364.04
Bill Pmt -Check	03/22/2019	12342	Clark, Rebecca	03212019 Exp Reimb 3/19/19	Accounts Payable	26.50
Bill Pmt -Check	03/22/2019	12343	Stitt, Sheryl A.	03222019 Exp Reimb 1/4/19-3/21/19	Accounts Payable	596.56
						<u>65,890.16</u>

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of March 31, 2019

<u>Institution</u>	<u>Issue</u>	<u>Description</u>	<u>Bond Proceeds</u>	<u>Net Disbursed</u>	<u>Balance</u>	<u>% Complete</u>
Private						
Stevens Institute of Technology	2017 Series A	Various Renov & Improvements, Refund 1998 I, 2007 A	\$ 76,911,558.14	\$ (46,994,014.15)	\$ 29,917,543.99	61%
Rider University	2017 Series F	Academic & Residential Facilities, Science & Technology Bldg	44,228,160.45	(9,084,218.42)	35,143,942.03	21%
Georgian Court University	2017 Series G&H	Various Capital Improvements & Renovations, Refund 07 D, H	7,874,383.16	(335,701.25)	7,538,681.91	4%
Sub Total			\$ 129,014,101.75	\$ (56,413,933.82)	\$ 72,600,167.93	
Public						
Montclair State University	Series 2014 A	Various Refundings and Capital Projects	\$ 156,675,111.09	\$ (139,213,262.12)	\$ 17,461,848.97	89%
New Jersey City University	Series 2015 A	Various Renovations & Improv, Refund 02 A, 08 E	37,869,656.10	(34,823,447.84)	3,046,208.26	92%
Stockton University	Series 2016 A	Science Center, Academic Bldg, Quad Project	26,207,528.53	(23,785,526.57)	2,422,001.96	91%
Ramapo College of New Jersey	Series 2017 A	Refund 06 I, Renov Library, Learning Center	11,278,830.75	(1,014,769.39)	10,264,061.36	9%
William Paterson University of New Jersey	Series 2017 B	New Residence Hall	30,427,779.25	(26,978,481.16)	3,449,298.09	89%
Sub Total			\$ 262,458,905.72	\$ (225,815,487.08)	\$ 36,643,418.64	
Other Programs						
Equipment Leasing Fund	Series 2014 A&B	Acquisition and Installation of Equipment	\$ 101,266,893.00	\$ (93,112,437.02)	\$ 8,154,455.98	92%
Technology Infrastructure Fund	Series 2014	Development of Technology Infrastructure	41,313,667.00	(37,811,602.15)	3,502,064.85	92%
Capital Improvement Fund	Series 2014 A-D	Capital Improvements	191,905,596.00	(185,566,567.76)	6,339,028.24	97%
Facilities Trust Fund	Series 2014	Construct, Reconstruct, Develop & Improve Facilities	219,977,164.00	(189,605,830.46)	30,371,333.54	86%
Capital Improvement Fund	Series 2016 B	Capital Improvements	146,700,261.19	(105,850,603.78)	40,849,657.41	72%
Sub Total			\$ 701,163,581.19	\$ (611,947,041.17)	\$ 89,216,540.02	
Grand Total			\$1,092,636,588.66	\$ (894,176,462.07)	\$ 198,460,126.59	