NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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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, AUGUST 20, 2019

The meeting was called to order at 10:03 a.m. by Chair Hodes. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on June 17, 2019, 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:

Joshua Hodes, Chair
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:

None

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
Zachary Barby, Communications/IT Coordinator
Rebecca Clark, Associate Project Manager
Matthew Curtis, Information Technology Manager

Jamie O'Donnell, Senior Communications Manager
Sheila Toles, Exec. Asst./Human Resources Manager

ALSO PRESENT:

George Loeser, Esq., Deputy Attorney General
Craig Ambrose, Esq., Governor's Authorities Unit

ITEMS OF DISCUSSION

1. Approval of the Minutes of the Meeting of June 27, 2019

The minutes of the meeting of June 27, 2019 were delivered via United Parcel Service to Governor Philip Murphy under the date of June 28, 2019. Mr. Hutchinson moved the meeting minutes for approval as presented; the motion was seconded by Mr. Rodriguez 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 June Authority meeting.

Mr. Brophy reported that staff continued to discuss P3 regulations and had offered comments to the Department of Treasury prior to the due date of August 16, 2019 and anticipated bringing a Memorandum of Understanding (MOU) to the Members at the September Authority meeting. Mr. Brophy explained that the MOU would establish a framework for the Authority's work with Treasury on implementation of the P3 law, project review and approval, and project financing.

Mr. Brophy reported that staff was analyzing the proposed State Library grant regulations and planned to provide comments on regulations prior to the August 30, 2019 due date. He reported that staff also expected to present a MOU with the State Librarian and Thomas Edison State University to administer the grant program to the Members at the September meeting.

Mr. Brophy reported that the Authority had made several administrative amendments to the Employee Policy Manual. The amendments include an increase by the Internal Revenue Service to the Authority's Flexible Spending Plan. He reported that the pre-tax maximum had been increased from $2,500 to $2,700 annually; the Employment Termination policy was updated to clarify termination procedures; and the Business Travel Expenses policy had been amended to reflect an increase from 31 cents to 35 cents per mile pursuant to Circular 20-02-OMB.

Mr. Brophy announced that staff had selected an unpaid/credit-only intern for the Fall 2019 semester. He reported that staff was very excited to welcome Juan Carlos Belmonte. He reported that Mr. Belmonte would begin his internship on August 27th and that he had interned with the Office of the Secretary of Higher Education who spoke very highly of him.

Mr. Brophy reported that the Authority would be participating in the 2019 Garden State Minority, Women and Veteran-owned Business Summit sponsored by the State of New Jersey being held at the New Jersey Institute of Technology. He reported that Mr. Nelson had been invited to be a panelist at the conference.

3. **Legislative Update**

Ms. Stitt gave a legislative report, which included bills that were newly introduced or had seen legislative progress since the last report at the May 27th Authority meeting. She reported that three bills on the list had been recently signed by Governor Murphy and were administrative in nature and related to state employees and/or employment practices or benefits at state agencies.

Ms. Stitt reported that the fourth bill, signed by Acting Governor Oliver on July 30th required institutions of higher education to improve transparency of tuition and fees. She reported that the new law was consistent with the Secretary of Higher Education's new master plan for higher education which articulates that "every student in New Jersey should receive clear and comprehensible information explaining what college will actually cost for them and their families, including an estimate of likely loan debt, and information on post-graduate outcomes – such as earnings and job placement."

Ms. Stitt reported regulations for both the New Jersey Public Private Partnership (P3) program and the Library Construction Bond Act were posted on the New Jersey Register for public comment. She reported that the comment period for the Library Construction Bond Act would be open through August 30th and as reported by Mr. Brophy, the comment period for the P3 program expired on August 16th.

4. **Resolution of the New Jersey Educational Facilities Authority Authorizing the Issuance and Sale of NJEFA Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series C (Tax-Exempt) (Green Bonds) and 2019 Series D (Federally Taxable) (Green Bonds)**

Mr. Nelson reported that the Authority sought the Members' approval and authorization for the issuance of NJEFA Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series C (tax-exempt) (Green Bonds) and 2019 Series D (federally taxable) (Green Bonds) in an amount not to exceed $270,000,000.

Mr. Nelson reported that the professionals on the transaction were previously approved at the Authority's November 27, 2018 meeting. He reported that Barclays Capital, Inc. was serving as senior manager and co-managers included J.P. Morgan Securities, LLC; Ramirez & Co., Inc.; TD Securities, LLC; and Wells Fargo Securities. He reported that the Authority was being represented by its counsel McManimon, Scotland & Bauman, LLC.

Mr. Nelson reported that the 2019 tax-exempt and taxable issue would principally finance the construction of new student housing and a University Center project. He reported that the transaction would be historic because it would be the largest single project new money financing in the Authority's history and would also be the Authority's first Green Bond issuance. The Institute's Green Bond issuance is also one of the first for New Jersey higher education. Mr. Nelson explained that Green Bonds are traditional municipal bonds but that the proceeds are used for environmentally beneficial projects and are monitored and reported on in order to ensure proper green use of proceeds.

Mr. Nelson reported that the buildings comprising the Student Housing and University Center Project were expected to receive a LEED Silver certification from the U.S. Green Building Council and that since 2013, national Green Bond activity had exceeded $42 billion, including $1.8 billion issued for higher education institutions, including the University of Virginia, New York University and Columbia University, among others.

Louis Mayer, CFO and VP for Finance & Treasurer thanked the Authority and described the project.

Nicholas Concillio, Esq. of McManimon, Scotland & Bauman, LLC, 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 BONDS, STEVENS INSTITUTE OF TECHNOLOGY ISSUE, 2019 SERIES C (TAX-EXEMPT) (GREEN BONDS) AND REVENUE BONDS, STEVENS INSTITUTE OF TECHNOLOGY ISSUE, 2019 SERIES D (FEDERALLY TAXABLE) (GREEN BONDS)

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

The adopted resolution is appended as Exhibit I.

5. Resolution Authorizing Amendments to the Employee Policy Manual

Mr. Sootkoos reported on amendments to two sections of the Authority's Employee Policy Manual. He reported that the Authority's current Sick Leave Benefits policy sets forth six categories under which an employee may use sick leave benefits for absences and that one of the categories relates to the use of sick leave for a member of the employee's immediate family. He reported that on July 1, 2019, N.J.A.C. 4A:1-13 amended the definition of "Immediate Family" and that the resolution would approve a revision to the Authority's policy to conform to the amended definition.

Mr. Sootkoos reported that the Authority's current Donated Leave Program policy sets forth the procedures to follow for an employee to donate or receive sick or vacation leave to or from another employee. He reported that P.L. 2019, Chapter 129, was approved on June 21, 2019, and changed certain conditions and criteria for donated leave and that the resolution would approve a revision to the Authority's Donated Leave Program to conform to those requirements.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING AMENDMENTS TO THE EMPLOYEE POLICY MANUAL

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

The adopted resolution is appended as Exhibit II.

6. Resolution of the New Jersey Educational Facilities Authority Approving the Appointment of an Arbitrage Compliance Service Provider

Mr. Sootkoos reported that the Authority retains rebate service providers to assist it on behalf of colleges and universities with monitoring investment earnings on bond proceeds, calculating arbitrage rebate liability and developing associated reports on outstanding bonds. He reported that the Authority's current contract with its rebate service providers expired on June 30, 2019 and that on July 18, 2019 the Authority distributed a Request for Proposals (RFP) for Arbitrage Compliance Services to a list of 13 firms and posted the RFP on the Authority's and the State's websites and advertised in the *Star-Ledger* and the *Trenton Times*. The RFP received two responses from firms seeking appointment.

Mr. Sootkoos reported that an evaluation committee consisting of the Authority's Director of Finance/Controller and Accounting Manager determined it was in the best interests of the Authority to accept the proposals and to appoint BLX Group, LLC and Hawkins Delafield & Wood, LLP under the terms and conditions set

forth in the resolution and the RFP to provide arbitrage compliance services for a period of three years, commencing on the effective date of the resolution, with two additional successive periods of 12 months each at the Authority's discretion unless terminated earlier in the sole discretion of the Authority. Mr. Sootkoos explained that the Authority was recommending the engagement of two firms in order to obtain a well-rounded, diverse set of professionals to provide advice and opinions on a variety of arbitrage and IRS compliance matters.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY APPROVING THE APPOINTMENT OF AN ARBITRAGE COMPLIANCE SERVICE PROVIDER

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

The adopted resolution is appended as Exhibit III.

7. 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 June and July 2019.

Mr. Hutchinson moved that the reports be accepted as presented; the motion was seconded by Ms. Bethea and passed unanimously.

The reports are appended as Exhibit IV.

8. Next Meeting Date

Mr. Hodes reminded everyone that the next meeting was scheduled for Tuesday, September 24th at 10:00 a.m. at the Authority offices and requested a motion to adjourn.

Mr. Hutchinson 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

EXHIBIT I



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TERM SHEET

Borrower:	Stevens Institute of Technology, Hoboken, New Jersey
Issue:	2019 Series C (Tax-Exempt) (Green Bonds) and 2019 Series D (Federally Taxable) (Green Bonds) (the "Bonds")
Amount:	Not to Exceed $270,000,000
Purpose:	To provide funds to finance a project consisting of: (i) the construction, renovation and equipping of the new Student Housing and University Center Project; (ii) the construction, renovation, expansion and equipping of certain additional facilities of the Private University for research and education, including, but not limited to, projects included in the Private University's long-range facilities plan; (iii) fund capitalized interest, if any, for the Bonds; and, (iv) the payment of certain costs of issuance.
Security:	General Obligation of the University
Structure:	Negotiated Sale, Fixed Rate
Term:	No later than July 1, 2059 (expected July 1, 2049)
True Interest Cost:	Not to Exceed 6.00%
Current Bond Rating:	A- (Standard & Poor's)
Tentative Sale Date:	November 2019
Tentative Closing Date:	December 2019

The Authority Members will be asked to adopt the 2019 Series C (Tax-Exempt) (Green Bonds) and 2019 Series D (Federally Taxable) (Green Bonds) Series Resolution pertaining to the Bonds which outlines the various parameters of the financing; authorizes the issuance of the Bonds; authorizes and approves the form of and entry into all legal documents necessary for the financing; and delegates to any Authorized Officer of the Authority the ability to take all actions as may be necessary to sell, award and issue the Bonds and execute all necessary bond documents to finalize this transaction.

Professionals on the Transaction:

Bond Counsel:	McManimon, Scotland & Baumann, LLC
Authority's Counsel:	Attorney General of the State of New Jersey
University's Financial Advisor:	The Yuba Group, LLC
Borrower's Counsel:	McCarter & English LLP
Trustee:	U.S. Bank National Association
Trustee's Counsel:	M. Jeremy Ostow, Esq.
Senior Manager:	Barclays Capital, Inc.
Co-Managers:	J.P. Morgan Securities LLC
	Ramirez & Co., Inc.
	TD Securities (USA) LLC
	Wells Fargo Securities
Underwriter's Counsel:	Ballard Spahr LLP
Printer:	ImageMaster LLC

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, STEVENS INSTITUTE OF TECHNOLOGY ISSUE, 2019 SERIES C (TAX-EXEMPT) (GREEN BONDS), AND REVENUE BONDS, STEVENS INSTITUTE OF TECHNOLOGY ISSUE, 2019 SERIES D (FEDERALLY TAXABLE) (GREEN BONDS)

ADOPTED: AUGUST 20, 2019

RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, STEVENS INSTITUTE OF TECHNOLOGY ISSUE, 2019 SERIES C (TAX-EXEMPT) (GREEN BONDS), AND REVENUE BONDS, STEVENS INSTITUTE OF TECHNOLOGY ISSUE, 2019 SERIES D (FEDERALLY TAXABLE) (GREEN BONDS)

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 Trustees of the Stevens Institute of Technology (the "*Private University*") has determined to undertake a capital project consisting of (i) the construction, renovation and equipping of the new Student Housing and University Center Project and (ii) the construction, renovation, expansion and equipping of certain additional facilities of the Private University for research and education, including, but not limited to, projects included in the Private University's long-range facilities plan (collectively, the "*Capital Project*"); and

WHEREAS, the Private University has requested that the Authority issue one or more series of bonds as described herein for the purpose of providing funds to: (i) finance or refinance the Capital Project; (ii) fund capitalized interest, if any, for the Bonds (as hereinafter defined); and (iii) pay certain costs of issuance of the Bonds (collectively, the "*Project*"), all as presented, submitted and approved by the Private University's Board of Trustees; and

WHEREAS, the Authority has determined that it is necessary and in keeping with its authorized purposes to issue two series of bonds to be designated (i) "New Jersey Educational Facilities Authority Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series C (Tax-Exempt) (Green Bonds)" (the "*Tax-Exempt Bonds*") and (ii) "New Jersey Educational Facilities Authority Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series D (Federally Taxable) (Green Bonds)" (the "*Taxable Bonds*"; and together with the Tax-Exempt Bonds, the "*Bonds*") or such other designation as may be determined by the Authority for the purpose of providing funds to finance or refinance the Capital Project, to fund capitalized interest, if any, for the Bonds and to pay certain costs of issuance of the Bonds, in whole or in part; and

WHEREAS, the Authority has approved the appointment of Barclays Capital, Inc. (the "*Underwriter*") as the underwriter in connection with the issuance of the Bonds and U.S. Bank National Association (together with its successors in trust, the "*Trustee*") as trustee for the Bonds, by resolution duly adopted on November 27, 2018 (the "*Procurement Resolution*"); and

WHEREAS, the Bonds will be issued under and secured by a Trust Indenture dated as of the first day of the month of issuance of the Bonds (the "*Indenture*") to be entered into by and between the Authority and the Trustee; and

WHEREAS, the Bonds are payable solely from Revenues (as defined in the Indenture), other than Additional Loan Payments (as defined in the hereinafter defined Loan Agreement), and from amounts on deposit in certain funds and accounts established pursuant to the Indenture; and

WHEREAS, the repayment of the Bonds will be secured by a Loan Agreement dated as of the first day of the month of issuance of the Bonds (the "*Loan Agreement*") to be entered into by and between the Authority and the Private University, pursuant to which the Authority will loan the proceeds of the Bonds to the Private University and wherein the Private University agrees to, among other things, make certain loan payments to the Authority, all as set forth in the Loan Agreement; and

WHEREAS, the obligation of the Private University to make the payments required under the Loan Agreement for the payment of debt service on the Bonds constitutes a general obligation of the Private University; and

WHEREAS, the Authority desires to approve the form of and authorize the preparation and distribution of a Preliminary Official Statement (as hereinafter defined) and a final Official Statement (as hereinafter defined) with respect to the Bonds, to authorize the appropriate officers of the Authority to deem said Preliminary Official Statement final and to authorize the preparation and distribution of said final Official Statement to be used in connection with the offering and sale of the Bonds; and

WHEREAS, the Authority deems it necessary and in keeping with its purposes to issue the Bonds under the Indenture herein authorized for the purposes 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 Private University has advised that it may pay for certain costs of the Capital Project (the "*Capital Project Costs*") prior to the issuance of the Tax-Exempt Bonds with funds of the Private University that are not proceeds of tax-exempt bonds; and

WHEREAS, the Authority desires to preserve the right to allocate a portion of the proceeds of the Tax-Exempt Bonds to the reimbursement of Capital Project Costs paid prior to the issuance of the Tax-Exempt Bonds as an expenditure for such Capital Project Costs to be reimbursed for purposes of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "*Code*"); 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 AND APPROVAL OF DOCUMENTS

1.1 Purpose and Issuance of 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 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 finance or refinance, on behalf of the Private University, the costs of the Capital Project, to fund capitalized interest, if any, for the Bonds and to pay certain costs of issuance of the Bonds, in whole or in part.

1.2 Authorization of Bonds.

(a) The Authority hereby authorizes the issuance of the Bonds, in the aggregate principal amount not-to-exceed $270,000,000, in one or more series from time to time, in order to finance or refinance, on behalf of the Private University, the costs of the Capital Project, to fund capitalized interest, if any, for the Bonds and to pay certain costs of issuance of the Bonds, in whole or in part. The initial Tax-Exempt Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series C (Tax-Exempt) (Green Bonds)" or such other designation as an Authorized Officer may determine. The initial Taxable Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series D (Federally Taxable) (Green Bonds)" or such other designation as an Authorized Officer may determine.

(b) Any Authorized Officer is hereby authorized to execute and deliver, on behalf of the Authority, a Bond Purchase Agreement (the "*Bond Purchase Agreement*") by and among the Authority, the Private University and the Underwriter (on behalf of itself and any other members of an underwriting syndicate headed by such firm selected in accordance with the Procurement Resolution), in substantially the form presented to this meeting with such changes as shall be approved by an Authorized Officer, with the advice of McManimon, Scotland & Baumann, LLC, bond counsel to the Authority ("*Bond Counsel*"), and the Attorney General of the State (such approval to be evidenced conclusively by such Authorized Officer's execution thereof), for the purchase of the Bonds at the price or prices to be agreed upon; *provided, however*, that the Underwriter's discount for (x) the Tax-Exempt Bonds shall not exceed $6.00 per $1,000 of the principal amount thereof and (y) the Taxable Bonds shall not exceed $6.00 per $1,000 of the principal amount thereof. A copy of the Bond Purchase Agreement, as executed, shall be filed with the records of the Authority.

(c) The Bonds shall be issued in fully registered form, shall be in the denominations and shall be numbered as shall be provided in the Indenture. The Bonds shall be dated, bear interest, mature and be executed and authenticated as shall be set forth in the Indenture; *provided, however*, that the final maturity date of the Bonds will be no later than July 1, 2059.

The Tax-Exempt Bonds shall bear interest at one or more fixed rates as described in the Indenture, with a true interest cost not-to-exceed 6.00%, and the Taxable Bonds shall bear interest at one or more fixed rates as described in the Indenture, with a true interest cost not-to-exceed 6.00%. The Bonds shall be subject to redemption as provided in the Indenture; *provided, however*, that the redemption premium, if any, on the Bonds shall not exceed 2.00% and *provided, further*, that the redemption premium on any Bonds subject to redemption pursuant to a "make-whole" provision may exceed 2.00% if so determined by an Authorized Officer. Unless the Private University directs the Authority to utilize a debt service reserve fund for the Bonds, the Bonds shall be issued without a debt service reserve fund.

(d) The Bonds shall be in substantially the form set forth in the 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.

(e) 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 of 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, Deputy Executive Director, Secretary, Assistant Treasurer or any Assistant Secretary, and any of 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 Authorized Officer executing the Bonds.

(f) Following the execution of the Bonds, any Authorized Officer is hereby authorized to deliver the executed Bonds to the Trustee for authentication and, after authentication, to cause the delivery of such Bonds to the Underwriter or its agent against receipt of the purchase price or unpaid balance thereof.

(g) The Authority hereby finds and determines that the issuance of the Bonds involves certain circumstances under which a negotiated bond sale is permissible as outlined in Executive Order No. 26 (Whitman 1994), namely, volatile market conditions and a complex financing structure, and a competitive sale of the Bonds is not in the best interest of the Authority and the Private University.

1.3 Approval of Preliminary Official Statement and Final Official Statement.

(a) The form of the Preliminary Official Statement (the "*Preliminary Official Statement*") presented at this meeting is hereby approved (a copy of which shall be filed with the records of the Authority) and distribution by the Underwriter of the Preliminary Official Statement relating to the Bonds is hereby authorized in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as may be approved by an Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State. Any Authorized Officer is hereby authorized to "deem final" the Preliminary Official Statement in accordance with Rule 15c2-12 of the Securities and Exchange Commission, if applicable.

(b) Any Authorized Officer is hereby authorized and directed to execute and deliver the final Official Statement (the "*Official Statement*"), in substantially the form of the Preliminary Official Statement, with such changes, insertions and alterations as the Authorized Officer executing same shall approve, with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by the execution thereof by such Authorized Officer.

1.4 Approval of Loan Agreement.

The form of the Loan Agreement presented at 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 Loan 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 Underwriter or the bond insurer, if any) 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 conclusively by such Authorized Officer's execution thereof.

1.5 Approval of Indenture.

The form of the Indenture presented at 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 Indenture in substantially such form, with such insertions and changes therein (including, without limitation, the date thereof, the initial interest payment date contained therein, any provisions relating to a policy of insurance insuring principal and interest when due on the Bonds, if any, and any acceptable covenants or provisions that may be required by the Underwriter or the bond insurer, if any) 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 conclusively by such Authorized Officer's execution thereof.

1.6 Debt Service Reserve Fund.

If the Private University directs the Authority to utilize a debt service reserve fund for the Bonds, the Authorized Officers, with the advice of Bond Counsel, the Underwriter and the Attorney General of the State, are hereby authorized and directed to determine the debt service reserve requirement, if any, for the Bonds, to obtain a surety for all or a portion of such debt service reserve requirement and to establish a separate debt service reserve fund with respect to the Bonds, as they shall determine to be necessary or appropriate.

1.7 Bond Insurance and Surety Authorized.

Any Authorized Officer is hereby authorized to: (i) select a municipal bond insurer (the "*Bond Insurer*") for the Bonds pursuant to a competitive solicitation process and in accordance with applicable law, to the extent that such Authorized Officer with the advice of the Underwriter and the Attorney General of the State and with the approval of the Private University determines that bond insurance or a surety for the debt service reserve fund is necessary or desirable in order to market the Bonds and provided that the Underwriter 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; (ii) execute a commitment letter for the issuance of a bond insurance and surety policy or policies (collectively, the "*Policy*") by such Bond Insurer (or a certificate evidencing selection of the Bond Insurer); (iii) carry out the Authority's obligations thereunder (including payment of the premium for the Policy); and (iv) accept the terms and conditions relating to the Bonds required by the Bond Insurer as a condition to the issuance of the Policy and to incorporate such terms and conditions into the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Preliminary Official Statement and the Official Statement as such Authorized Officer deems necessary and appropriate, with the advice of Bond Counsel and the Attorney General of the State.

1.8 Continuing Disclosure.

Pursuant to the Loan Agreement, the Private University will undertake all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the holders of the Bonds or any other person with respect to such disclosure matters. The form of the Continuing Disclosure Agreement (the "*Continuing Disclosure Agreement*") by and between the Private University and the Trustee, as dissemination agent (the "*Dissemination Agent*"), presented at this meeting (a copy of which shall be filed with the records of the Authority) is hereby approved. The Trustee shall be appointed to act as Dissemination Agent under the Continuing Disclosure Agreement, and the Trustee shall comply with and carry out all of the obligations imposed on the Dissemination Agent under the Continuing Disclosure Agreement and the Loan Agreement. The failure of the Private University or the Dissemination Agent to comply with the requirements of the Continuing Disclosure Agreement shall not constitute a default under the Indenture or the Loan Agreement.

1.9 Authorization to Invest Bond Proceeds and Certain Funds.

Any Authorized Officer is authorized to enter into or direct the Trustee to enter into one or more agreements to invest the proceeds of the Bonds in the investments permissible under the Indenture or as permitted by the Bond Insurer, if any, which includes investment agreements and repurchase agreements (the "*Investment Obligations*"), in the event that such Authorized Officer determines, in consultation with and with the consent of the Private University, that it is advantageous to the Private University for the Authority to invest any proceeds of the Bonds in such Investment Obligations. The form of any such investment agreement or repurchase agreement shall be approved by an Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State.

1.10 Book-Entry System for Bonds.

Except as provided in the Indenture, the registered owner of all the Bonds shall be The Depository Trust Company, New York, New York ("*DTC*"), and the Bonds shall be registered in the name of Cede & Co., as nominee for DTC.

1.11 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 Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, the Loan Agreement, the Indenture 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, if any, 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 Incidental Actions.

(a) The Authorized Officers of the Authority are hereby authorized and directed to execute and deliver such other documents, certificates, directions, releases and notices, and to take such other action as may be necessary or appropriate, in order to: (i) effectuate the delivery of the Preliminary Official Statement and the execution and delivery of the Bond Purchase Agreement, the Loan Agreement, the Indenture and the Official Statement and the transactions contemplated thereby, including, but not limited to, the sale and issuance of the Bonds; (ii) implement the DTC book-entry-only system for the Bonds; (iii) maintain the tax-exempt status of the interest on the Tax-Exempt Bonds (including the preparation and filing of any information reports or other documents with respect to the Tax-Exempt Bonds as may at any time be required under Section 149 of the Code and any regulations promulgated thereunder); (iv) obtain the Policy, if any; and (v) enter into, or cause to be entered into, one or more agreements to invest the proceeds of the Bonds in Investment Obligations.

(b) The Authorized Officers are hereby authorized and directed to take such actions from time to time as may be necessary or appropriate to: (i) determine, prior to the issuance of the Bonds, the specific real and/or personal property to be subject to the Loan Agreement, if any; and (ii) execute and deliver such other documents, certificates, directions and notices and to take such other action as may be necessary or appropriate in order to implement actions authorized under this Section 2.1(b) in the form approved by the Authorized Officer executing same, such execution being conclusive evidence of such approval; *provided, however*, that in the case of actions authorized by this Section 2.1(b), the Authority is advised by Bond Counsel and/or the Attorney General of the State that the action does not adversely affect the tax-exempt status of the Tax-Exempt Bonds or the security of the holders of the Bonds and that the action and documentation is undertaken in accordance with the documentation for the Bonds.

2.2 Reimbursement.

(a) The Authority reasonably expects that the Private University will seek reimbursement of its expenditures of Capital Project Costs paid with funds of the Private University that are not proceeds of tax-exempt bonds prior to the issuance of the Tax-Exempt Bonds, with proceeds of the Tax-Exempt Bonds.

(b) This Resolution is intended to be and hereby is a declaration of the Authority's official intent to reimburse the expenditures for Capital Project Costs paid with funds of the Private University that are not proceeds of tax-exempt bonds prior to the issuance of the Tax-Exempt Bonds, with the proceeds of the Tax-Exempt Bonds in accordance with §1.150-2 of the Treasury Regulations.

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

NAY: None

ABSTAIN: None

ABSENT: None

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

This is a Preliminary Official Statement and the information contained herein is subject to completion and amendment in a final Official Statement. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities offered hereby in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the applicable securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2019

NEW ISSUES - BOOK-ENTRY ONLY

RATING: S&P "___"
(See "RATING" herein)

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel, assuming compliance by the Authority and the University (as each term is defined herein) with certain tax covenants described herein, under existing law, interest on the 2019 Series C Bonds (as defined herein) is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the 2019 Series C Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax. Based upon existing law, interest on the 2019 Bonds (as defined herein) and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

$____*
New Jersey Educational Facilities Authority
Revenue Bonds
Stevens Institute of Technology Issue
2019 Series C (Tax-Exempt) (Green Bonds)

$____*
New Jersey Educational Facilities Authority
Revenue Bonds
Stevens Institute of Technology Issue
2019 Series D (Federally Taxable) (Green Bonds)

Dated: Date of Delivery **Due: July 1, as shown on the inside cover**

The New Jersey Educational Facilities Authority Revenue Bonds, $_____* Stevens Institute of Technology Issue, consisting of $_____* Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series C (Tax-Exempt) (Green Bonds) (the "2019 Series C Bonds") and $_____* Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series D (Federally Taxable) (Green Bonds) (the "2019 Series D Bonds" and, together with the 2019 Series C, the "2019 Bonds") will be issued by the New Jersey Educational Facilities Authority (the "Authority") on behalf of The Trustees of the Stevens Institute of Technology (the "University") as fully-registered bonds without coupons and, when issued, will be registered in the name of and held by Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the 2019 Bonds.

Purchases of the 2019 Bonds will be made in book-entry-only form in denominations of $5,000 or any integral multiple thereof. Purchasers of the 2019 Bonds (the "Beneficial Owners") will not receive certificates representing their interest in the 2019 Bonds purchased. So long as Cede & Co., as nominee of DTC, is the registered owner of the 2019 Bonds, references herein to the registered owner shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners of the 2019 Bonds. See "THE 2019 BONDS - Book-Entry-Only System" herein. U.S. Bank National Association, Morristown, New Jersey, will act as the Trustee (the "Trustee") for the 2019 Bonds.

So long as DTC, or its nominee Cede & Co., is the registered owner of the 2019 Bonds, payments of principal of, redemption premium, if any, and interest on the 2019 Bonds will be made directly to Cede & Co. Disbursement of such payments to the Direct Participants of DTC is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of the Direct Participants, as more fully described herein.

The principal of the 2019 Bonds is payable on July 1 in the years shown on the inside cover page. The 2019 Bonds will be dated and bear interest from their date of delivery, payable semi-annually thereafter on January 1 and July 1 in each year, commencing July 1, 2020, until maturity or earlier redemption thereof at the rates set forth on the inside cover page.

The 2019 Bonds are subject to optional, extraordinary optional and mandatory sinking fund redemption, as described herein.

See "BONDHOLDERS' RISKS" for certain risks associated with the 2019 Bonds.

The 2019 Bonds are being issued pursuant to the New Jersey Educational Facilities Authority Law *(N.J.S.A.* 18A:72A-1 *et seq.)*, as amended and supplemented, a Resolution duly adopted by the Authority on August 20, 2019 (the "Resolution") and a Trust Indenture dated as of December 1, 2019 (the "Indenture"), by and between the Authority and the Trustee.

The proceeds of the 2019 Bonds, along with other available funds, will be used to (a) finance or refinance the Capital Project (as defined herein); (b) fund capitalized interest for the 2019 Bonds; and (c) pay certain costs of issuing the 2019 Bonds. See "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Authority and the University will enter into a Loan Agreement dated as of December 1, 2019 (the "Loan Agreement"), pursuant to which the University will agree, *inter alia*, to pay amounts sufficient to pay principal of, redemption premium, if any, and interest on the 2019 Bonds, when due. Payments to be made by the University under the Loan Agreement are a general obligation of the University, payable from any legally available funds of the University. See "SECURITY FOR THE 2019 BONDS – The Loan Agreement" herein.

THE 2019 BONDS 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 (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE),

* Preliminary, subject to change.

OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE). THE AUTHORITY HAS NO TAXING POWER.

THIS COVER PAGE, INCLUDING THE INSIDE COVER PAGE, CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF ALL FACTORS RELATING TO AN INVESTMENT IN THE 2019 BONDS. FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH ON THIS COVER PAGE, IN EVALUATING THE INVESTMENT QUALITY OF THE 2019 BONDS, INVESTORS ARE ADVISED TO READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY, INCLUDING, BUT NOT LIMITED TO, APPENDIX A AND APPENDIX B, TO OBTAIN INFORMATION ESSENTIAL TO THE NATURE OF AN INFORMED INVESTMENT DECISION ON THE 2019 BONDS BEFORE MAKING AN INVESTMENT DECISION.

The 2019 Bonds are offered when, as and if issued by the Authority and accepted by the Underwriters (as defined herein), subject to prior sale or withdrawal or modification of the offer without notice, and subject to receipt of an approving legal opinion of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon for the University by its counsel, McCarter & English, LLP, Newark, New Jersey, and for the Underwriters by their counsel, Ballard Spahr LLP, Cherry Hill, New Jersey. The 2019 Bonds are expected to be available for delivery through the facilities of DTC in New York, New York, on or about _____, 2019.

BARCLAYS

J.P. MORGAN **RAMIREZ & CO.** **TD SECURITIES** **WELLS FARGO SECURITIES**

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIPS

**$___*
New Jersey Educational Facilities Authority
Revenue Bonds
Stevens Institute of Technology Issue
2019 Series C (Tax-Exempt) (Green Bonds)**

**$___*
New Jersey Educational Facilities Authority
Revenue Bonds
Stevens Institute of Technology Issue
2019 Series D (Federally Taxable) (Green Bonds)**

2019 Series C Bonds

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP†

$_____ ___% Term Bond, due July 1, 20__, Price ___% to Yield ___% CUSIP No.† _____
$_____ ___]% Term Bond, due July 1, 20__, Price ___% to Yield ___% CUSIP No.† _____

2019 Series D Bonds

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP†

$_____ ___% Term Bond, due July 1, 20__, Price ____% to Yield ___% CUSIP No.† _____

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* Preliminary, subject to change.

† None of the Authority, the University, or the Underwriters is responsible for the use of CUSIP Numbers, nor is a representation made as to their correctness. The CUSIP Numbers are included solely for the convenience of the readers of this Official Statement and are copyright 2019 by the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services.

IN CONNECTION WITH THE OFFERING OF THE 2019 BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2019 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE 2019 BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

The purchase of the 2019 Bonds involves certain investment risks. Accordingly, each prospective purchaser of the 2019 Bonds should make an independent evaluation of the entirety of the information presented in the Official Statement, including, its appendices, to obtain information essential to the nature of an informed investment decision in the 2019 Bonds.

The information contained herein relating to the Authority under the headings, "THE AUTHORITY" and "LITIGATION – The Authority", has been obtained from the Authority (as hereinafter defined). All other information herein has been obtained by the Underwriters (as hereinafter defined) from the University (as hereinafter defined), the Underwriters and other sources deemed by the Underwriters to be reliable, and is not to be construed as a representation of the Authority or the Underwriters. The Authority has not participated in the making of the statements contained within this Official Statement other than the information under the headings, "THE AUTHORITY" and "LITIGATION – The Authority", and does not represent that any such statements are accurate or complete for purposes of investors making an investment decision with respect to the 2019 Bonds.

Stevens Institute of Technology (the "University"), in APPENDIX A, has provided the description of the University and certain relevant financial and operating data with respect thereto. It is noted that some of the financial information has been derived from the audited financial statements of the University. This information should be read in conjunction with the audited financial statements and the related notes which are included as APPENDIX B to this Official Statement.

No dealer, broker, salesman or other person has been authorized by the Authority or the University to give any information or to make any representations with respect to the 2019 Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the 2019 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Certain information contained herein has been obtained from the University and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and it is not to be construed as a representation of the Authority. The information set forth herein relative to The Depository Trust Company, New York, New York ("DTC"), and DTC's book-entry-only system has been supplied to the Authority by DTC for inclusion herein. Such information has not been independently verified by the Authority, and the

Authority does not make any representation as to the accuracy or completeness of such information provided by DTC.

The 2019 Bonds have not been registered under the Securities Act of 1933, as amended, and the Resolution and the Indenture have not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions contained in such federal laws. In making an investment decision, investors must rely upon their own examination of the 2019 Bonds and the security therefor, including an analysis of the risk involved. The 2019 Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the 2019 Bonds in accordance with applicable provisions of securities laws of the various jurisdictions in which the 2019 Bonds have been registered, qualified or exempted cannot be regarded as a recommendation thereof. Neither such jurisdictions nor any of their agencies have passed upon the merits of the 2019 Bonds or the adequacy, accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

References in this Official Statement to statutes, laws, rules, regulations, resolutions (including the Resolution), agreements (including the Indenture, the Loan Agreement, and the Continuing Disclosure Agreement) (all as hereinafter defined), reports and documents do not purport to be comprehensive or definitive, and all such references are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. This Official Statement is submitted in connection with the sale of the 2019 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstance, create any implication that there has been no change in the affairs of the parties referred to above since the date hereof.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements generally are identifiable by the terminology used, such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Neither the Authority nor the University plans to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur.

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NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
103 College Road East
Princeton, New Jersey 08540-6612

OFFICIAL STATEMENT
Relating To

$_____*
New Jersey Educational Facilities Authority
Revenue Bonds
Stevens Institute of Technology Issue
2019 Series C (Tax-Exempt) (Green Bonds)

$_____*
New Jersey Educational Facilities Authority
Revenue Bonds
Stevens Institute of Technology Issue
2019 Series D (Federally Taxable) (Green Bonds)

INTRODUCTORY STATEMENT

General

The purpose of this Official Statement, which includes the cover page, inside cover page and the Appendices hereto, is to furnish information concerning the New Jersey Educational Facilities Authority (the "Authority"), The Trustees of the Stevens Institute of Technology (the "University") and the Authority's $_____* Revenue Bonds, Stevens Institute of Technology Issue, consisting of $_____* Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series C (Tax-Exempt) (Green Bonds) (the "2019 Series C Bonds") and $_____* Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series D (Federally Taxable) (Green Bonds) (the "2019 Series D Bonds" and, together with the 2019 Series C Bonds, the "2019 Bonds"), each to be dated their date of delivery. The 2019 Bonds are issued pursuant to: (i) the Act (as defined herein); (ii) a Resolution, duly adopted by the Authority on August 20, 2019 (the "Resolution"); and (iii) a Trust Indenture dated as of December 1, 2019 (the "Indenture"), by and between the Authority and U.S. Bank National Association, Morristown, New Jersey, as Trustee (the "Trustee"). The 2019 Bonds are being issued and will bear interest at the rates set forth on the inside cover page and shall be payable as set forth herein. The 2019 Bonds will be subject to optional, extraordinary optional, and mandatory sinking fund redemption prior to maturity as described herein. See "THE 2019 BONDS – Optional Redemption, - Extraordinary Optional Redemption, and - Mandatory Sinking Fund Redemption" herein. Certain capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Indenture. The information contained in this Official Statement has been prepared under the direction of the Authority for use in connection with the sale and delivery of the 2019 Bonds.

The University has designated the 2019 Bonds as Green Bonds. See "PLAN OF FINANCING – Green Bonds Designation."

For definitions of certain capitalized words and terms used in this Official Statement and not otherwise defined herein, see "APPENDIX C – FORMS OF CERTAIN LEGAL DOCUMENTS" and "APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

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* Preliminary, subject to change.

Authority for Issuance

The 2019 Bonds will be issued pursuant to 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 Laws of 1967, as amended and supplemented (the "Act"). The Act, among other things, empowers the Authority to issue its bonds, notes and other obligations to obtain funds to provide loans to finance and refinance an eligible educational facility as such may be required or convenient for the purposes of a public or private participating institution of higher education, such as the University, a New Jersey nonprofit corporation and a private university situated in Hoboken, Hudson County, New Jersey. The University is commonly known as "Stevens Institute of Technology." For information concerning the University, see "APPENDIX A – CERTAIN INFORMATION REGARDING THE TRUSTEES OF THE STEVENS INSTITUTE OF TECHNOLOGY" hereto and "APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT ON STEVENS INSTITUTE OF TECHNOLOGY" hereto.

Purpose

The 2019 Bonds are being issued to provide funds to be loaned to the University pursuant to a Loan Agreement dated as of December 1, 2019 (the "Loan Agreement"), by and between the University and the Authority, which funds, along with other available funds, will be used to (a) finance or refinance the Capital Project (as defined herein); (b) fund capitalized interest for the 2019 Bonds; and (c) pay certain costs of issuing the 2019 Bonds (collectively, the "Project"). See "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

A portion of the costs of the Capital Project were financed by the University with the proceeds of a revolving line of credit (the "Line of Credit") from TD Bank, N.A. (the "Interim Lender"). As of _____, 2019, the Line of Credit is outstanding in the aggregate principal amount of $_____ and a portion of the proceeds of the 2019 Bonds will be used to refinance the amounts drawn on the Line of Credit.

Security and Other Financings

The 2019 Bonds are special and limited obligations of the Authority payable solely from the Pledged Property, which consists of all Revenues and the moneys and earnings held in the funds and accounts created under the Indenture (except the Rebate Fund, the Additional Loan Payments Fund and the Project Fund) and the right to receive the same (except amounts in respect of administrative expenses in whatever fund held); all right, title and interest of the Authority in and to the foregoing; and all right, title and interest of the Authority in and to, and the remedies under, the Loan Agreement (except for the Reserved Rights of the Authority). See "SECURITY FOR THE 2019 BONDS – Special and Limited Obligations" herein.

Pursuant to the Loan Agreement, the University agrees to pay to the Trustee, on behalf of the Authority, "Basic Loan Payments" (as defined in the Loan Agreement) in immediately available funds at the times and in amounts sufficient for the payment, among other things, of the principal of, redemption premium (if any) and interest on the 2019 Bonds and all amounts required to be deposited in the funds established under the Indenture, as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise. Under the Loan Agreement, the University also agrees to pay the fees and expenses of the Authority

and the Trustee, and various other fees and amounts, including payments required to be deposited in the Rebate Fund, as "Additional Loan Payments" (as defined in the Loan Agreement and together with the Basic Loan Payments, the "Loan Payments").

The University's obligation to make the payments required under the Loan Agreement constitutes a general obligation of the University, payable from any legally available funds of the University. As security for its obligations under the Loan Agreement, the University has pledged and granted a lien on its Tuition and has agreed to impose such Tuition, fees, rentals and other charges sufficient at all times to generate revenues that, together with other legally available moneys of the University, will be sufficient to pay the cost of operating and maintaining the Project Facilities (as defined herein) and to pay all amounts required under the Loan Agreement. See "SECURITY FOR THE 2019 BONDS – The Loan Agreement" herein.

The Authority has previously issued and may from time to time in the future issue other series of its revenue bonds to finance or refinance projects of the University, the proceeds of which have or will be loaned to the University pursuant to separate loan agreements or bond agreements, as applicable. The payments due from the University pursuant to each such agreement are or shall be a general obligation of the University, payable from any legally available moneys of the University. See "SECURITY FOR THE 2019 BONDS - Prior Liens and Pledges and Covenants Relating to Pledges" herein. The University has covenanted in the Loan Agreement that, so long as the 2019 Bonds are outstanding, it will not pledge or create or suffer to be created or exist upon its real property constituting (i) the Gianforte Academic Center, (ii) the Wesley J. Howe Center, and (iii) the Lawrence T. Babbio, Jr. Center for Technology Management, any additional mortgage of, security interest in or pledge of property which secures any indebtedness for money borrowed by the University in an aggregate amount greater than $10,000,000, unless there is provision made, in each instance, to secure the 2019 Bonds equally and ratably with such indebtedness by such lien.

THE 2019 BONDS 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 (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE). THE AUTHORITY HAS NO TAXING POWER. SEE "SECURITY FOR THE 2019 BONDS" HEREIN FOR A DESCRIPTION OF THE SECURITY FOR THE 2019 BONDS.

The 2019 Bonds are being issued in fully-registered form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and beneficial interests in the book-entry bonds will be made available in authorized denominations to the ultimate purchasers under the book-entry-only system maintained by DTC. Interest on the 2019 Bonds, calculated on the basis of a 360-day year of twelve 30-day months, is payable on January 1 and July 1 of each year commencing on July 1, 2020 (each an "Interest Payment Date"). Principal or Redemption Price of the 2019 Bonds will be paid, when due, upon presentation and surrender of the 2019 Bonds at the principal corporate trust office of the Trustee.

Additional Parity Obligations

The Authority may issue additional bonds on behalf of the University secured by a pledge of and lien on Tuition on a parity basis with the pledge of and lien on Tuition securing the 2019 Bonds. Under the Loan Agreement and pursuant to the Indenture, the University, with prior notice to the Authority, may enter into one or more Swap Agreements (as each such term is defined in the Loan Agreement). Pursuant to the Indenture and subject to the Authority's consent, such Swap Agreements may be secured on parity with the University's payment obligations under the Loan Agreement. See "SECURITY FOR THE 2019 BONDS – Additional Parity Obligations" herein. The University has no current plans to enter into any Swap Agreement in connection with the 2019 Bonds, and unless any such Swap Agreement shall be entered into, references thereto may be disregarded.

THE AUTHORITY

Powers of the Authority

The Authority was duly created under the Act (*N.J.S.A.* 18A:72A-1 *et seq.*) as a public body corporate and politic constituting an instrumentality exercising public and essential governmental functions of the State of New Jersey (the "State"). The Act empowers the Authority, among other things, to make loans to public and private colleges and universities for the construction, improvement, acquisition and refinancing of eligible projects in accordance with a lease agreement, a loan agreement or a mortgage approved by the Authority. The Authority is also authorized to provide financing for capital improvements at qualified public libraries.

The Act provides that the Authority shall not be required to pay taxes or assessments upon any of the property acquired or used by it or under its jurisdiction, control, possession or supervision, or upon its activities in the operation and maintenance of the facilities acquired or constructed for any participating college or university or upon any moneys, revenues or other income received therefrom by the Authority.

Authority Organization and Membership

Under the Act and pursuant to Reorganization Plan 005-2011, the Authority membership consists of the State Treasurer, the Secretary of Higher Education, both *ex-officio*, and five citizen members appointed by the Governor of the State (the "Governor") with the advice and consent of the Senate for terms of five years each. The Act provides that deputies of the *ex-officio* members may be designated to act on their behalf. Members of the Authority whose terms have expired continue to serve on the Authority until their successors are appointed and qualified. The members of the Authority serve without compensation, but are entitled to reimbursement of actual and necessary expenses incurred in the discharge of their official duties.

The present members and officers of the Authority, the dates of expiration of their terms as members and their business affiliations are as follows:

Joshua E. Hodes, Chair; term as a member expired April 30, 2014; Partner, Public Strategies Impact; Trenton, New Jersey.

Ridgeley Hutchinson, Vice Chair; term as a member expired April 30, 2015; Executive Director, New Jersey Carpenters Apprentice Training and Educational Fund; Trenton, New Jersey.

The Honorable Elizabeth Maher Muoio, Treasurer; Treasurer, State of New Jersey, *ex officio*.

The Honorable Zakiya Smith Ellis, Secretary of Higher Education, *ex officio*.

Louis A. Rodriguez, P.E.; term as a member expired April 30, 2016; Engineering Consultant; Marlboro, New Jersey.

Eric D. Brophy, Esq., Executive Director, serves as the Secretary to the Authority.

Sheryl A. Stitt, Deputy Executive Director, serves as an Assistant Secretary to the Authority.

Steven P. Nelson, Director of Project Management, serves as an Assistant Secretary to the Authority.

Ellen Yang, Director of Compliance Management, serves as an Assistant Secretary to the Authority.

Brian Sootkoos, Director of Finance/Controller, serves as the Assistant Treasurer to the Authority.

Outstanding Obligations of the Authority

As of December 31, 2018, the Authority has heretofore authorized and issued its obligations in a total outstanding amount of $4,963,318,355 to finance and refinance eligible projects at certain of the participating public and private colleges and universities and public libraries located in the State.

The Authority has never defaulted in payment of the maturing principal of or interest on any of its obligations.

STATE OF NEW JERSEY HIGHER EDUCATION

Pursuant to Governor Christie's Reorganization Plan 005-2011, the New Jersey Commission on Higher Education (the "Commission") has been abolished and the responsibilities, duties and authorities of the former Commission have been transferred to the Secretary of Higher Education.

The former Commission, established by the Higher Education Restructuring Act of 1994, provided coordination, planning, policy development and advocacy for the State's higher education system. The Commission was also responsible for institutional licensure and the administration of the Educational Opportunity Fund and other programs.

The New Jersey Higher Education system serves as the principal advocate for an integrated system of higher education which provides a broad scope of higher education programs and services. The system includes both 30 public and 59 independent institutions and enrolls over 420,000 full-time and part-time credit seeking students Statewide.

The 30 public colleges and universities are comprised of Rutgers, The State University of New Jersey ("Rutgers University"); Rowan University; the New Jersey Institute of Technology; and Montclair State University; two state colleges and five state universities; and 19 community colleges. Pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, effective July 1, 2013, all liabilities and debt of the University of Medicine and Dentistry of New Jersey ("UMDNJ") and its assets were transferred to Rutgers University, Rowan University and University Hospital; and UMDNJ, as a legal entity, ceased to exist. The 59 independent institutions include 15 senior colleges and universities with a public mission, one independent two-year religious college, 30 rabbinical schools and theological seminaries, 12 proprietary institutions with degree-granting authority, and one independent three-year college.

PLAN OF FINANCING

The proceeds of the 2019 Bonds, along with other available funds, will be used to: (a) finance or refinance the Capital Project described below; (b) fund capitalized interest for (i) the 2019 Series C Bonds through July 1, 2022 and (ii) the 2019 Series D Bonds through July 1, 2022; and (c) pay certain costs of issuing the 2019 Bonds.

Capital Project

A portion of the proceeds of the 2019 Bonds will be used to pay the costs of financing certain capital projects (collectively, the "Capital Project") consisting of: (a) the construction, renovation, and equipping of the new Student Housing and University Center Project; and (b) the construction, renovation, expansion and equipping of certain additional facilities at the University for research and education, including, but not limited to, projects included in the University's long-range facilities plan.

The Student Housing and University Center will be located at the center of campus overlooking the Hudson River and the Manhattan skyline. The facility will consist of two towers of student housing and a new 75,000 square foot University Center, which will support the University's ten-year Strategic Plan by offering approximately 880 additional beds on campus and a state-of-the-art meeting place for all members of the University community. Construction began in March 2019, with facilities expected to be operational by April 2022. The Capital Project will also include demolition of two existing dormitory and student meeting buildings currently on the site.

See Appendix A hereto for a more detailed description of the Capital Project.

A portion of the costs of the Capital Project were financed by the University with the proceeds of the Line of Credit from the Interim Lender. As of _____, 2019, the Line of Credit is outstanding in the aggregate principal amount of $_____ and a portion of the proceeds of the 2019 Bonds will be used to refinance the amounts drawn on the Line of Credit.

Green Bonds Designation

The University has designated the 2019 Bonds as "Green Bonds." The buildings comprising the Student Housing and University Center Project are expected to receive a LEED (Leadership in Energy and Environmental Design) Silver certification from the U.S. Green Building Council. The U.S. Green Building Council reviews applications for LEED certification and assigns points to a project based on its level of achievement in improved environmental performance. Based on the number of points achieved, a project then earns one of four LEED rating levels: Certified, Silver, Gold or Platinum. There is no assurance that LEED certification will be obtained for the Student Housing and University Center Project, however, upon receipt, if any of the LEED certification, the University intends to disclose such receipt on EMMA (as defined herein). There will be no further reporting in respect of LEED certification or for the Student Housing and University Center Project following disclosure of the certification, if received. The University does not expect to provide any additional disclosure relating to the "Green Bonds" status of the 2019 Bonds or the Student Housing and University Center Project.

The term "Green Bonds" is not defined in nor related to the Resolution, the Indenture, the Loan Agreement or any other agreement or document relating to the 2019 Bonds. The use of this term is for identification purposes only and is not intended to provide or imply that owners of the 2019 Bonds are entitled to any terms or security different from or in addition to those provided in the Resolution, the Indenture or the Loan Agreement.

THE 2019 BONDS

The following summary describes the terms of the 2019 Bonds. Any reference herein to the 2019 Bonds or to the Indenture or other similar documents shall be deemed to mean the 2019 Bonds or the documents related thereto, unless the context or use clearly indicates otherwise.

General

The 2019 Bonds are to be issued in the aggregate principal amount of $_____*. The 2019 Bonds shall be dated and bear interest from their date of delivery, payable initially on July 1, 2020 and semi-annually thereafter on January 1 and July 1 of each year until maturity or earlier redemption, at the rates per annum, and shall mature in the amounts, set forth on the inside cover page of this Official Statement.

Interest on the 2019 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The 2019 Bonds will be issued as fully-registered bonds in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of DTC. The 2019 Bonds may be purchased by the beneficial owners in denominations of $5,000 or any integral multiple thereof (an "Authorized Denomination").

Principal of and redemption premium, if any, and interest on the 2019 Bonds will be paid by the Trustee. Principal of the 2019 Bonds is payable upon presentation by the Holders thereof as the 2019 Bonds become due and payable. Except as otherwise provided in the Indenture, interest on the 2019 Bonds will be payable on each Interest Payment Date by the Trustee by check mailed on the date on which interest is due to the Holders of the 2019 Bonds at the close

* Preliminary, subject to change.

of business on the Record Date in respect of such Interest Payment Date at the registered addresses of such Holders as they appear on the registration books maintained by the Trustee. The Record Date with respect to any Interest Payment Date for the 2019 Bonds shall be the fifteenth day of the calendar month immediately preceding that Interest Payment Date. Notwithstanding the foregoing, so long as records of ownership of the 2019 Bonds are maintained through the book-entry-only system, all payments to the Beneficial Owners of such 2019 Bonds will be made in accordance with the procedures described under the heading "THE 2019 BONDS - Book-Entry-Only System."

Book-Entry-Only System

DTC will act as securities depository for the 2019 Bonds. The 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co., DTC's partnership nominee or such other names as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each series and maturity of the 2019 Bonds, each in the entire aggregate principal amount of such series and maturity, and will be deposited with DTC.

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

Purchase of Ownership Interests. Purchases of the 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as

periodic statements of their holdings, from the Direct or Indirect Participant through whom such Beneficial Owners entered into the transaction. Transfers of ownership interests in the 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2019 Bonds, except as specifically provided in the Indenture in the event that use of the book-entry-only system is discontinued.

Payments of Principal, Premium, if any, and Interest. Redemption proceeds, principal and interest payments on the 2019 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with municipal securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2019 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. Beneficial Owners of the 2019 Bonds may wish to ascertain that the nominee holding the 2019 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2019 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NONE OF THE AUTHORITY, THE TRUSTEE OR THE UNIVERSITY WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS

FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENT TO, OR THE PROVIDING OF NOTICE FOR, SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES.

Transfers of 2019 Bonds. To facilitate subsequent transfers, all 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in Beneficial Ownership. DTC has no knowledge of the actual Beneficial Owners of the 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

None of the Authority, the Trustee or the University will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any 2019 Bonds on the registration books of the Trustee.

Discontinuance of Book-Entry-Only System. In the event (i) DTC determines not to continue to act as securities depository for the 2019 Bonds or (ii) the Authority, with the consent of the University and the Trustee, determines in accordance with the terms of the Indenture that (a) DTC is incapable of discharging its duties or (b) it is in the best interests of the holders of the 2019 Bonds not to continue the book-entry-only system or that interests of the Beneficial Owners of the 2019 Bonds might be adversely affected if the book-entry-only system is continued, then the Authority will discontinue the book-entry-only system with DTC. Upon the occurrence of the event described in (i) or (ii)(a) above, the Authority will attempt to locate another qualified securities depository. If the Authority fails to identify another qualified securities depository to replace DTC or makes the determination noted in (ii)(b) above, the Trustee will authenticate and deliver the 2019 Bonds in accordance with the Indenture.

No Assurance Regarding DTC Practices

The foregoing information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority does not take any responsibility for the accuracy thereof.

So long as Cede & Co. is the registered owner of the 2019 Bonds as nominee of DTC, references herein to the holders or registered owners of the 2019 Bonds (other than under the captions "CONTINUING DISCLOSURE" and "TAX MATTERS") will mean Cede & Co. and will not mean the Beneficial Owners of the 2019 Bonds.

None of the Authority, the Trustee or the University will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the Beneficial Owners, (iii) the selection by DTC or by any Direct or Indirect Participant of any Beneficial Owner to receive payment in the event of a partial redemption of the 2019 Bonds or (iv) any other action taken by DTC or its partnership nominee as owner of the 2019 Bonds.

Redemption

The 2019 Bonds are subject to optional redemption, extraordinary optional redemption and mandatory sinking fund redemption as described below.

Optional Redemption

The 2019 Series C Bonds maturing on and after July 1, 20__ are subject to optional redemption on any date on or after July 1, 20__ at the option of the Authority with the written consent of the University, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date of redemption.

The 2019 Series [D] Bonds are subject to make-whole redemption prior to maturity by written direction of the Authority, with the written consent of the University, in whole or in part, on any Business Day, at the "Make-Whole Redemption Price" (as defined below).

The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the 2019 Series [D] Bonds to be redeemed or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the 2019 Series [D] Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2019 Series [D] Bonds are to be redeemed, discounted to the date on which the 2019 Series [D] Bonds are to redeemed on a semi-annual basis, assuming a 360-year consisting of twelve 30-day months, at the adjusted "Treasury Rate" (as defined below), plus ___ basis points, plus, in each case, accrued and unpaid interest on the 2019 Series [D] Bonds to be redeemed on the redemption date.

The "Treasury Rate" will be, as of the redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least five (5) Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the 2019 Series [D] Bonds to be redeemed; *provided, however*, that if the period from the redemption date to such maturity date is less than one (1) year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one (1) year will be used.

The Make-Whole Redemption Price of the 2019 Series [D] Bonds to be redeemed pursuant to the make-whole redemption provisions described above will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the University at the University's expense to calculate such Make-Whole Redemption Price. The Trustee and the Authority may conclusively rely upon the determination of such Make-Whole Redemption Price by such independent accounting firm, investment banking firm or financial advisor, and neither the Trustee nor the Authority will be liable for such reliance.

Extraordinary Optional Redemption

The 2019 Bonds shall be subject to redemption prior to maturity, in whole or in part at the option of the Authority, upon the written direction of the University, at any time and from

time to time, at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date, without premium, in the event that any one or more of the following events shall have occurred: (i) title to, or the temporary use of, all or a material portion of the Project Facilities (as defined below) shall have been taken under the exercise of the power of eminent domain by, or sold in lieu thereof to, any governmental authority, or person, firm or corporation acting under governmental authority, which taking or sale prevents or is likely to prevent the carrying on of normal operations of the Project Facilities for a period of at least twelve months; or (ii) the Project Facilities are rendered untenable or unusable in the normal operations of the University by any cause whatsoever, including, but not limited to, a hazard against which insurance is required to be maintained in accordance with the Loan Agreement. "*Project Facilities*" is defined as certain educational facilities financed and refinanced with the proceeds of the 2019 Bonds, including any additions, improvements, modifications, substitutions and renewals thereof, and further including other facilities and uses as are permitted by the Act and the Loan Agreement.

Mandatory Sinking Fund Redemption

The 2019 Series C Bonds maturing on July 1, 20__ shall be retired by mandatory sinking fund installments in part on July 1 in each of the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date:

Year	Amount

*Final maturity.

The 2019 Series C Bonds maturing on July 1, 20__ shall be retired by mandatory sinking fund installments in part on July 1 in each of the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date:

Year	Amount

*Final maturity.

The 2019 Series C Bonds maturing on July 1, 20__ shall be retired by mandatory sinking fund installments in part on July 1 in each of the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date:

Year	Amount

*Final maturity.

The 2019 Series D Bonds maturing on July 1, 20__ shall be retired by mandatory sinking fund installments in part on July 1 in each of the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date:

Year	Amount

*Final maturity.

The 2019 Bonds subject to mandatory sinking fund redemption are subject, however, to the provision that the principal amount of any partial redemption of the 2019 Bonds pursuant to any optional redemption (the "Prior Non-Mandatory Redemptions") shall at the election of the Authority, with the consent of the University, be credited against and reduce the obligation of the Authority to effect mandatory scheduled sinking fund redemption requirements for the 2019 Bonds. Such election shall be exercised by delivery to the Trustee of written notice from the Authority, with the consent of the University, that the Authority elects to credit Prior Non-Mandatory Redemptions that have not been previously credited against mandatory sinking fund redemption requirements for the 2019 Bonds, which notice shall designate the mandatory sinking fund redemption installments to be reduced by date and the principal amount of such reductions.

Selection of 2019 Bonds for Redemption

In the case of any redemption in part of the 2019 Bonds, the 2019 Bonds to be redeemed will be selected by the Trustee, subject to the requirements of the Indenture. Upon any redemption of 2019 Bonds in part, there will be no partial redemption of less than $5,000. If less than all of the 2019 Bonds outstanding are called for redemption under any provision of the Indenture permitting partial redemption, the particular maturity or maturities of the 2019 Bonds to be redeemed will be selected by the Authority with the consent of the University. If less than all of the 2019 Bonds outstanding of any maturity shall be called for redemption, such 2019 Bonds shall be selected by the Trustee, in such manner as the Trustee, in its discretion, may deem fair and appropriate consistent with industry standards and the requirements of the Indenture, provided, however (a) that a portion of any Bond to be redeemed under the Indenture shall be in the principal amount of $5,000 or any multiple thereof; (b) that, in selecting 2019 Bonds for redemption, the Trustee shall treat each Bond as representing that number of 2019 Bonds that is obtained by dividing the principal amount of such Bond by $5,000; and (c) that, to the extent practicable, the Trustee will not select any Bond for partial redemption if the amount of such Bond remaining Outstanding would be reduced by such partial redemption to less than the Authorized Denomination. If there shall be called for redemption less than all of a Bond, the Authority shall execute and deliver and the Trustee shall authenticate, upon surrender of such

Bond, and at the expense of the University and without charge to the owner thereof, a replacement Bond in the principal amount of the unredeemed balance of the Bond so surrendered.

Procedure for Redemption

Notice of any redemption of the 2019 Bonds pursuant to the Indenture, either in whole or in part, will be sent by the Trustee by mail, postage prepaid, not less than 30 days (or, in the case of acceleration of the 2019 Bonds following an Event of Default under the Indenture, 7 days) (See "APPENDIX C – FORM OF CERTAIN LEGAL DOCUMENTS" hereto), but not more than 60 days prior to the proposed redemption date, to all holders of the 2019 Bonds to be redeemed at their addresses as they appear on the registration books of the Trustee. Failure to give such notice to any holder or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other 2019 Bonds. Each notice will: (i) specify the series, principal amount of the 2019 Bonds to be redeemed, the redemption date, the redemption price, and the place or places where amounts due upon such redemption will be payable (which will be the Principal Office of the Trustee) and, if less than all of the 2019 Bonds are to be redeemed, the numbers and portions of the 2019 Bonds to be redeemed; (ii) state any condition to the redemption; and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the 2019 Bonds redeemed will cease to bear interest. CUSIP number identification will accompany all redemption notices.

Procedures Relating Solely to the 2019 Series D Bonds. If the 2019 Series D Bonds are registered in book-entry-only form and so long as DTC or a successor Securities Depository is the sole registered owner of the 2019 Series D Bonds, if less than all of the 2019 Series D Bonds of a maturity are called for redemption, the particular 2019 Series D Bonds of such maturity or portions thereof to be redeemed will be selected on a pro rata pass-through distribution of principal basis in accordance with the applicable DTC procedures.

It is the intention of the Authority that redemption allocations made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, none of the Authority, the University or the Underwriter can provide any assurance that DTC, its Participants or any other intermediary will allocate the redemption of the 2019 Series D Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the 2019 Series D Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the 2019 Series D Bonds will be selected for redemption, in accordance with DTC procedures, by lot or in such other manner as is in accordance with the applicable DTC operational arrangements.

If the 2019 Series D Bonds are not registered in book-entry-only form, any redemption of less than all of a maturity of the 2019 Series D Bonds will be allocated among the registered owners of the 2019 Series D Bonds of such maturity, as nearly as practicable, taking into consideration the Authorized Denominations of the 2019 Series D Bonds, on a pro rata basis.

Negotiable Instruments

The 2019 Bonds issued pursuant to the Act are fully negotiable within the meaning of the Uniform Commercial Code of the State, subject only to the provision for registration contained in the 2019 Bonds.

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the 2019 Bonds, along with other available funds, will be applied approximately as follows:

SOURCES OF FUNDS	2019 Series C Bonds	2019 Series D Bonds	Total
2019 Series C Bonds	$	-	$
2019 Series D Bonds	-	$	$
Original Issue [Premium/Discount]		-	
[Equity Contribution]	-		
	$	**$**	**5**

USES OF FUNDS	2019 Series C Bonds	2019 Series D Bonds	Total
Deposit to 2019 Construction Fund	$	$	$
Deposit to Capitalized Interest Account			
Costs of Issuance†			
	$	**$**	**$**

[* Includes an equity contribution from the University.]

† Includes fees and expenses of Bond Counsel, the Authority, University counsel, the Underwriters, and the Trustee, rating agency fee, and other issuance costs associated with the 2019 Bonds.

SECURITY FOR THE 2019 BONDS

Special and Limited Obligations

The 2019 Bonds are special and limited obligations of the Authority and are payable from and secured solely by the Pledged Property (defined below) pledged under the Indenture derived by the Authority from the Loan Agreement and the Note (including the payments made thereunder), and by other funds pledged under the Indenture.

As defined in the Indenture, "Pledged Property" is all Revenues and the moneys and earnings held in the funds and accounts created under the Indenture (except the Rebate Fund, the Additional Loan Payments Fund and the Project Fund) and the right to receive the same (except amounts in respect of administrative expenses in whatever fund held); all right, title and interest of the Authority in and to the foregoing; and all right, title and interest of the Authority in and to, and the remedies under, the Loan Agreement (except for the Reserved Rights of the Authority).

As defined in the Indenture, "Revenues" are (i) all Basic Loan Payments, (ii) any amount directed to be transferred to or deposited in the Construction Fund and the Debt Service Fund pursuant to the Indenture; (iii) all other moneys when received by the Trustee for deposit into the Construction Fund and the Debt Service Fund, including prepayments, insurance proceeds and condemnation proceeds; and (iv) all interest, profits or other income derived from the investment of amounts in any Fund or account established pursuant to the Indenture, but not including any

administrative fees or expenses or any moneys required to be deposited in the Rebate Fund, the Additional Loan Payments Fund or the Project Fund.

THE 2019 BONDS 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 (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE). THE AUTHORITY HAS NO TAXING POWER.

The Loan Agreement

Under the Loan Agreement, the University agrees to pay to the Trustee, on behalf of the Authority, the Basic Loan Payments at the times and in amounts sufficient for the payment of, among other things, the principal of, redemption premium (if any) and interest on the 2019 Bonds and all amounts required to be deposited in the funds established under the Indenture, as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise. Under the Loan Agreement, the University also agrees to pay the fees and expenses of the Authority and the Trustee and various other fees and amounts including payments required to be deposited in the Rebate Fund as Additional Loan Payments.

The University's obligation to make the payments required under the Loan Agreement constitutes a general obligation of the University, payable from any legally available funds of the University. As security for its obligations to the Authority under the Loan Agreement, the University also grants a pledge of and lien on Tuition, which is defined in the Loan Agreement as the price of or payment for academic instruction at the University. The University further covenants and agrees to impose such fees, rental and other charges sufficient at all times to generate Tuition, which together with other legally available moneys of the University, will be sufficient to pay the cost of operating and maintaining the Project Facilities and to pay all amounts required under the Loan Agreement.

Term of the Loan Agreement. The Loan Agreement shall continue in full force and effect until the date on which the principal of and redemption premium (if any), and interest on the 2019 Bonds, and all other obligations under the Loan Agreement, shall have been fully paid or provision for the payment thereof shall have been made as provided by the Indenture, at which time the Authority shall release and cancel the Loan Agreement.

Obligations of University Unconditional. For the term of the Loan Agreement, the obligations of the University to make the payments required to be made thereunder shall be absolute and unconditional and the amount, manner and time of payment of such amounts shall not be decreased, abated, postponed or delayed for any cause or by reason of the happening of any event.

Maintenance and Operation of the Project Facilities. The University shall, at its own expense, hold, operate and maintain the Project Facilities and any equipment related thereto in a

careful and prudent manner, and it shall keep the Project Facilities and any equipment related thereto in a good, clean and orderly fashion.

Prior Liens and Pledges and Covenants Relating To Pledges

Upon the issuance of the 2019 Bonds, approximately $_____ principal amount of parity debt will be outstanding. The additional parity debt consists of $119,905,000 original principal amount of the Authority's Revenue Bonds, Stevens Institute of Technology Issue, 2017 Series C (the "2017 Series C Bonds"). The 2017 Series C Bonds are secured on a parity basis with the 2019 Bonds by the Tuition of the University. See "Additional Parity Obligations" below.

Pursuant to the Loan Agreement, the University has a general obligation to satisfy its repayment obligations with respect to the 2019 Bonds. The University has covenanted in the Loan Agreement that, so long as the 2019 Bonds are outstanding, it will not pledge or create or suffer to be created or exist upon its real property constituting (i) the Gianforte Academic Center, (ii) the Wesley J. Howe Center, and (iii) the Lawrence T. Babbio, Jr. Center for Technology Management, any additional mortgage of, security interest in or pledge of property which secures any indebtedness for money borrowed by the University in an aggregate amount greater than $10,000,000, unless there is provision made, in each instance, to secure the 2019 Bonds equally and ratably with such indebtedness by such lien.

The University may incur additional general obligations and may provide a lien, security interest, restriction or reservation with respect to revenues of a specific project.

Additional Parity Obligations

The Authority may issue additional bonds on behalf of the University secured by a pledge of and lien on Tuition on a parity basis with the pledge of and lien on Tuition securing the 2019 Bonds. Under the Loan Agreement and pursuant to the Indenture, the University, with prior notice to the Authority, may enter into one or more Swap Agreements. Pursuant to the Indenture and subject to the Authority's consent, such Swap Agreements may be secured on parity with the University's payment obligations under the Loan Agreement. The University has no current plans to enter into any Swap Agreement in connection with the 2019 Bonds, and unless any such Swap Agreement shall be entered into, references thereto may be disregarded.

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ESTIMATED ANNUAL DEBT SERVICE

The following table presents the estimated annual debt service requirements on the 2019 Bonds and other outstanding debt of the University[1][2].

Year Ending (6/30)[3]	Existing Indebtedness[4]	2019 Series C Bonds Principal Amount	2019 Series C Bonds Interest Amount[5]	2019 Series D Bonds Principal Amount	2019 Series D Bonds Interest Amount[5]	Total Debt Service
2020	$9,111,057					
2021	9,113,565					
2022	8,979,746					
2023	8,890,787					
2024	8,835,320					
2025	8,835,373					
2026	8,835,935					
2027	8,839,078					
2028	8,832,583					
2029	8,239,056					
2030	8,239,537					
2031	8,246,572					
2032	8,239,333					
2033	7,462,989					
2034	7,466,855					
2035	7,465,603					
2036	7,466,926					
2037	7,463,820					
2038	6,781,650					
2039	6,778,400					
2040	6,779,650					
2041	6,779,650					
2042	6,782,900					
2043	6,778,650					
2044	6,778,750					
2045	6,783,000					
2046	6,780,650					
2047	6,781,550					
2048	-					
2049	-					
2050	-					
2051	-			-		
TOTALS	**$218,368,985**	**$**	**$**	**$**	**$**	**$**

[1] Dollar amounts have been rounded to the nearest whole dollar amount.
[2] Does not include capitalized leases.
[3] Includes principal and interest to be paid on July 1 following each period.
[4] Includes the University's portion of debt service for the following obligations: the 2017 Series C Bonds, New Jersey Educational Facilities Authority, Higher Education Capital Improvement Fund Issues, Series 2016 A and Series 2016 B, and New Jersey Educational Facilities Authority, Higher Education Equipment Leasing Fund Program Issue, Series 2014 B.][CONFIRM/UPDATE]
[5] Includes amounts to be paid from capitalized interest. See "ESTIMATED SOURCES AND USES OF FUNDS."

BONDHOLDERS' RISKS

Purchase of the 2019 Bonds involves a degree of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement, including the Appendices hereto, in order to make a judgment as to whether the 2019 Bonds are an appropriate investment. Certain risks associated with the purchase of the 2019 Bonds are described below and in Appendix A. Such lists of possible factors, while not setting forth all the factors that must be considered, contain some of the factors that should be considered prior to purchasing the 2019 Bonds. The discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive. Prospective purchasers of the 2019 Bonds should give careful consideration to the matters referred to in the following summary.

Payment of Debt Service; Limitation on Revenues

The principal of, redemption premium, if any, and interest on the 2019 Bonds are payable solely from the amounts paid by the University to the Authority under the Loan Agreement. No representation can be made and no assurance can be given that Revenues will be realized by the University in the amounts necessary to make payments at the times and in the amounts sufficient to pay the debt service on the 2019 Bonds. The obligations of the University under the Loan Agreement are unsecured, general obligations of the University.

Future revenues and expenses of the University will be affected by events and conditions relating generally to, among other things, demand for the University's education services, the ability of the University to provide the educational services required, management capabilities, the University's ability to control expenses, competition, tuition costs, legislation, governmental regulation, and developments affecting the federal or state tax-exempt status of non-profit organizations. Unanticipated events and circumstances may occur that cause variations from the University's expectations, and the variations may be material. For more information concerning the University, see Appendix A. The audited financial statements of the University are included as Appendix B.

Enforceability of Remedies

The remedies granted to the Trustee or the owners of the 2019 Bonds upon an Event of Default under the Indenture or the Loan Agreement may be dependent upon judicial actions, which are often subject to discretion and delay. Under existing law, the remedies specified in the Indenture and the Loan Agreement may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2019 Bonds will be qualified as to the enforceability of the provisions of the Indenture and the Loan Agreement by limitations imposed by state and federal laws, rulings and decisions affecting equitable remedies regardless of whether enforceability is sought in a proceeding at law or in equity and by bankruptcy, reorganization, insolvency, receivership or other similar laws affecting the rights of creditors generally.

Risk of Redemption

The 2019 Bonds are subject to redemption prior to maturity in certain circumstances. Bondowners may not realize their anticipated yield on investment to maturity because the 2019

Bonds may be redeemed prior to maturity at par or at a redemption price that results in the realization of less than the anticipated yield to maturity.

Event of Taxability

If the University does not comply with certain covenants of the University in the Loan Agreement or if certain representations by the University in the Loan Agreement or certain certificates of the University are false or misleading, or in the event of a change in federal tax law, the interest payable on the 2019 Series C Bonds may become subject to federal income taxation retroactive to the date of issuance of the 2019 Series C Bonds, regardless of the date on which noncompliance or misrepresentation is ascertained. In the event that interest on the 2019 Series C Bonds should become subject to federal income taxation, the Loan Agreement does not provide for the redemption of 2019 Series C Bonds, or an increase in interest on the 2019 Series C Bonds, although such action could constitute an Event of Default under the Loan Agreement.

Bankruptcy

The Loan Agreement provides that the University shall make payments to the Trustee sufficient to pay the principal of the 2019 Bonds (including any premium) and the interest thereon as the same become due.

Bankruptcy proceedings by the University could have adverse effects on holders of the 2019 Bonds, including (1) delay in the enforcement of their remedies, (2) subordination of their claims to claims of those supplying goods and services to the University after the initiation of bankruptcy proceedings and to the administrative expenses of bankruptcy proceeds, and (3) imposition without their consent of a plan of reorganization reducing or delaying payment of the 2019 Bonds. The United States Bankruptcy Code contains provisions intended to ensure that, in any plan or reorganization not accepted by at least a majority of any class of creditors such as the holders of the 2019 Bonds, such class of creditors will have the benefit of their original claim or the "indubitable equivalent" of it, although the plan may not provide for payment in full of the 2019 Bonds. The effect of these and other provisions of the United States Bankruptcy Code cannot be predicted and may be affected significantly by judicial interpretation.

Limitations on Security

As stated above, the 2019 Bonds are secured by payments to be made by the University under the Loan Agreement. The obligation to make such payments is a general obligation of the University secured by a pledge of and lien on Tuition; however, while the University has covenanted not to pledge or create a lien upon a portion of its real property, the 2019 Bonds are not secured by a mortgage or affirmative pledge of real or personal property of the University. In addition, certain endowment funds are restricted by donors for specific purposes. Neither principal of nor income from funds restricted to purposes other than general purposes may be used to make payments to the Authority in accordance with the Loan Agreement or to meet claims of general creditors.

LITIGATION

The Authority

There is not now pending or, to the knowledge of the Authority, threatened any proceeding or litigation restraining or enjoining the issuance or delivery of the 2019 Bonds or questioning or affecting the validity of the 2019 Bonds or the proceedings or authority under which the 2019 Bonds are to be issued.

There is no litigation pending or, to the knowledge of the Authority, threatened that in any manner questions the right of the Authority to adopt the Resolution, to enter into the Loan Agreement and the Indenture or to secure the 2019 Bonds in the manner herein described.

The University

There is not now pending or, to the knowledge of the University, threatened any proceeding or litigation contesting the Project, the Loan Agreement or the 2019 Bonds or the ability of the University to perform its obligations under the Loan Agreement, nor is there any litigation now pending or, to the knowledge of the University, threatened which, if adversely determined, would materially adversely affect the financial condition or operations of the University, the transactions described in this Official Statement or the validity of the 2019 Bonds or the Loan Agreement.

RATING

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P"), has provided a rating for the 2019 Bonds of "___." This rating reflects only the view of S&P, and an explanation of the significance of such rating may be obtained only from S&P. There is no assurance that such rating will be maintained for any given period of time or that such rating will not be revised downward, suspended or withdrawn entirely by S&P if, in its sole judgment, circumstances so warrant. Any such downward revision, suspension or withdrawal of such rating may have an adverse effect on the market price or marketability of the 2019 Bonds.

FINANCIAL ADVISOR TO THE AUTHORITY

The Authority has engaged PFM Financial Advisors LLC ("PFM") to act as its financial advisor for this issue and as its Independent Registered Municipal Advisor for purposes of SEC Rule 15B1-1(d)(3)(vi). PFM's role has been limited to the final structuring and pricing of the 2019 Bonds. PFM did not participate in the preparation of this Official Statement. PFM's fee is not contingent upon the sale and close of the 2019 Bonds.

FINANCIAL ADVISOR TO THE UNIVERSITY

The Yuba Group LLC (the "Financial Advisor") has acted as financial advisor to the University concerning the 2019 Bonds and will receive compensation contingent upon the sale and delivery of the 2019 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for, the accuracy, completeness or fairness of the information contained in this Official Statement and

the Appendices hereto. The Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

UNDERWRITING

Barclays Capital Inc., as representative of the underwriters of the 2019 Bonds shown on the cover page hereof (the "Underwriters"), has agreed to purchase the 2019 Bonds pursuant to the terms of a bond purchase agreement, by and among the Authority, the University and the Underwriters, at an aggregate purchase price of $_____ (said purchase price reflects the par amount of the 2019 Bonds, [plus/less] [net] original issue [premium]/[discount] of $_____ and less an Underwriters' discount of $_____). The Underwriters will be obligated to purchase all of the 2019 Bonds if any 2019 Bonds are purchased. The Underwriters intend to offer the 2019 Bonds to the public initially at the reoffering yields set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters may offer and sell the 2019 Bonds to certain dealers (including dealers depositing the 2019 Bonds into investment trusts) at yields higher than the public offering yields.

Wells Fargo Securities, one of the Underwriters of the 2019 Bonds, has provided the following two paragraphs. Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

Wells Fargo Bank, National Association, acting through its Municipal Products Group ("WFBNA"), one of the underwriters of the 2019 Bonds, has entered into an agreement (the "WFA Distribution Agreement") with its affiliate, Wells Fargo Clearing Services, LLC (which uses the trade name "Wells Fargo Advisors") ("WFA"), for the distribution of certain municipal securities offerings, including the 2019 Bonds. Pursuant to the WFA Distribution Agreement, WFBNA will share a portion of its underwriting or remarketing agent compensation, as applicable, with respect to the 2019 Bonds with WFA. WFBNA has also entered into an agreement (the "WFSLLC Distribution Agreement") with its affiliate Wells Fargo Securities, LLC ("WFSLLC"), for the distribution of municipal securities offerings, including the 2019 Bonds. Pursuant to the WFSLLC Distribution Agreement, WFBNA pays a portion of WFSLLC's expenses based on its municipal securities transactions. WFBNA, WFSLLC, and WFA are each wholly-owned subsidiaries of Wells Fargo & Company.

The Authority has not been furnished with any documents relating to the WFA Distribution Agreement and the WFSLLC Distribution Agreement and makes no representations of any kind with respect thereto. The Authority is not a party to either of the WFA Distribution Agreement or the WFSLLC Distribution Agreement and has not entered into any agreement or arrangement with WFA or WFSLLC or with WFA with respect to the use of trade names or otherwise with respect to the offering and sale of the 2019 Bonds.

[ANY ADDITIONAL DISCLOSURE NEEDED FOR THE OTHER CO-MANAGERS?]

CONTINUING DISCLOSURE

Pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), on the date of delivery of the 2019 Bonds, the University will enter into an undertaking in the form of a Continuing Disclosure Agreement, with the Trustee as dissemination agent, substantially in the form included as Appendix D to this Official Statement, in which the University will covenant, for the benefit of the holders of the 2019 Bonds, to provide or cause a dissemination agent to provide certain financial information and operating data and notice of certain enumerated events to the Municipal Securities Rulemaking Board (the "MSRB") through its electronic data program, Electronic Municipal Market Access ("EMMA"), or such other program required by Rule 15c2-12.

The Underwriters' obligation to purchase and accept delivery of the 2019 Bonds is conditioned upon it receiving, at or prior to the delivery of the 2019 Bonds, evidence that the University has made the continuing disclosure undertaking set forth in the Continuing Disclosure Agreement.

A failure by the University to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in the Continuing Disclosure Agreement will not constitute an Event of Default under either the Indenture or the Loan Agreement, and the holders of the 2019 Bonds are limited to the remedies set forth in the Continuing Disclosure Agreement.

The Authority and the holders of the 2019 Bonds are recognized under the Continuing Disclosure Agreement as being third-party beneficiaries thereunder and may enforce any such right, remedy or claim conferred, given or granted thereunder in favor of the Trustee or the holders of the 2019 Bonds, as the case may be.

During the past five years, certain audited financial statements and/or financial and operating data were filed late or were incomplete, and the University did not file related failure to file notices. All of such filings were required to be filed pursuant to continuing disclosure agreements entered into by the University with respect to the Authority's Revenue Bonds, Stevens Institute of Technology Issue, 1998 Series I (the "Series 1998 Bonds") and the Authority's Revenue Refunding Bonds, Stevens Institute of Technology Issue, 2007 Series C (the "Series 2007 Bonds"). With respect to the Series 1998 Bonds, the financial and operating data for the fiscal year ended in 2014 was filed approximately one month late and the financial and operating data did not contain all required tabular information. With respect to the Series 2007 Bonds, the financial and operating data for the fiscal year ended in 2014 were filed approximately one month late and the financial and operating data did not contain all required tabular information. [CONFIRM ADDITIONAL DISCLOSURE IS NOT NEEDED]

The University has updated its filings on the MSRB's EMMA website in accordance with its past continuing disclosure undertakings. The University intends to comply fully with all current and future continuing disclosure undertakings and has implemented internal procedures to help ensure that all future filings are completed on a timely basis in accordance with said Rule 15c2-12.

TAX MATTERS

2019 Series C Bonds

Exclusion of Interest on the 2019 Series C Bonds From Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the "Code"), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the 2019 Series C Bonds in order to assure that interest on the 2019 Series C Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Authority or the University to comply with such requirements may cause interest on the 2019 Series C Bonds to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the 2019 Series C Bonds. The Authority and the University will make certain representations in their Arbitrage and Tax Certificates, which will be executed on the date of issuance of the 2019 Series C Bonds, as to various tax requirements. The Authority and the University have covenanted to comply with the provisions of the Code applicable to the 2019 Series C Bonds and have covenanted not to take any action or fail to take any action that would cause interest on the 2019 Series C Bonds to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel (as defined herein) will rely upon the representations made in the Arbitrage and Tax Certificates and will assume continuing compliance by the Authority and the University with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the 2019 Series C Bonds from gross income for federal income tax purposes and with respect to the treatment of interest on the 2019 Series C Bonds for the purposes of alternative minimum tax.

Assuming the Authority and the University observe their covenants with respect to compliance with the Code, McManimon, Scotland & Baumann, LLC, Bond Counsel to the Authority ("Bond Counsel"), is of the opinion that, under existing law, interest on the 2019 Series C Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the 2019 Series C Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to exclusion of interest on the 2019 Series C Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and enforcement of the Code or those regulations by the IRS.

Bond Counsel's engagement with respect to the 2019 Series C Bonds ends with the issuance of the 2019 Series C Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the owners of the 2019 Series C Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the 2019 Series C Bonds, under

current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the 2019 Series C Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including, but not limited to, selection of the 2019 Series C Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the 2019 Series C Bonds.

Payments of interest on tax-exempt obligations, including the 2019 Series C Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a 2019 Series C Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Original Issue Discount

Certain maturities of the 2019 Series C Bonds may be sold at an initial offering price less than the principal amount payable on such Bonds at maturity (the "Discount Bonds"). The difference between the initial public offering price of the Discount Bonds at which a substantial amount of each of the Discount Bonds was sold and the principal amount payable at maturity of each of the Discount Bonds constitutes the original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Discount Bonds. Under Section 1288 of the Code, the original issue discount on the Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bonds will be increased by the amount of such accrued discount. Owners of the Discount Bonds should consult their own tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest.

Original Issue Premium

Certain maturities of the 2019 Series C Bonds may be sold at an initial offering price in excess of the amount payable at the maturity date (the "Premium Bonds"). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, as stock-in-trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner's tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner's original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the "constant yield method" described in regulations interpreting Section 1272 of the Code. Owners of the Premium Bonds should consult their own tax advisors with respect to the calculation of the amount of bond premium that will be treated for federal income tax purposes as having amortized for any taxable

year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Bonds.

Bank-Qualification

The 2019 Series C Bonds will not be designated as qualified under Section 265 of the Code by the Authority for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

The Code denies the interest deduction for certain indebtedness incurred by banks, thrift institutions and other financial institutions to purchase or to carry tax-exempt obligations. The denial to such institutions of 100% of the deduction for interest paid on funds allocable to tax-exempt obligations applies to those tax-exempt obligations acquired by such institutions after August 7, 1986. For certain issues that are eligible to be designated, and that are designated, by the issuer as qualified under Section 265 of the Code, 80% of such interest may be deducted as a business expense by such institutions.

Additional Federal Income Tax Consequences of Holding the 2019 Series C Bonds

Prospective purchasers of the 2019 Series C Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the 2019 Series C Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the 2019 Series C Bonds from gross income pursuant to Section 103 of the Code and interest on the 2019 Series C Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the 2019 Series C Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the 2019 Series C Bonds.

Changes in Federal Tax Law Regarding the 2019 Series C Bonds

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State of New Jersey. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the 2019 Series C Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the 2019 Series C Bonds will not have an adverse effect on the tax status of interest on the 2019 Series C Bonds or the market value or marketability of the 2019 Series C Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax) or repeal (or reduction in the benefit) of the exclusion of interest on the 2019 Series C Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

2019 Series D Bonds

General

In the opinion of Bond Counsel, interest on the 2019 Series D Bonds is includable in gross income for federal income tax purposes.

The following is a summary of certain United States federal income tax consequences of the ownership of the 2019 Series D Bonds as of the date hereof. Each prospective investor should consult with its own tax advisor regarding the application of United States federal income tax laws, as well as any state, local, foreign or other tax laws, to its particular situation.

This summary is based on the Code, as well as Treasury Regulations and administrative and judicial rulings and practice. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, that could alter or modify the continued validity of the statements and conclusions set forth herein. This summary is intended as a general explanatory discussion of the consequences of holding the 2019 Series D Bonds generally and does not purport to furnish information in the level of detail or with the investor's specific tax circumstances that would be provided by an investor's own tax advisor. For example, this summary is addressed only to original purchasers of the 2019 Series D Bonds that are "U.S. holders" (as defined below), deals only with the 2019 Series D Bonds held as a capital asset within the meaning of Section 1221 of the Code and does not address tax consequences to holders that may be relevant to investors subject to special rules. In addition, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in the 2019 Series D Bonds.

As used herein, a "U.S. holder" is a "U.S. person" that is a beneficial owner of the 2019 Series D Bonds. A "non-U.S. investor" is a holder (or beneficial owner) of the 2019 Series D Bonds that is not a U.S. person. For these purposes, a "U.S. person" is a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in Treasury Regulations), an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (i) a United States court is able to exercise primary supervision over the trust's administration, and (ii) one or more U.S. persons have the authority to control all of the trust's substantial decisions.

Sale or Redemption of the 2019 Series D Bonds

An owner's tax basis for the 2019 Series D Bonds is the price such owner pays for the 2019 Series D Bonds plus amounts of any original issue discount included in income, reduced on account of any payments received (other than "qualified periodic interest" payments) and any amortized premium. Gain or loss recognized on a sale, exchange or redemption of the 2019 Series D Bonds, measured by the difference between the amount realized and the 2019 Series D Bonds' basis as so adjusted, will generally give rise to capital gain or loss if the 2019 Series D Bonds are held as a capital asset.

Possible Recognition of Taxable Gain or Loss Upon Defeasance of 2019 Series D Bonds

Defeasance of any 2019 Series D Bonds may result in a deemed exchange under Section 1001 of the Code, in which event the holder of such 2019 Series D Bonds will recognize taxable gain or loss in an amount equal to the difference between the amount realized from the deemed exchange (less any accrued qualified stated interest that will be taxable as such) and the holder's adjusted basis in such 2019 Series D Bonds.

Backup Withholding

An owner of the 2019 Series D Bonds may, under certain circumstances, be subject to "backup withholding" (currently the rate of this withholding tax is 28%, but may change in the future) with respect to interest or original issue discount on the 2019 Series D Bonds. This withholding generally applies if the owner of the 2019 Series D Bonds (a) fails to furnish the Authority or its paying agent with its taxpayer identification number; (b) furnishes the Authority or its paying agent an incorrect taxpayer identification number; (c) fails to report properly interest, dividends or other "reportable payments" as defined in the Code; or (d) under certain circumstances, fails to provide the Authority or its paying agent with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is its correct number and that the holder is not subject to backup withholding. Backup withholding will not apply, however, with respect to certain payments made to 2019 Series D Bond owners, including payments to certain exempt recipients (such as certain exempt organizations) and to certain Nonresidents (as defined below). Owners of the 2019 Series D Bonds should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining the exemption.

The amount of "reportable payments" for each calendar year and the amount of tax withheld, if any, with respect to payments on the 2019 Series D Bonds will be reported to the 2019 Series D Bond owners and to the IRS.

Foreign 2019 Series D Bonds Owners

Under the Code, interest and original issue discount income with respect to the 2019 Series D Bonds held by nonresident alien individuals, foreign corporations or other non-United States persons ("Nonresidents") generally will not be subject to the United States withholding tax (or backup withholding) if the Authority or its paying agent (or other person who would otherwise be required to withhold tax from such payments) is provided with an appropriate statement that the beneficial owner of the 2019 Series D Bonds is a Nonresident. The withholding tax may be reduced or eliminated by an applicable tax treaty, if any. Notwithstanding the foregoing, if any such payments are effectively connected with a United States trade or business conducted by a Nonresident owner of the 2019 Series D Bonds, they will be subject to regular United States income tax, but will ordinarily be exempt from United States withholding tax.

ERISA

The Employees Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code generally prohibit certain transactions between a qualified employee benefit plan under

ERISA (an "ERISA Plan") and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. All fiduciaries of ERISA Plans, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in the 2019 Series D Bonds.

In all events, all investors should consult their own tax advisors in determining the federal, state, local and other tax consequences to them of the purchase, ownership and disposition of the 2019 Series D Bonds.

2019 Bonds

State Taxation

Bond Counsel is of the opinion that, based upon existing law, interest on the 2019 Bonds and any gain on the sale thereof are not included in gross income under the New Jersey Gross Income Tax Act.

THE OPINIONS EXPRESSED BY BOND COUNSEL WITH RESPECT TO THE 2019 BONDS ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE 2019 BONDS, AND BOND COUNSEL HAS EXPRESSED NO OPINION WITH RESPECT TO ANY LEGISLATION, REGULATORY CHANGES OR LITIGATION ENACTED, ADOPTED OR DECIDED SUBSEQUENT THERETO. PROSPECTIVE PURCHASERS OF THE 2019 BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

OTHER LEGAL MATTERS

Legal matters incident to the authorization and issuance of the 2019 Bonds are subject to the approving opinion of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority, the form of which is contained in Appendix E to this Official Statement. Certain legal matters will be passed upon for the University by its counsel, McCarter & English, LLP, Newark, New Jersey. Certain legal matters will be passed upon for the Underwriters by their counsel, Ballard Spahr LLP, Cherry Hill, New Jersey.

LEGALITY FOR INVESTMENT

Pursuant to the Act, all bonds, notes and other obligations issued by the Authority under the provisions of the Act, including the 2019 Bonds, are securities in which the State and all political subdivisions of the State, their officers, boards, commissions, departments or other agencies, all banks, bankers, savings banks, trust companies, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, all administrators, executors, guardians, trustees and other fiduciaries, and all other persons whatsoever who now or hereafter may be authorized to invest in bonds or other obligations of the State, may properly and legally invest any funds, including capital belonging to them or within their control. Bonds, notes or other securities or obligations of the Authority are also securities

that may properly and legally be deposited with and received by any State or municipal officer or agency of the State for any purpose for which the deposit of bonds or other obligations of the State are authorized by law.

PLEDGE OF STATE NOT TO AFFECT RIGHTS OF BONDHOLDERS

Pursuant to the provisions of the Act, the State has pledged to and agrees with the holders of the 2019 Bonds issued pursuant to authority contained in the Act, and with those parties who may enter into contracts with the Authority pursuant to the provisions of the Act, that the State will not limit, alter or restrict the rights vested by the Act in the Authority and the participating colleges (as defined in the Act) to maintain, construct, reconstruct and operate any project (as defined in the Act) or to establish and collect such rents, fees, receipts or other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the Bondholders authorized by the Act, and with the parties who may enter into contracts with the Authority pursuant to the provisions of the Act, or in any way impair the rights or remedies of such Bondholders or such parties until the 2019 Bonds, together with interest thereon, are fully paid and discharged and such other contracts are fully performed on the part of the Authority.

INDEPENDENT AUDITORS

The consolidated financial statements of the University as of June 30, 2019 and 2018 and for the years then ended, included as Appendix B in this Official Statement, have been audited by KPMG LLP, independent auditors, as stated in their report appearing therein.

MISCELLANEOUS

The references herein to the provisions of the Act, the Resolution, the Indenture, the Loan Agreement, the Continuing Disclosure Agreement and the 2019 Bonds do not purport to be complete and are made subject to the detailed provisions thereof to which reference is hereby made. Copies of the above referenced documents are available for inspection at the office of the Authority.

Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no changes in the affairs of the University or the Authority since the date hereof.

Appendices A, B, C, D and E attached to this Official Statement are hereby expressly incorporated as a part hereof. The Authority has not participated in the making of statements contained within this Official Statement other than the information under the headings, "THE AUTHORITY" and "LITIGATION – The Authority", and does not represent that any such statements are accurate or complete for purposes of investors making an investment decision with respect to the 2019 Bonds. Except as otherwise stated, the Authority makes no representations or warranties whatsoever with respect to the information contained herein. This

Official Statement is not to be construed as a contract or agreement between or among the Authority, the University, the Underwriters or the Beneficial Owners of any of the 2019 Bonds.

The description of the University contained in Appendix A attached hereto has been furnished by the University.

The consolidated financial statements and independent auditors' report on the University contained in Appendix B attached hereto have been furnished by the University.

Information herein regarding DTC has been provided by DTC.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

This Official Statement has been executed and delivered by the Authority and the University.

THE TRUSTEES OF THE STEVENS INSTITUTE OF TECHNOLOGY

By: _____
Louis J. Mayer, Ed.D.
Chief Financial Officer, Vice President for Finance and Treasurer

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

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

Dated: _____, 2019

APPENDIX A

CERTAIN INFORMATION REGARDING THE TRUSTEES OF THE STEVENS INSTITUTE OF TECHNOLOGY

APPENDIX B

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT ON STEVENS INSTITUTE OF TECHNOLOGY

APPENDIX C

FORMS OF CERTAIN LEGAL DOCUMENTS

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

$[____]
New Jersey Educational Facilities Authority
Revenue Bonds
Stevens Institute of Technology Issue
2019 Series C (Tax-Exempt) (Green Bonds)

$[___]
New Jersey Educational Facilities Authority
Revenue Bonds
Stevens Institute of Technology Issue
2019 Series D (Federally Taxable) (Green Bonds)

BOND PURCHASE AGREEMENT

[____], 2019

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540-6612

The Trustees of the Stevens Institute of Technology
Howe Center, 13th Floor
One Castle Point on Hudson
Hoboken, New Jersey 07030

Dear Ladies and Gentlemen:

Barclays Capital, Inc., as representative (the "Representative"), acting for and on behalf of itself and the underwriters named in the list attached hereto and incorporated herein by this reference as Schedule I (the "Underwriter" or "Underwriters," as the context may require), hereby offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with the New Jersey Educational Facilities Authority (the "Authority"), which, upon the Authority's acceptance of this offer and upon execution hereof on behalf of The Trustees of the Stevens Institute of Technology (the "University"), will be binding upon the Authority, the University and the Underwriters. Capitalized terms used herein and not otherwise defined shall have the same meanings assigned to such terms in the Official Statement hereinafter referred to.

This offer is made subject to your acceptance on or before 8:00 P.M., prevailing Eastern time, on the date hereof.

1. **Purchase and Sale of 2019 Bonds; Establishment of Issue Price.**

(a) Upon the terms and conditions and upon the basis of the representations, warranties and covenants herein, the Underwriters hereby agree to purchase from the Authority, and the Authority hereby agrees to sell to the Underwriters the Authority's $[_____] Revenue Bonds, Stevens Institute of Technology Issue, consisting of $[_____] Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series C (Tax-Exempt) (Green Bonds) (the "2019 Series C Bonds") and $[_____] Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series D (Federally Taxable) (Green Bonds) (the "2019 Series D Bonds" and, together with the 2019 Series C Bonds, the "2019 Bonds") at the rates and in the amounts as attached hereto as Exhibit

A, to be issued under and pursuant to a resolution duly adopted by the Authority on August 20, 2019 (the "Resolution"), and a Trust Indenture dated as of December 1, 2019 (the "Indenture"), by and between the Authority and U.S. Bank National Association, Morristown, New Jersey (the "Trustee"). The 2019 Series C Bonds are being purchased at a purchase price equal to $[_____] (representing $[_____] being the principal par amount thereof, [plus/less] [net] original issue [premium/discount] in the amount of $[_____], and less an Underwriters' discount in the amount equal to $[_____]). The 2019 Series D Bonds are being purchased at a purchase price equal to $[_____] (representing $[_____] being the principal par amount thereof, less an Underwriters' discount in the amount equal to $[_____]). The obligations of the Authority to sell, and of the Underwriters to purchase hereunder, are with respect to all (but not less than all) of the 2019 Bonds. The purchase price shall be paid in accordance with Section 7 hereof by the Underwriters at the Closing (as hereinafter defined).

(b) The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the 2019 Series C Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the 2019 Series C Bonds. [All actions to be taken by the Authority under this section to establish the issue price of the 2019 Series C Bonds may be taken on behalf of the Authority by the Authority's municipal advisor identified herein and any notice or report to be provided to the Authority may be provided to the Authority's municipal advisor.]

(c) [Except as otherwise set forth in Schedule [II] attached hereto,] the Authority will treat the first price at which 10% of each maturity of the 2019 Series C Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Representative shall report to the Authority the price or prices at which the Underwriters have sold to the public each maturity of 2019 Series C Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the 2019 Series C Bonds, the Representative agrees to promptly report to the Authority the prices at which 2019 Series C Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all 2019 Series C Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the 2019 Series C Bonds of that maturity, provided that, the Underwriters' reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the Authority or bond counsel.] For purposes of this Section, if 2019 Series C Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the 2019 Series C Bonds.

(d) [The Representative confirms that the Underwriters have offered the 2019 Series C Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule [II] attached hereto, except as otherwise set forth therein. Schedule [II] also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the 2019 Series C Bonds for which the 10% test has not been satisfied and for which the Authority and the

Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the 2019 Series C Bonds, the Underwriters will neither offer nor sell unsold 2019 Series C Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriters have sold at least 10% of that maturity of the 2019 Series C Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the 2019 Series C Bonds to the public at a price that is no higher than the initial offering price to the public.]

(e) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the 2019 Series C Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold 2019 Series C Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all 2019 Series C Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the 2019 Series C Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(B) to promptly notify the Representative of any sales of 2019 Series C Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the 2019 Series C Bonds to the public (each such term being used as defined below),

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the 2019 Series C Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the 2019 Series C Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold 2019 Series C Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all 2019 Series C Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the 2019 Series C Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

(f) The Authority acknowledges that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the 2019 Series C Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2019 Series C Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2019 Series C Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the 2019 Series C Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2019 Series C Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the 2019 Series C Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the 2019 Series C Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2019 Series C Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the 2019 Series C Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2019 Series C Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the 2019 Series C Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2019 Series C Bonds.

(g) The Underwriters acknowledge that sales of any 2019 Series C Bonds to any person that is a related party to an underwriter participating in the initial sale of the 2019 Series C Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2019 Series C Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2019 Series C Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the 2019 Series C Bonds to the public),

(iii) a purchaser of any of the 2019 Series C Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Bond Purchase Agreement by all parties.

2. **Purpose of 2019 Bonds.**

The 2019 Bonds are being issued to (a) finance [or refinance] the Capital Project (as described in the Official Statement defined herein); (b) fund capitalized interest for (i) the 2019 Series C Bonds through July 1, 2022 and (ii) the 2019 Series D Bonds through July 1, 2022 and (c) pay certain costs of issuing the 2019 Bonds (collectively, the "Project").

The 2019 Bonds shall be issued pursuant to the provisions of 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 Laws of 1967, as amended and supplemented (the "Act"), the Resolution and the Indenture. The 2019 Bonds shall be issued under and secured as provided in, shall be dated, shall mature, shall be redeemable and shall otherwise be as described in the Resolution and the Indenture. The 2019 Bonds will be issued in the denominations provided in the Indenture and shall be fully registered in the form authorized by the Indenture.

Pursuant to Executive Order No. 9 (Codey 2004), dated and effective as of December 6, 2004, it is the policy of the State of New Jersey (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, including the Authority, 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 principals of 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 Bond Purchase Agreement and binding upon the parties hereto.

Each of the Authority, the University and the Underwriters is acting for its own account and has made its own independent decision to enter into this Bond Purchase Agreement, and this Bond Purchase Agreement is appropriate and proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary. None of the Authority, the University or the Underwriters is acting as a fiduciary for or as an advisor to the other in respect of this Bond Purchase Agreement.

3. **Delivery of the 2019 Bonds; Public Offering of the 2019 Bonds.**

The Underwriters hereby agree to make a bona fide public offering of all the 2019 Bonds at prices no higher than, or yields no lower than, those shown on the inside cover page of the Official Statement, but the Underwriters reserve the right to lower such initial prices as it shall deem necessary in connection with the marketing of the 2019 Bonds. The Underwriters may offer and sell the 2019 Bonds to certain dealers (including dealers depositing the 2019 Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth on the inside cover page of the Official Statement. The Underwriters reserve the right: (i) to over-allot or effect transactions which stabilize or maintain the market price of the 2019 Bonds at levels above those which might otherwise prevail in the open market, and (ii) to discontinue such stabilizing, if commenced, at any time without prior notice.

Delivery of the 2019 Bonds in definitive registered form, duly executed and authenticated, bearing CUSIP numbers without coupons with one 2019 Bond certificate for each series and maturity, registered in the name of The Depository Trust Company ("DTC"), or its nominee, Cede & Co., shall be made to the Trustee as custodian for DTC at the Closing Time (as hereinafter defined) as the Representative shall direct. Delivery of related documentation shall be made at the offices of McManimon, Scotland & Baumann, LLC, 75 Livingston Avenue, Roseland, New Jersey ("Bond Counsel"), at the Closing Time. Payment of the purchase price for the 2019 Bonds shall be made by the Underwriters in Federal Reserve Funds or other immediately available funds at 10:00 a.m. prevailing Eastern time, on December [_____], 2019, or such other time or date as shall be mutually agreed upon by the Authority and the Representative. The delivery of and payment for the 2019 Bonds are herein called the "Closing," the date of such delivery and payment is herein called the "Closing Date," and the hour and date of such delivery and payment is herein called the "Closing Time." The 2019 Bonds shall be available for examination by the Underwriters at least 24 hours prior to the Closing Time.

The Authority has previously authorized the distribution of the Preliminary Official Statement dated [_____], 2019, relating to the 2019 Bonds (the "Preliminary Official Statement"), which the Authority hereby "deems final" as of its date within the meaning of Rule 15c2-12 promulgated under the provisions of the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"). The Official Statement of the Authority relating to the 2019 Bonds shall be dated the date hereof and shall be in substantially the form of the Preliminary Official Statement, with such additions, deletions and modifications thereto (as permitted by Rule 15c2-12) as may

be approved by the Representative and an Authorized Officer of the Authority, with execution of such Official Statement by an Authorized Officer of the Authority being conclusive as to approval. The final Official Statement as executed, together with the cover and inside cover page, any and all appendices, exhibits, reports and summaries included therein or attached thereto, and any amendments or supplements thereto that may be authorized for use by the Authority and the Underwriters with respect to the 2019 Bonds, is hereinafter referred to as the "Official Statement." The Authority shall deliver or cause to be delivered to the Underwriters, within seven (7) business days after the date of this Bond Purchase Agreement (but in no event later than two (2) business days prior to the Closing), an electronic copy, subject to customary disclaimers regarding the transmission of electronic copies, of the Official Statement in the currently required designated format stated in the Municipal Securities Rulemaking Board ("MSRB") Rule G-32 and the EMMA Dataport Manual (as hereinafter defined). By acceptance of this Bond Purchase Agreement, the Authority authorizes the use by the Underwriters of the Official Statement in connection with the public offering and sale of the 2019 Bonds. Within one (1) business day after the receipt of the Official Statement from the Authority, but in no event later than the date of the Closing, the Representative shall, at its own expense, submit the Official Statement to EMMA (as hereinafter defined).

"EMMA" shall mean the MSRB's Electronic Municipal Market Access system, or any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and information.

"EMMA Dataport Manual" shall mean the document(s) designated as such published by the MSRB from time to time setting forth the processes and procedures with respect to submissions to be made to the primary market disclosure service of EMMA by underwriters under MSRB Rule G-32.

Within seven (7) business days after the date of this Bond Purchase Agreement (but in no event later than the Closing), the Authority shall deliver or cause to be delivered to the Underwriters an amount of printed Official Statements in such quantities as the Underwriters may reasonably request, provided, that the number of copies, the cost for which the Authority is responsible, will not exceed 250 copies. Should the Underwriters require additional copies of the Official Statement, the Authority agrees to cooperate with the Underwriters in obtaining such copies; provided, that the cost of such additional copies will be borne by the Underwriters.

4. **Representations, Warranties and Agreements of the Authority**. By its acceptance hereof the Authority hereby represents and warrants to, and agrees with, the Underwriters that:

(a) The Authority is a public body corporate and politic constituting a political subdivision of the State, established as an instrumentality, created by and organized pursuant to the Act.

(b) The Authority has complied with all provisions of the laws of the State pertaining to the authorization, sale and issuance of the 2019 Bonds, including the Act, and no further approvals are necessary to be obtained prior to the issuance of the 2019 Bonds and the Authority has full power and authority to: (i) execute and deliver the Official Statement; (ii)

adopt, execute, issue, sell, deliver and perform its obligations under the 2019 Bonds; (iii) execute, deliver and perform its obligations under the Resolution, the Indenture, a Loan Agreement dated as of December 1, 2019 (the "Loan Agreement"), by and between the Authority and the University relating to the 2019 Bonds, and this Bond Purchase Agreement; and (iv) carry out and consummate all transactions contemplated by the 2019 Bonds, the Resolution, the Indenture, the Loan Agreement, the Official Statement, this Bond Purchase Agreement and the Arbitrage and Tax Certificate of the Authority dated the date of Closing (the "Authority's Tax Certificate") and any and all other agreements relating thereto.

(c) The information and statements in the Preliminary Official Statement, as of its date and as of the date hereof, and the Official Statement, as of its date and all times up to and including the date of Closing, relating to the Authority under the captions "INTRODUCTORY STATEMENT," "THE AUTHORITY" and "LITIGATION - The Authority" were and are true and correct and did not and do not contain any untrue statement of a material fact or omit to state any material fact necessary to make statements therein, in light of the circumstances under which they were made, not misleading.

(d) The Authority will advise the Underwriters and the University promptly of any proposal to amend or supplement the Official Statement pursuant to Section 8 hereof. The Authority will advise the Underwriters promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the 2019 Bonds.

(e) The 2019 Bonds, the Resolution, the Indenture, the Loan Agreement, the Authority's Tax Certificate, and this Bond Purchase Agreement constitute, or upon execution will constitute, legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms except to the extent that (i) the enforcement thereof may be limited or affected by bankruptcy, insolvency, reorganization or other laws or equitable principles affecting creditors' rights generally; and (ii) equitable remedies, such as specific performance and injunctive relief, being discretionary, may be denied in a particular instance, and the 2019 Bonds, when delivered to and paid for by the Underwriters at the Closing will be in conformity with the description thereof in the Preliminary Official Statement and Official Statement and will be in conformance with, and entitled to the benefits of the provisions of the Act, the Resolution, the Indenture, the Authority's Tax Certificate, and the Loan Agreement.

(f) Except as set forth in the Preliminary Official Statement and the Official Statement, to the knowledge of the Authority, as of the date hereof, there is not any action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board, governmental agency or body pending against the Authority, and, to the knowledge of the Authority, no such action is threatened against the Authority, in any way contesting or questioning the due organization and lawful existence of the Authority or the title of any of the officers or members of the Authority to their offices, or seeking to prohibit, restrain or to enjoin the sale, issuance or delivery of the 2019 Bonds, or the pledging of revenues and other funds of the Authority referred to in the Indenture thereto, or in any way contesting or affecting the validity or enforceability of the 2019 Bonds, the Resolution, the Indenture, the Loan Agreement, the Authority's Tax Certificate or this Bond Purchase Agreement.

(g) The execution or adoption, as applicable, and delivery of, and performance of the Authority's obligations under the Resolution, the Indenture, the Loan Agreement, the Authority's Tax Certificate, the Official Statement and this Bond Purchase Agreement and the other agreements contemplated thereby; the execution and delivery of the Official Statement; the sale, execution, issuance and delivery of the 2019 Bonds; and the consummation of all transactions to which the Authority is a party contemplated by the 2019 Bonds, the Resolution, the Indenture, the Loan Agreement, the Authority's Tax Certificate, this Bond Purchase Agreement, and the Official Statement have been duly authorized by all necessary action on the part of the Authority and do not and will not conflict with the Act or constitute on the Authority's part a breach of or a default under any existing law or administrative regulation, constitutional provision, judgment, decree or order or any agreement, indenture, mortgage, loan or other instrument to which the Authority is subject or by which the Authority is bound.

(h) Any certificate signed by any of the Authority's Authorized Officers and delivered to the Underwriters shall be deemed a representation and warranty by the Authority to the Underwriters as to the statements made therein with the same effect as if such representation or warranty was set forth herein.

(i) By official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly authorized the approval, distribution and use of the Preliminary Official Statement and the approval, execution, distribution and use of the Official Statement for use by the Underwriters in connection with the public offering of the 2019 Bonds.

(j) The Authority will pay or cause to be paid only from the proceeds of the 2019 Bonds, other available funds or other moneys provided by the University, all expenses incident to the performance of its obligations under this Bond Purchase Agreement and the fulfillment of the conditions imposed hereunder, including but not limited to, the cost of preparing, executing, printing, engraving, photocopying, mailing and delivery of the 2019 Bonds in the form required hereby, the Preliminary Official Statement, the Official Statement (not to exceed 250 copies) and the Indenture; the fees and disbursements of the Trustee and its counsel in connection with the issuance of the 2019 Bonds; the fees and expenses of Bond Counsel; and the fees and expenses of obtaining credit ratings, municipal bond insurance, if any, or any attorneys, financial advisors, auditors, consultants or other parties retained by the Authority or University in connection with the transactions contemplated herein; any expenses incurred on behalf of the Authority's or the University's employees which are incidental to the issuance of the 2019 Bonds, including but not limited to meals, transportation and lodging of those employees; and all other expenses relating to the sale and delivery of the 2019 Bonds, except those expressly provided for in the following sentence. The Authority shall be under no obligation to pay any expenses incident to the performance of the obligations of the Underwriters hereunder, including fees and disbursements of Ballard Spahr LLP, Cherry Hill, New Jersey ("Counsel to the Underwriters") (which may be included in the expense component of the Underwriters' discount), "Blue Sky" filing fees or advertising expenses in connection with the public offering of the 2019 Bonds. If the Closing does not occur as a result of the failure of the University to meet its obligations under this Bond Purchase Agreement, the University shall pay all expenses incurred by the Authority and the Underwriters.

(k) None of the officers, members, agents or employees of the Authority shall be personally liable for the performance of any obligation under this Bond Purchase Agreement.

5. **Representation, Warranties and Agreements of the University.** In order to induce the Underwriters to enter into this Bond Purchase Agreement and with full acknowledgment and appreciation of the fact that the investment value of the 2019 Bonds and the ability of the Underwriters to resell the 2019 Bonds are dependent upon the credit standing of the University, and in consideration of the foregoing and of the execution and delivery of this Bond Purchase Agreement by the parties hereto, the University represents and warrants to and covenants with the Underwriters and the Authority as of the date hereof and as of the Closing that:

(a) The University is a non-profit corporation duly incorporated and validly existing and in good standing under the laws of the State. The University has all necessary licenses and permits, if any, required to carry on its business and to operate all of its properties, except for those licenses and permits the failure of which to obtain would not have a material adverse effect on the operations or financial condition of the University. The University has not received any notice of an alleged violation and, to the best knowledge of the University, it is not in violation of any zoning, land use or other similar law or regulation applicable to any of its properties which could materially adversely affect the operations or financial condition of the University.

(b) The members of the Board of Trustees of the University, as set forth in the Official Statement, are the duly appointed, qualified and presently acting members of the Board of Trustees of the University.

(c) The University has complied with all applicable laws of the State in connection with, and has full power and authority to carry out and to consummate all transactions contemplated to be performed by it pursuant to the Loan Agreement, the Tax Certificate of the University dated the date of Closing (the "University's Tax Certificate"), the Continuing Disclosure Agreement dated December [__], 2019, by and between the University and U.S. Bank National Association, as dissemination agent, relating to the 2019 Bonds (the "Continuing Disclosure Agreement"), this Bond Purchase Agreement and any and all other agreements relating hereto and thereto (collectively, the "University Documents"), the 2019 Bonds and the Official Statement.

(d) The (i) execution and delivery by the University of the University Documents, (ii) approval by the University of the Official Statement, (iii) the application of the proceeds of the 2019 Bonds, together with other available moneys, for the purposes described in the Official Statement, and (iv) the compliance with the provisions of any and all of the foregoing documents, do not and will not conflict with or constitute a breach or default under any material agreement, indenture, bond, note, resolution or instrument to which the University is a party or by which the University or any of its properties is or may be bound, nor will such action result in any violation of the Articles of Incorporation or By-Laws of the University, any constitutional provision, judgment, statute, order, rule or regulation applicable to the University, or any order of any federal, state or other regulatory agency or other governmental body having jurisdiction over the University, nor will such action result in the creation or imposition of any

lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the revenues to be pledged to secure the 2019 Bonds or under the terms of any such law, regulation or instrument, except as provided by the 2019 Bonds, the Indenture and the Loan Agreement, and all consents, approvals, authorizations, licenses, permits and orders of any governmental or regulatory agency, legislative body, board or commission that are required for the execution and delivery, or which the absence of which could materially affect the approval or adoption, as applicable, of the University Documents, the Resolution or the 2019 Bonds and the consummation of the transactions contemplated thereby and hereby, insofar as they may relate to the University, have been obtained or will be obtained prior to the delivery of the 2019 Bonds and are or will be in full force and effect at the Closing.

(e) The University is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the 2019 Bonds or any applicable judgment or decree or any material loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the University is a party or to which the University or any of its property or assets is otherwise subject, and no default, Event of Default or event which, with notice or lapse of time, or both, would constitute a default or an Event of Default under the Indenture, any of the University Documents or any other material agreement or material instrument to which the University is a party or by which the University is or may be bound or to which any properties of the University are or may be subject, has occurred and is continuing.

(f) The audited financial statements of the University as set forth in Appendix B to the Preliminary Official Statement and the Official Statement (i) present fairly the financial position of the University as of the dates and periods therein set forth, (ii) have been prepared in accordance with generally accepted accounting principles consistently applied, (iii) constitute the full, complete and latest audited financial information relating to the University, (iv) except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of the University's audited financial statements included in the Preliminary Official Statement and in the Official Statement, and (v) the information contained therein is accurate and complete and is not misleading in any material respect. There has been no material adverse change in the condition, financial or otherwise, of the University as of the date set forth in the audited financial statements, as of and for the period ended that date, except as may be disclosed in the Preliminary Official Statement and the Official Statement.

(g) By official action of the University taken prior to or concurrent with the acceptance hereof, the University has duly authorized all necessary action to be taken by it for: (i) the execution of the University Documents and this Bond Purchase Agreement and the approval by the University of the Preliminary Official Statement, the Official Statement and any amendment thereof or supplement thereto, as permitted hereby in Section 8, by an authorized officer of the University; (ii) the execution, the delivery and the due performance by the University of the obligations contained in the 2019 Bonds, this Bond Purchase Agreement, the University Documents and any and all other agreements and instruments that may be required to be executed, delivered and performed by the University in order to carry out, give effect to and consummate the transactions contemplated by each of such documents, the Preliminary Official

Statement and the Official Statement; and (iii) the University has duly authorized and approved the performance by the University of its obligation contained in each of such documents or agreements.

(h) As of the date hereof and as of the Closing Date, the University has and will have good and marketable fee simple title, to the properties constituting the Project Facilities.

(i) The descriptions and information contained in the Preliminary Official Statement and the Official Statement relating to (i) the University and its properties, (ii) the University's operations and financial and other affairs, (iii) the application of the proceeds to be received by the University from the sale of the 2019 Bonds, and (iv) the material relating to the University contained in the Preliminary Official Statement and the Official Statement under the headings "INTRODUCTORY STATEMENT," "PLAN OF FINANCING," "ESTIMATED SOURCES AND USES OF FUNDS," "ESTIMATED ANNUAL DEBT SERVICE," "BONDHOLDERS' RISKS," "LITIGATION – The University," "CONTINUING DISCLOSURE" and "MISCELLANEOUS" and in Appendices A and B thereto, was, as of the date of the Preliminary Official Statement and as of the date hereof, and will be as of the date of the Official Statement and at all times up to and including the date of Closing, true and correct; and, based on the University's participation in the preparation of the Preliminary Official Statement and the Official Statement, nothing has come to the University's attention that would cause the University to believe that the Preliminary Official Statement as of its date and as of the date hereof, and the Official Statement as of its date and as of the Closing Date, contain or will contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(j) Except as described in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any public board or body pending or, to the knowledge of the University, threatened against or affecting the University or any of its properties (or, to the best of the University's knowledge after due inquiry, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on (i) the titles of the University's officers to their respective offices, (ii) the existence or the organization of the University or any power of the University, (iii) the validity of the proceedings for the adoption, authorization, execution, or repayment of the 2019 Bonds or its performance in connection with this Bond Purchase Agreement, the Official Statement or any University Documents, (iv) the validity or the enforceability of the 2019 Bonds, the Resolution, this Bond Purchase Agreement, the other University Documents or of any agreement or instrument to which the University is a party and which is used or contemplated for use in consummation of the transactions contemplated by this Bond Purchase Agreement, the Indenture, the Official Statement or the University Documents, (v) the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereof, or (vi) the tax-exempt status of the 2019 Series C Bonds or the University, nor, to the best knowledge of the University, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the 2019 Bonds, the Resolution, this Bond Purchase Agreement, or any of the other University Documents.

(k) The University Documents constitute, or will upon execution constitute, the legal, valid and binding obligations of the University enforceable in accordance with their respective terms, except as the same may be limited by (i) applicable insolvency, reorganization, liquidation, moratorium, receivership, readjustment of debt, or other similar laws affecting the enforcement of creditor's rights generally, as such laws may be applied in the event of an insolvency, reorganization, liquidation, moratorium, receivership, readjustment of debt or other similar proceedings, and (ii) equitable principles (whether in a proceeding in equity or at law).

(l) The University has been determined to be and is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), by virtue of being an organization described in Section 501(c)(3) of the Code, and is not a "private foundation" as defined in Section 509(a) of the Code. The University has not impaired its status as an organization exempt from federal income taxes under the Code and will not, while any of the 2019 Bonds remain outstanding, impair its status as a 501(c)(3) organization, as that term is used in Section 145 of the Code.

(m) Any certificate signed by an authorized officer of the University delivered to the Authority and the Underwriters shall be deemed a representation and warranty by the University to the Authority and the Underwriters as to the statements made therein with the same effect as if such representation or warranty was set forth herein.

(n) The University will furnish such information and execute such instruments and take such action in cooperation with the Underwriters, at no expense to the University, as the Underwriters may reasonably request (A) to (i) qualify the 2019 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriters may designate and (ii) determine the eligibility of the 2019 Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the 2019 Bonds (provided, however, that the University will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriters immediately of receipt by the University of any written notification with respect to the suspension of the qualification of the 2019 Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(o) Neither the University nor anyone acting on its behalf has, directly or indirectly, offered the 2019 Bonds for sale to, or solicited any offer to buy the same from, anyone other than the Underwriters.

(p) If the Closing shall not occur as a result of the failure of the University to meet its obligations under this Bond Purchase Agreement for such reasons within the control of the University, the University shall pay all of the reasonable and documented expenses of the Authority and the Underwriters as described in Section 4(j) above.

(q) Except as otherwise noted in the Preliminary Official Statement and in the Official Statement, the University has not failed during the previous five years to comply with any previous undertakings in a written continuing disclosure agreement under Rule 15c2-12.

(r) The University hereby ratifies and consents to the use by the Underwriters, prior to the date hereof, of the Preliminary Official Statement in connection with the public offering of the 2019 Bonds and confirms that it deems the Preliminary Official Statement to be "final" as of its date for purposes of Rule 15c2-12, except for the information not required to be included therein under Rule 15c2-12.

(s) The University hereby authorizes the execution, use and distribution of the Preliminary Official Statement and the Official Statement by the Underwriters in connection with the public offering and sale of the 2019 Bonds.

(t) Prior to the Closing, the University will not take any action within or under its control that will cause any adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the University.

(u) The University will not, prior to the Closing, offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, except in the ordinary course of business, without the prior approval of the Authority and the Underwriters.

6. **Representations, Warranties and Agreements of the Representative.** By its acceptance hereof, the Representative hereby represents and warrants to, and agrees with, the Authority and the University that:

(a) The Representative is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, having all requisite corporate power and authority to carry on its business as now constituted, and has been duly authorized to execute this Bond Purchase Agreement and to act hereunder by and on behalf of the Underwriters pursuant to the Agreement among Underwriters dated [_____], 2019 (the "AAU").

(b) The 2019 Bonds, the Indenture, the Loan Agreement, the Continuing Disclosure Agreement and this Bond Purchase Agreement have been reviewed by the Underwriters and this Bond Purchase Agreement contains terms acceptable to, and agreed to by, the Underwriters.

(c) For itself, that it has the requisite authority to enter into this Bond Purchase Agreement and this Bond Purchase Agreement has been duly authorized, executed and delivered by the Representative and, assuming the due authorization, execution and delivery by the Authority and the University, is the legal, binding and valid obligation of the Underwriters, enforceable against the Underwriters in accordance with its terms, except that the enforceability hereof may be limited by applicable bankruptcy, insolvency, moratorium or other similar laws or equitable principles affecting creditors' rights or remedies generally.

(d) For itself that it has not entered into and, based upon the representations and warranties received by the Representative from the other Underwriter under the AAU, it is not aware that the other Underwriters have entered into any undisclosed financial or business relationships, arrangements or practices required to be disclosed in the Official Statement pursuant to Securities and Exchange Commission Release No. 33-7049; 3433741; FR-42; File

No. S7-4-94 (March 9, 1994) or required to be disclosed in the Official Statement pursuant to MSRB rules.

(e) For itself that, to the best of its knowledge, it is in compliance with and, in reliance upon the representations and warranties made by the other Underwriters to the Representative in the AAU, for the other Underwriters, that each Underwriter is in compliance with the provisions of Rules G-37 and G-38 of the MSRB.

(f) The Representative represents and warrants for itself, and in reliance upon the representations and warranties made by the other Underwriters to the Representative in the AAU, for the other Underwriters, that (i) all information, certifications and disclosure statements previously provided in connection with L. 2005, c. 51, and Executive Order No. 117 (Corzine 2008) ("Executive Order No. 117") and as required by law, are true and correct as of the date hereof and (ii) all such statements have been made with full knowledge that the Authority shall rely upon the truth of the statements contained therein in engaging the Underwriters in connection with this transaction. The Representative for itself, and in reliance upon the representations and warranties made by the other Underwriters to the Representative in the AAU, for the other Underwriters, agrees to execute and deliver at the Closing a "L. 2005, c. 51 and Executive Order No. 117 Certification of No Change" in the form attached hereto as Exhibit B.

(g) In accordance with Executive Order No. 9 (Codey 2004), dated and effective as of December 6, 2004, the Representative certifies for itself and, in reliance upon the representations and warranties made by the other Underwriters to the Representative in the AAU, for the other Underwriters, that neither the Representative nor the other Underwriters has employed or retained, directly or indirectly, any consultant who will be paid on a contingency basis if the Authority engages such firm to provide such underwriting services in connection with the 2019 Bonds.

(h) For itself that it has not entered into and, based upon the representations and warranties received by the Representative from the other Underwriters in the AAU, it is not aware that the other Underwriters have entered into any financial or business relationships, arrangements or practices with the Authority's financial advisor, if any or any other participant concerning or relating to the 2019 Bonds.

(i) The Representative represents and warrants for itself, and in reliance upon the representations and warranties made by the other Underwriters to the Representative in the AAU, for the other Underwriters, that each Underwriter 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.

7. **Conditions to the Underwriters' Obligations.** The obligations of the Underwriters hereunder shall be subject to the performance by the Authority and the University of their respective obligations to be performed hereunder at or prior to the Closing and, to the accuracy in all respects, in the reasonable judgment of the Representative, of the representations and warranties of the Authority and the University herein as of the date hereof and as of the time of the Closing and, to the following conditions:

(a) On the Closing Date, (i) the Resolution, the Indenture, the Loan Agreement, the Continuing Disclosure Agreement, the Official Statement and this Bond Purchase Agreement shall have been duly adopted, authorized, executed, as appropriate, and delivered by the Authority and by the University, as appropriate, and each of the foregoing and all related official action of the Authority and of the University necessary to issue the 2019 Bonds shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Representative; (ii) the Authority and the University shall have duly adopted and there shall be in full force and effect such reasonable additional acts or agreements as shall, in the opinion of Bond Counsel, the Representative and Counsel to the Underwriters, be necessary in connection with the transactions contemplated thereby; (iii) the Authority shall perform or have performed all of its obligations required under or specified in the Act to be performed at or prior to the Closing; (iv) the Official Statement shall not have been amended or supplemented, except in such manner as may have been agreed to by the Representative, the Authority and the University; (v) no Event of Default (as defined in the Indenture or in the Loan Agreement) or event which, with the lapse of time or the giving of notice or both would constitute such an Event of Default, shall have occurred and be continuing; and (vi) the Resolution, the Indenture, the Loan Agreement and the Continuing Disclosure Agreement shall be fully enforceable in accordance with their respective terms.

(b) The Underwriters shall not have elected to cancel their obligation hereunder to purchase the 2019 Bonds, which election shall be made by written notice to the Authority only if between the date hereof and the Closing: (i) any event shall have occurred that, in the reasonable judgment of the Representative, either (A) makes untrue or incorrect in any materially adverse respect any statement or information contained in the Official Statement or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any materially adverse respect and such event, in the reasonable judgment of the Representative, is such as to materially and adversely affect (x) the marketability of the 2019 Bonds, or (y) the ability of the Underwriters to enforce confirmations of or contracts for the sale of the 2019 Bonds; or (ii) there shall have occurred any new outbreak of hostilities or other national or international calamity or crisis, the effect of which on the financial markets of the United States of America, in the reasonable judgment of the Representative, is such as to materially and adversely affect the ability of the Underwriters to enforce confirmations of or contracts for the sale of the 2019 Bonds; or (iii) there shall be in force a general suspension of trading on the New York Stock Exchange the effect of which on the financial markets is such as to materially and adversely affect the marketability of the 2019 Bonds; or (iv) a general banking moratorium shall have been declared by either federal or State authorities having jurisdiction and shall be in force; or (v) legislation shall have been enacted by the Congress of the United States or a final decision by a court of the United States of America shall be rendered, that has the effect of requiring the 2019 Bonds to be registered under the Securities Act of 1933, as amended, or requiring the Resolution or the Indenture to be qualified under the Trust Indenture Act of 1939, as amended; or (vi) a stop order, ruling or regulation by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made (which is beyond the control of the Underwriters or the Authority to prevent or avoid) to the effect that the issuance, offering or sale of the 2019 Bonds, as contemplated hereby or as described in the Official Statement, or any document relating to the issuance, offering or sale of the 2019 Bonds is or would be in violation of any provision of the federal securities laws at

Closing, including the Securities Act of 1933, as amended, or of the Trust Indenture Act of 1939, as amended; (vii) legislation shall be enacted by the Congress of the United States or any legislation, ordinance, rule or regulation shall be enacted by any governmental body, department or agency of the State or a final decision by a federal court (including the Tax Court of the United States) or a court of the State shall be rendered, or a final ruling, regulation or release or official statement by or on behalf of the President, the Treasury Department of the United States, the Internal Revenue Service or other federal or State agency shall be made, with respect to federal or State taxation upon revenues or other income of the general character of interest on the 2019 Bonds, or which would have the effect of changing directly or indirectly the federal or State income tax consequences of interest on bonds of the general character of the 2019 Bonds in the hands of the holders thereof and which, in the Representative's reasonable opinion, materially and adversely affects the marketability of the 2019 Bonds; or (viii) there shall have occurred since the date of this Bond Purchase Agreement any materially adverse change in the affairs or financial condition of the University, except for changes which the Official Statement discloses are expected to occur; or (ix) there shall have occurred any downgrading or withdrawal from a rating agency that, at the date of this Bond Purchase Agreement, has published a rating (or has been asked to furnish a rating on the 2019 Bonds) on any of the University's debt obligations, which action reflects a change in the ratings accorded any such obligations of the University (including any rating to be accorded the 2019 Bonds).

(c) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change, in the condition, financial or otherwise, of the University from that set forth in the Official Statement that in the reasonable judgment of the Representative, is material and adverse and that makes it, in the reasonable judgment of the Representative, impracticable to market the 2019 Bonds on the terms and in the manner contemplated in the Official Statement.

(d) At or prior to the Closing, the Underwriters shall receive the following documents in such number of counterparts as shall be mutually agreeable to the Representative, the Authority and the University:

(i) The unqualified approving opinion of Bond Counsel, dated the Closing Date, substantially in the form set forth in APPENDIX E to the Official Statement, except as may be approved by the Representative and the Authority; and the Underwriters and the Trustee shall have received a letter from Bond Counsel, dated the Closing Date, authorizing them to rely on such unqualified approving opinion of Bond Counsel.

(ii) An opinion or opinions of Bond Counsel, dated the date of the Closing and addressed to the Authority and the Representative to the effect that: (A) the statements contained in the Preliminary Official Statement and the Official Statement in the sections captioned "INTRODUCTORY STATEMENT," "THE AUTHORITY," "STATE OF NEW JERSEY HIGHER EDUCATION," "PLAN OF FINANCING," "THE 2019 BONDS" (excluding the subsections captioned "Book-Entry Only System" and "No Assurance Regarding DTC Practices"), "SECURITY FOR THE 2019 BONDS," "CONTINUING DISCLOSURE" (excluding the last paragraph thereof), "OTHER LEGAL MATTERS," "LEGALITY FOR INVESTMENT," "PLEDGE OF STATE NOT TO AFFECT RIGHTS OF BONDHOLDERS" and in APPENDIX C – "FORMS OF CERTAIN LEGAL DOCUMENTS," and APPENDIX D –

"FORM OF CONTINUING DISCLOSURE AGREEMENT" thereto, insofar as such statements purport to summarize certain provisions of the Act, the 2019 Bonds, the Resolution, the Indenture, the Loan Agreement, the Continuing Disclosure Agreement or the State higher education system, were, as of the date of the Preliminary Official Statement, as of the date hereof, as of the date of the Official Statement and at all times up to and including the date of Closing, reasonable summaries of such provisions, and the statements on the cover page relating to tax matters, under the section in the Preliminary Official Statement and the Official Statement captioned "TAX MATTERS" and in Appendix E, insofar as such statements purport to summarize certain provisions of tax law, regulations, rulings and notices, were, as of the date of the Preliminary Official Statement, as of the date hereof and as of the date of the Official Statement and at all times up to and including the date of Closing, reasonable summaries of the provisions so summarized; (B) based upon the participation of Bond Counsel in the preparation of the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement and the Official Statement (except for the sections referred to specifically in clause (A) above), Bond Counsel has no reason to believe that (except for the financial, tabular and other statistical information included therein and except for the information under the headings "THE 2019 BONDS - Book-Entry Only System" and "- No Assurance Regarding DTC Practices," "LITIGATION," "RATING," "FINANCIAL ADVISOR TO THE UNIVERSITY," "UNDERWRITING," and "INDEPENDENT AUDITORS" and in "APPENDIX A – CERTAIN INFORMATION REGARDING THE TRUSTEES OF THE STEVENS INSTITUTE OF TECHNOLOGY," and "APPENDIX B – CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT ON STEVENS INSTITUTE OF TECHNOLOGY" as to which no view need be expressed) as of the date of the Preliminary Official Statement, as of the date hereof and as of the date of the Official Statement and at all times up to and including the date of Closing, the Preliminary Official Statement and the Official Statement contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; (C) the 2019 Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Resolution and the Indenture are not required to be qualified under the Trust Indenture Act of 1939, as amended; (D) this Bond Purchase Agreement has been duly authorized, executed and delivered by the Authority, is valid and binding upon the Authority and is enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, moratorium or similar laws or equitable principles relating to the enforcement of creditors' rights; and (E) the Official Statement has been duly approved and executed by the Authority.

(iii) An opinion of McCarter & English LLP, Newark, New Jersey ("Counsel to the University"), dated the date of the Closing and addressed to the Authority, the Representative, Bond Counsel and the Trustee, which opinion, may be based in part in reliance upon the opinion of the General Counsel of the University and, to the extent that it is based on the knowledge of Counsel to the University, signifies that in the course of their representation of the University, after due inquiry, no facts have come to their attention that would give them actual knowledge or actual notice that any such opinions or other matters are not accurate, and which will opine that: (i) the University is an organization described in Section 501(c)(3) of the Code and to the best of such firm's knowledge and belief, after due inquiry, is in compliance

with the terms, conditions and limitations contained in the most recent determination letter of the Internal Revenue Service with respect to the status of the University as an organization described in said Section 501(c)(3), is exempt from federal income taxes under Section 501(a) of the Code, is not a "private foundation" as defined in Section 509(a) of the Code and has done nothing to impair its status as an exempt organization under the Code; (ii) to the best of such firm's knowledge, after due inquiry, the University has made all filings necessary to maintain its status as an exempt organization and has done nothing which would impair its status as an exempt organization described in Section 501(c)(3) of the Code; (iii) the University is duly created and validly existing and in good standing under the laws of the State; (iv) the University has full corporate power and authority to execute, deliver and perform its obligations under the Loan Agreement, the Continuing Disclosure Agreement, this Bond Purchase Agreement, the Official Statement and all other University Documents and said documents have been duly authorized, executed and delivered by the University and constitute legal, valid and binding agreements of the University enforceable in accordance with their respective terms; (v) no consent of or authorization by or license or approval of or registration or declaration with any governmental authority is required in connection with the execution, delivery and performance by the University of, or the validity or enforceability of, the University Documents; (vi) the execution and delivery of the University Documents and the performance of its obligations thereunder by the University have not resulted and will not result in a violation of any law or regulation or conflict with or constitute a breach of or default under, or result in the creation of any lien, charge or encumbrance under (except to the extent permitted under the University Documents), and, to the best of Counsel to the University's knowledge, the University is not in violation or breach of or in default under, (A) the Articles of Incorporation or By-Laws of the University or any applicable law, (B) any applicable administrative regulation of the State, the United States or any department, division, agency or instrumentality of either thereof, or (C) any applicable court or administrative decree or order or any mortgage, deed, contract, agreement, note or other instrument to which the University is a party or by which it is bound; (vii) the University has duly authorized the taking of any and all actions necessary to carry out and give effect to the transactions contemplated to be performed on its part by the University Documents; (viii) there is no action, suit, proceeding, inquiry, or investigation at law or in equity before or by any court, regulatory agency, public board or body pending or, to the best of Counsel to the University's knowledge, threatened which would in any way affect the existence of the University or the titles of its officers to their respective offices or seeking to restrain or to enjoin the sale, issuance or delivery of the 2019 Bonds or the execution and delivery of the University Documents, the application of the proceeds of the 2019 Bonds in accordance with the Indenture or the collection or application of the revenues and assets of the University pledged or to be pledged to pay the principal of, premium, if any, and interest on the 2019 Bonds or in any way contesting or affecting the validity or enforceability of the 2019 Bonds and the University Documents or any action of the University contemplated by any of said documents or by the Official Statement or in any way contesting the powers of the University or its authority with respect to its performance under the University Documents, or any action on the part of the University contemplated by any of said documents or by the Official Statement, or which, if adversely determined, would have a material adverse effect on the financial operations or financial condition of the University, nor to Counsel to the University's knowledge, after due inquiry, is there any basis therefor; (ix) the pledge and security interest to the extent therein created and covenants made pursuant to the Loan Agreement are legal, valid and binding obligations of the

University enforceable in accordance with the terms thereof, except as enforceability may be limited by bankruptcy, reorganization, insolvency or other similar laws or equitable principles affecting the enforcement of creditor's rights generally; (x) the descriptions and the summaries in the Preliminary Official Statement and the Official Statement under the heading "LITIGATION – The University" were, as of the date of the Preliminary Official Statement, as of the date hereof and, will be, as of the date of the Official Statement and at all times up to and including the date of Closing, accurate and fairly present the information intended to be shown with respect thereto (except for information and statements relating to the book-entry only system and The Depository Trust Company, and the financial and statistical data included therein and the assumptions with respect thereto as to which no opinion need be expressed); and (xi) without having undertaken to determine independently the accuracy, the completeness or the adequacy of the statements contained in the Preliminary Official Statement and the Official Statement (except as noted in clause (x) above), no facts have come to the knowledge of Counsel to the University that would lead Counsel to the University to believe that the Preliminary Official Statement or the Official Statement (except for the financial and statistical data included therein and the assumptions with respect thereto as to which no opinion need be expressed) as of the date of the Preliminary Official Statement, as of the date hereof and as of the date of the Official Statement and at all times up to and including the date of Closing, contained or contain any untrue statements of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(iv) The Authority shall have received an opinion of the Attorney General of the State.

(v) A memorandum or memoranda of Counsel to the Underwriters addressed to the Representative indicating the jurisdictions in which the 2019 Bonds have been qualified or exempted under the securities or "blue sky" laws of the various states.

(vi) A certificate, dated the Closing Date, signed by an Authorized Officer of the Authority, to the effect that, except as disclosed in the Official Statement, no litigation is pending or, to the knowledge of the signer of such certificate, threatened: (A) in any way attempting to restrain or enjoin the issuance, sale, execution or delivery of any of the 2019 Bonds, the application of the proceeds thereof, the payment, collection or application of payments under the Loan Agreement or the pledge thereof, or of the other moneys, rights and interest pledged pursuant to the Resolution or the Indenture, or the execution, delivery or performance of the Indenture, the Loan Agreement, the Authority's Tax Certificate or this Bond Purchase Agreement; (B) in any way contesting or otherwise affecting the authority for or the validity of the 2019 Bonds, the Indenture, the Loan Agreement, the Authority's Tax Certificate or this Bond Purchase Agreement, any of the matters referred to in clause (A) above or any other proceedings of the Authority taken with respect to the sale or issuance of the 2019 Bonds; (C) in any way contesting the powers of the Authority; or (D) in any way contesting the payment, collection or application of payments under the Loan Agreement or the pledge thereof pursuant to the Indenture.

(vii) A certificate, dated the Closing Date, signed by an Authorized Officer of the Authority, to the effect that: (A) each of the representations and warranties of the Authority contained in this Bond Purchase Agreement is true and correct as of the Closing Date

as though made at the Closing, the Authority has duly complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date, and no default or event of default (as defined in the Indenture and in the Loan Agreement) or event which with the lapse of time or the giving of notice or both, would constitute such an event of default has occurred and is continuing on the part of the Authority; (B) there has been no material adverse change in the condition and affairs of the Authority, financial or otherwise, during the period from the date of the Official Statement to the Closing Date which was not disclosed in or contemplated by the Official Statement, such certificate being in form and substance satisfactory to the Representative; and (C) the information and statements relating to the Authority in the Preliminary Official Statement and the Official Statement under the captions "INTRODUCTORY STATEMENT," "THE AUTHORITY" and "LITIGATION - The Authority" were, as of the date of the Preliminary Official Statement, as of the date hereof and as of the date of the Official Statement and at all times up to and including the date of Closing, true and correct.

(viii) The Official Statement, executed on behalf of the Authority by an Authorized Officer of the Authority and approved on behalf of the University by an authorized officer of the University.

(ix) A certificate executed by an authorized officer of the University with respect to its affairs and matters relating to the documents or instruments to be executed, delivered, accepted or approved by it, addressed to the Representative and dated the Closing Date, in form and substance satisfactory to the Representative, to the effect that (A) the descriptions and information relating to the University contained in the Preliminary Official Statement and the Official Statement under the headings "INTRODUCTORY STATEMENT," "PLAN OF FINANCING," "ESTIMATED SOURCES AND USES OF FUNDS," "ESTIMATED ANNUAL DEBT SERVICE," "BONDHOLDERS' RISKS," "LITIGATION – The University," "CONTINUING DISCLOSURE" and "MISCELLANEOUS," were, as of the date of the Preliminary Official Statement, as of the date hereof and as of the date of the Official Statement and at all times up to and including the date of Closing, true and correct; (B) and, based on the University's participation in the preparation of the Preliminary Official Statement and the Official Statement, nothing has come to the University's attention that would cause the University to believe that the Preliminary Official Statement as of its date, as of the date hereof and the Official Statement as of its date and as of the Closing Date, contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; (C) since June 30, 2019, no material adverse change has occurred in the financial position of the University or in its results of operations, except as set forth in or contemplated by the Official Statement; (D) the University has not, since June 30, 2019, incurred any material liabilities other than in the ordinary course of business or as set forth or contemplated in the Official Statement; (E) no litigation or proceeding is pending or, to the best of such authorized officer's knowledge, threatened in any court, tribunal or administrative body, nor is there any basis for any litigation which would (1) contest the due organization, corporate existence or corporate powers of the University, (2) contest or affect the validity or execution of the University Documents, this Bond Purchase Agreement or any other agreement, certificate, document or instrument, (3) limit, enjoin or prevent the University from making payments under the Loan Agreement, (4) restrain or enjoin the execution or delivery of this Bond Purchase Agreement and/or any of the

University Documents, or (5) adversely affect the status of the University as an organization described in Section 501(c)(3) of the Code; (F) the representations and warranties of the University in this Bond Purchase Agreement and the University Documents have remained true and correct from the date thereof through the Closing Date and are true and correct as of the Closing Date as though made at the Closing; (G) at the time of the Closing, on the part of the University, no default or event of default has occurred and is continuing, and no event has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute a default or an event of default under any of the University Documents, the 2019 Bonds, this Bond Purchase Agreement or, to the best of such officer's knowledge, any other material agreement or material instrument which the University is a party or by which it is or may be bound or to which any of its properties or other assets is or may be subject; (H) the resolutions of the Board of Trustees authorizing and approving the transactions described or contemplated in this Bond Purchase Agreement, the University Documents, the Preliminary Official Statement and the Official Statement, and the execution of or approval of, as the case may be, the respective forms of this Bond Purchase Agreement and each of the University Documents have been duly adopted by the Board of Trustees, are in full force and effect and have not been modified, amended or repealed; (I) the executed copies of this Bond Purchase Agreement and each of the University Documents are true, correct and complete copies of such documents and have not been modified, amended, superseded or rescinded, and remain in full force and effect as of the date of the Closing; (J) this Bond Purchase Agreement, the University Documents, the Preliminary Official Statement, the Official Statement and any and all other agreements, certificates, documents and instruments required to be executed and delivered by the University in order to carry out, to give effect to and to consummate the transactions contemplated by this Bond Purchase Agreement and by the Official Statement have been duly authorized, executed and delivered by the University, and, as of the date of the Closing, are in full force and effect; (K) no further authorization, approval, consent or other order of any governmental authority or agency or of any other entity or person (or persons) is required for the adoption, authorization, execution and delivery of, or performance under, the University Documents, the Official Statement or any other agreement, certificate, document or instrument to which the University is a party and which is used in the consummation of the transactions contemplated by this Bond Purchase Agreement and the Official Statement; (L) the authorization, execution and delivery of the University Documents, the Official Statement, this Bond Purchase Agreement and any other agreement, certificate, document or instrument to which the University is a party and which is used in consummation of the transactions contemplated by this Bond Purchase Agreement and the fulfillment of the terms and the provisions of such agreements, certificates, documents and instruments by the University will not (1) conflict with, violate or result in a breach of any law or any administrative regulation or decree applicable to the University or (2) conflict with or result in a breach of or constitute a default under any indenture, mortgage, deed of trust, agreement or other instrument to which the University is a party or by which it is bound or any order, rule or regulation applicable to the University of any court or other governmental body; (M) the University: (1) is an organization described in Section 501(c)(3) of the Code; (2) has received a recent determination letter from the Internal Revenue Service to that effect; (3) such letter has not been modified, limited or revoked; (4) is in compliance with all terms, conditions and limitations, if any, contained in such letter and the facts and circumstances which form the basis of such letter as represented to the Internal Revenue Service continue substantially to exist; and (5) is exempt from federal income

taxation under Section 501(a) of the Code; and (N) except as may be disclosed in the Preliminary Official Statement and the Official Statement, the University is in compliance with all of its prior continuing disclosure undertakings entered into pursuant to the Rule.

(x) The Authority shall have received: (i) consent letters from KPMG LLP (the "Auditor") dated the date of the Preliminary Official Statement and the Official Statement, respectively, stating that the Auditor agrees to the inclusion of its report regarding the financial statements of the University contained in Appendix B to the Preliminary Official Statement and the Official Statement, respectively, (ii) on the date of the Preliminary Official Statement, a privity letter from the Auditor in a form acceptable to the Attorney General of the State and Bond Counsel, addressed to the University and copied to the Authority, which acknowledges that the Authority intends to rely on its financial statements in connection with the issuance of the 2019 Bonds and waiving the provisions of *N.J.S.A.* 2A:53A-25 with respect to its professional accounting services.

(xi) Specimen 2019 Bonds.

(xii) Information Return for Private Activity Bond Issues, Form 8038, executed by the Authority.

(xiii) Evidence that the approval of the "applicable elected representative" after a public hearing, all as described in Section 147(f) of the Code, has been obtained (and such hearing has been held) with respect to the 2019 Bonds.

(xiv) Evidence, acceptable to Bond Counsel, that a public hearing was properly called, advertised and conducted in connection with the issuance of the 2019 Bonds with respect to the TEFRA hearing.

(xv) An opinion of Counsel to the Underwriters, addressed to the Representative and dated the date of the Closing, substantially in the form of the opinion attached hereto as Exhibit D.

(xvi) Evidence satisfactory to the Representative that, as of or prior to the date of the Closing, the 2019 Bonds have been rated "[___]" by S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P"), which rating shall not have been suspended, lowered or withdrawn prior to the date of the Closing.

(xvii) An executed Letter of Representations to DTC from the Authority, as accepted and received by such organization.

(xviii) The Authority's Tax Certificate and the University's Tax Certificate.

(xix) Evidence of either (A) the approval by the Governor of the State (the "Governor") of the minutes of the Authority authorizing the adoption of the Resolution by the Authority and the sale of the 2019 Bonds pursuant hereto and the transactions contemplated hereby or (B) expiration of the period during which the Governor may veto such action by the Authority and the absence of any such veto.

(xx) An opinion of counsel to the Trustee dated the Closing Date stating that (a) the Trustee is a national banking association with trust powers duly organized and validly existing under the laws of the United States of America and the Trustee has all requisite power and authority, and is duly qualified and authorized, to carry on corporate trust business in the State; (b) the Trustee is duly authorized and empowered to discharge the duties and responsibilities imposed upon it under the provisions of and to accept the trusts contemplated by the Indenture and the Continuing Disclosure Agreement (the "Bank Documents"); (c) the Trustee has duly accepted the trusts contemplated by the Bank Documents; (d) the Trustee has duly (i) authorized all necessary action to be taken by it for the performance of its duties and responsibilities under the Bank Documents, (ii) executed and delivered the Bank Documents and (iii) authenticated and delivered the 2019 Bonds; (e) the Bank Documents are legal, valid and binding obligations of the Trustee and, assuming the due authorization, execution and delivery thereof by the other parties thereto, are enforceable against the Trustee in accordance with their respective terms except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws, judicial decisions and principles of equity relating to or affecting the rights of creditors generally; (f) the duties and responsibilities of the Trustee under the Bank Documents do not require authorization or approval of any federal or New Jersey banking regulatory agency having jurisdiction over the Trustee which have not been obtained; and (g) neither the consummation of the transactions on the part of the Trustee contemplated by the Bank Documents nor compliance with the terms, conditions or provisions thereof, contravenes any provision of the Trustee's Charter or by-laws.

(xxi) Certificates, dated the Closing Date, of authorized officers of the Trustee and the University and such additional documentation of organization, authority and incumbency as may be reasonably satisfactory to the Representative and Bond Counsel.

(xxii) Executed copies of the Indenture, the Loan Agreement, and the Continuing Disclosure Agreement, all in form and substance satisfactory to the Representative.

(xxiii) Copies of any and all waivers and/or consents required in order to issue the 2019 Bonds.

(xxiv) [Evidence of termination/pay-off of line of credit].

(xxv) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative or Bond Counsel may reasonably request to evidence compliance by the Authority and the University with legal requirements, the truth and accuracy, as of the time of the Closing, of the representations and warranties of the Authority and the University herein and in the Resolution and the Indenture contained and the due performance or satisfaction by the Authority and the University at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Authority and the University.

If the University or the Authority shall be unable to satisfy the conditions to the obligations of the Underwriters contained in this Bond Purchase Agreement, or if the obligations of the Underwriters to purchase and accept delivery of the 2019 Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall

terminate and none of the Underwriters or the Authority shall be under further obligation hereunder; except that the respective obligations of the Authority and the Underwriters set forth in Section 11 hereof shall continue in full force and effect.

8. **Amendments and Supplements to the Official Statement**. The "end of the underwriting period" for the 2019 Bonds for all purposes of Rule 15c2-12 is the Closing Date. During the period from the date hereof to and including a date which is twenty-five (25) days following the end of the underwriting period for the 2019 Bonds (as determined in accordance with this Section 8), the Authority will (a) not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the University or the Underwriters shall reasonably object in writing, unless the Authority has obtained the written opinion of Bond Counsel, stating that such amendment or supplement is necessary in order to make the Official Statement not misleading in the light of the circumstances existing at the time that it is delivered to the Underwriters, and (b) if any event relating to or affecting the Authority, the University or the 2019 Bonds shall occur as a result of which it is necessary, in the written opinion of Bond Counsel, to amend or to supplement the Official Statement in order to make the Official Statement, as so amended and supplemented, not misleading in the light of the circumstances existing at the time it is delivered to the Underwriters, forthwith prepare and furnish to the Underwriters (at the expense of the University) up to 250 copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Authority, the Attorney General of the State, Bond Counsel and the Representative) which will amend or supplement the Official Statement so that the Official Statement, as amended or supplemented, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to the Underwriters, not misleading. The cost of any copies of such amendment or supplement to the Official Statement in excess of 250 shall be borne by the Underwriters. In addition, the Authority will provide, subject to customary disclaimers regarding the transmission of electronic copies, an electronic copy of the amendment or supplement to the Official Statement to the Underwriters in the currently required designated electronic format stated in MSRB Rule G-32. The Underwriters shall comply with the provisions of MSRB Rule G-32 as in effect on the date hereof, with respect to the filing of such amendment or supplement to the Official Statement with the MSRB and to notify the Authority of the date on which such amendment or supplement to the Official Statement is filed with the MSRB. For the purpose of this Section 8, the Authority will furnish such information with respect to itself or the University as the Underwriters may from time to time reasonably request and the University will cooperate with the Authority in furnishing such information.

9. **Indemnification and Contribution.** The University agrees to indemnify and hold harmless the Authority, the Trustee, the Underwriters, and each person, if any, who controls the Underwriters, the Authority and the Trustee 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, from and against any and all losses, claims, damages and liabilities that arise out of or are based upon by any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Official Statement or Official Statement, or arise out of or are based upon any omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or

omission or alleged untrue statement or omission based upon information relating to the Authority (in the case of the Authority) furnished to the University in writing by the Authority expressly for use therein, or (in the case of the Underwriters) under the caption "UNDERWRITING" in the Official Statement.

In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to the preceding paragraph, such person (the "Indemnified Party") shall promptly notify the University in writing and the University upon request of the Indemnified Party shall retain counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party and any others the University may designate in such proceeding and shall pay the fees and disbursements of counsel to the Indemnified Party related to such proceeding. Failure on the part of the Authority to give such notification shall not relieve the University from its obligation to the Authority under Section 2.13 of the Loan Agreement. For any Indemnified Party other than the Authority, to the extent the University suffers actual prejudice as a result of any such failure to give notification, such failure shall reduce the liability of the University by the amount of damages attributable to such failure of any Indemnified Party other than the Authority to give such notification. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (a) the University and the Indemnified Party shall have mutually agreed to the retention of said counsel, or (b) the named parties to any such proceeding (including any impleaded parties) include both the University and the Indemnified Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the University shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such Indemnified Parties, and that all such reasonable fees and expenses shall be reimbursed as they are incurred. The University shall not be liable for any settlement of any proceeding affected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the University agrees to indemnify the Indemnified Party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Party shall have requested the University to reimburse the Indemnified Party for fees and expenses of counsel as contemplated by this paragraph, the University agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (x) such settlement is entered into more than 30 days after receipt by the University of the aforesaid request, and (y) the University shall not have reimbursed the Indemnified Party in accordance with such request prior to the date of such settlement. The University shall not, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims which are the subject matter of such proceeding. Nothing in this Section 9 shall require or obligate the University to indemnify or hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused by any gross negligence or intentional misconduct on the part of the Indemnified Parties.

If the indemnification provided for in the first paragraph of this section is unavailable to an Indemnified Party in respect of any losses, claims, damages or liabilities referred to therein, the University, in lieu of indemnifying such Indemnified Party thereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the University and the Underwriters from the offering of the 2019 Bonds, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above, but also the relative fault of the University and of the Underwriters in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the University and the Underwriters shall be deemed to be in the same respective proportions as the net proceeds from the offering (before deducting expenses) received by the University and the total underwriting discounts and commissions received by the Underwriters bear to the aggregate public offering price of the 2019 Bonds. The relative fault of the University and the Underwriters shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the University or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The University and the Underwriters agree that it would not be just and equitable if contribution pursuant to this section were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 9, the Underwriters shall not be required to contribute any amount in excess of the underwriting discount related to the 2019 Bonds. No person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

The indemnity and contribution agreements contained in this section and the representations and warranties of the University contained in this Bond Purchase Agreement shall remain operative and in full force and effect regardless of (1) any termination of this Bond Purchase Agreement, (2) any investigation made by or on behalf of the Underwriters or any person controlling the Underwriters or by or on behalf of the University, its officers or directors or any other person controlling the University, and (3) acceptance of and payment for any of the 2019 Bonds.

10. **Performance by Underwriters.** The obligations of the Authority hereunder are subject to the performance by the Underwriters of their obligations hereunder.

11. **Survival of Representations, Warranties, Indemnities, Agreements and Obligations.** Each respective representation, warranty and agreement of the University, the Underwriters, or the Authority shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriters, and shall survive the Closing. The

obligations of the University under Section 4(j) and Section 9 hereof survive any termination of this Bond Purchase Agreement by the Underwriters pursuant to its terms.

12. **Notices.** Any notice or other communication to be given to the Authority or the University under this Bond Purchase Agreement shall be deemed given when delivered in person to its address set forth below, when mailed by first class mail, postage prepaid, at the address set forth below, when sent by recognized private carrier, with delivery charges prepaid and delivery acknowledged, or when transmitted by confirmed fax and any notice or other communication to be given to the Underwriters under this Bond Purchase Agreement shall be deemed given when delivered in person to the address set forth below, when mailed by first class mail, postage prepaid, when sent by recognized private carrier, with delivery charges prepaid and delivery acknowledged or when transmitted by confirmed fax and addressed as follows:

Barclays Capital, Inc.
745 Seventh Avenue
19th Floor
New York, New York 10019
Attention: John Augustine, Managing Director

The Trustees of the Stevens Institute of Technology
Division of Finance
5 Marine View Plaza, Suite 501
Hoboken, New Jersey 07030
Attention: Chief Financial Officer

With a copy to:

The Trustees of the Stevens Institute of Technology
Office of the General Counsel
Howe Center, 13th Floor
One Castle Point on Hudson
Hoboken, New Jersey 07030
Attention: General Counsel

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540
Attention: Executive Director

13. **Compliance with L. 2005, c. 271 Reporting Requirements.** The Underwriters are 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 (L. 2005, c. 271, section 3) if the Underwriters enter into agreements or contracts such as this Bond Purchase Agreement, with a public entity, such as the Authority, and receives compensation or fees in excess of $50,000 or more in the aggregate from public entities, such as

the Authority, in a calendar year. It is the Underwriters' 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 at www.elec.state.nj.us.

14. **Miscellaneous.**

(a) Benefit. This Bond Purchase Agreement is made solely for the benefit of the Authority, the University and the Underwriters (including the successors or assigns of any of said parties) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Notwithstanding the foregoing, the parties hereto acknowledge that the Trustee shall retain the benefit of and may exercise its independent right to indemnification and contribution under Section 9 of this Bond Purchase Agreement. The terms "successors" and "assigns" as used herein shall not include any purchaser of any of the 2019 Bonds from the Underwriters. All representations and agreements of the Authority, the University and the Underwriters in this Bond Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriters and shall survive the delivery of and payment for the 2019 Bonds.

(b) Governing Law. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State without regard for conflict of law principles.

(c) Headings. The headings in this Bond Purchase Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

(d) Severability. If any provision of this Bond Purchase Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provision of any constitution, statute, rule of public policy or any other reasons, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(e) Amendment. This Bond Purchase Agreement shall not be amended nor shall any provision hereof be waived by any party hereto without the prior written consent of the Authority, the University and the Representative, as applicable.

(f) Execution in Counterparts. This Bond Purchase Agreement may be executed in counterparts, and each counterpart shall be considered an original and all counterparts shall constitute one and the same instrument.

(g) Assignment. This Bond Purchase Agreement may not be assigned by any party without the written consent of the other parties thereto.

BARCLAYS CAPITAL, INC.,
as Representative of the Underwriters

By:_____
Name: John Augustine
Title: Managing Director

Accepted and agreed to as of the
date first above written:

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

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

THE TRUSTEES OF THE STEVENS INSTITUTE OF TECHNOLOGY

By:_____
Name: Louis J. Mayer, Ed.D.
Title: Chief Financial Officer, Vice President
for Finance and Treasurer

SCHEDULE I

LIST OF UNDERWRITERS

Representative:

Barclays Capital, Inc.

Co-Representative:

J.P. Morgan Securities LLC
Ramirez & Co.
TD Securities
Wells Fargo Bank, National Association

Exhibit A

TERMS OF THE 2019 BONDS

2019 Series C Bonds

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP†

$[_____] [___]% Term Bond, due July 1, 20[__], Price [___]% to Yield [___]% CUSIP No.† [_____]

$[_____] [___]% Term Bond, due July 1, 20[__], Price [___]% to Yield [___]% CUSIP No.† [_____]

2019 Series D Bonds

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP†

$[_____] [___]% Term Bond, due July 1, 20[__], Price [___]% to Yield [___]% CUSIP No.† [_____]

† None of the Authority, the University, or the Underwriters is responsible for the use of CUSIP Numbers, nor is a representation made as to their correctness. The CUSIP Numbers are included solely for the convenience of the readers of this Official Statement and are copyright 2019 by the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services.

Redemption Provisions

The 2019 Bonds are subject to optional redemption, extraordinary optional redemption and mandatory sinking fund redemption as described below.

Optional Redemption

The 2019 Series C Bonds maturing on and after July 1, 20[__] are subject to optional redemption on any date on or after July 1, 20[__] at the option of the Authority with the written consent of the University, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date of redemption.

The 2019 Series [D] Bonds are subject to make-whole redemption prior to maturity by written direction of the Authority, with the written consent of the University, in whole or in part, on any Business Day, at the "Make-Whole Redemption Price" (as defined below).

The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the 2019 Series [D] Bonds to be redeemed or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the 2019 Series [D] Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2019 Series [D] Bonds are to be redeemed, discounted to the date on which the 2019 Series [D] Bonds are to redeemed on a semi-annual basis, assuming a 360-year consisting of twelve 30-day months, at the adjusted "Treasury Rate" (as defined below), plus [___] basis points, plus, in each case, accrued and unpaid interest on the 2019 Series [D] Bonds to be redeemed on the redemption date.

The "Treasury Rate" will be, as of the redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least five (5) Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the 2019 Series [D] Bonds to be redeemed; *provided, however*, that if the period from the redemption date to such maturity date is less than one (1) year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one (1) year will be used.

The Make-Whole Redemption Price of the 2019 Series [D] Bonds to be redeemed pursuant to the make-whole redemption provisions described above will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the University at the University's expense to calculate such Make-Whole Redemption Price. The Trustee and the Authority may conclusively rely upon the determination of such Make-Whole Redemption Price by such independent accounting firm, investment banking firm or financial advisor, and neither the Trustee nor the Authority will be liable for such reliance.

Extraordinary Optional Redemption

The 2019 Bonds shall be subject to redemption prior to maturity, in whole or in part at the option of the Authority, upon the written direction of the University, at any time and from time to time, at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date, without premium, in the event that any one or more of the following events shall have occurred: (i) title to, or the temporary use of, all or a material portion of the Project Facilities (as defined below) shall have been taken under the exercise of the power of eminent domain by, or sold in lieu thereof to, any governmental authority, or person, firm or corporation acting under governmental authority, which taking or sale prevents or is likely to prevent the carrying on of normal operations of the Project Facilities for a period of at least twelve months; or (ii) the Project Facilities are rendered untenable or unusable in the normal operations of the University by any cause whatsoever, including, but not limited to, a hazard against which insurance is required to be maintained in accordance with the Loan Agreement. "*Project Facilities*" is defined as certain educational facilities financed and refinanced with the proceeds of the 2019 Bonds, including any additions, improvements, modifications, substitutions and renewals thereof, and further including other facilities and uses as are permitted by the Act and the Loan Agreement.

Mandatory Sinking Fund Redemption

The 2019 Series C Bonds maturing on July 1, 20[__] shall be retired by mandatory sinking fund installments in part on July 1 in each of the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date:

Year	Amount

*Final maturity.

The 2019 Series C Bonds maturing on July 1, 20[__] shall be retired by mandatory sinking fund installments in part on July 1 in each of the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date:

Year	Amount

*Final maturity.

The 2019 Series C Bonds maturing on July 1, 20[__] shall be retired by mandatory sinking fund installments in part on July 1 in each of the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date:

Year	Amount

*Final maturity.

The 2019 Series D Bonds maturing on July 1, 20[__] shall be retired by mandatory sinking fund installments in part on July 1 in each of the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date:

Year	Amount

*Final maturity.

The 2019 Bonds subject to mandatory sinking fund redemption are subject, however, to the provision that the principal amount of any partial redemption of the 2019 Bonds pursuant to any optional redemption (the "Prior Non-Mandatory Redemptions") shall at the election of the Authority, with the consent of the University, be credited against and reduce the obligation of the Authority to effect mandatory scheduled sinking fund redemption requirements for the 2019 Bonds. Such election shall be exercised by delivery to the Trustee of written notice from the Authority, with the consent of the University, that the Authority elects to credit Prior Non-Mandatory Redemptions that have not been previously credited against mandatory sinking fund redemption requirements for the 2019 Bonds which notice shall designate the mandatory sinking fund redemption installments to be reduced by date and the principal amount of such reductions.

Exhibit B

L. 2005, C. 51 AND EXECUTIVE ORDER NO. 117
CERTIFICATION OF NO CHANGE

Reference is hereby made to that certain Bond Purchase Agreement, dated [_____], 2019 (the "Bond Purchase Agreement"), by and among Barclays Capital, Inc., as Representative (the "Representative"), the New Jersey Educational Facilities Authority (the "Authority") and The Trustees of the Stevens Institute of Technology, relating to the Authority's $[_____] Revenue Bonds, Stevens Institute of Technology Issue, consisting of $[_____] Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series C (Tax-Exempt) (Green Bonds) (the "2019 Series C Bonds") and $[_____] Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series D (Federally Taxable) (Green Bonds) (the "2019 Series D Bonds" and, together with the 2019 Series C Bonds, the "2019 Bonds").

I, John Augustine, Managing Director of Barclays Capital, Inc., as Representative, and based solely on reliance upon the representations and warranties made to the Representative in the Agreement Among Underwriters, dated [_____], 2019, by the other Underwriters (collectively, the "Underwriters") listed on Schedule I to the Bond Purchase Agreement, hereby certify on behalf of itself and the other Underwriter that all information, certifications and disclosure statements previously provided by the Underwriters in connection with L. 2005, c.51 and Executive Order No. 117 (Corzine 2008) and as required by law, are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority and the State of New Jersey will rely upon the truth of the statements contained herein and in the Bond Purchase Agreement in engaging the Underwriters in connection with the sale and issuance of the 2019 Bonds.

IN WITNESS WHEREOF, I have executed this Certificate this [___] day of [_____], 2019.

BARCLAYS CAPITAL, INC., on behalf of itself
and as Representative of the Underwriters

By:_____
Name: John Augustine
Title: Managing Director

Exhibit C

FORM OF ISSUE PRICE CERTIFICATE

[_____], 2019

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540

McManimon, Scotland & Baumann, LLC
75 Livingston Avenue
Roseland, New Jersey 07068

Re: **New Jersey Educational Facilities Authority**
$[_____],000 Revenue Bonds,
Stevens Institute of Technology Issue, 2019 Series C (Tax-Exempt) (Green Bonds)

Ladies and Gentlemen:

This Certificate is furnished by Barclays Capital, Inc., as Representative (the "Representative") of the underwriters (the "Underwriters") in connection with the sale and issuance by the New Jersey Educational Facilities Authority (the "Authority") of its $[____],000 aggregate principal amount of Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series C (Tax-Exempt) (Green Bonds) (the "Bonds") issued [_____], 2019, and the Representative hereby certifies and represents the following, based upon information available to us:

1. Based on our assessment of the then prevailing market conditions, the Underwriters reasonably expected when they agreed to purchase the Bonds (the "Sale Date") that the first prices at which the Bonds would be sold by the Underwriters to the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) would be prices not higher than, or, in the case of obligations sold on a yield basis, yields not lower than, those listed for each maturity on Schedule A hereto (the "Initial Offering Prices").

2. All of the Bonds have actually been offered to the Public in a bona fide public offering at the Initial Offering Prices.

3. [At least ten percent (10%) in par amount of each maturity of the Bonds has been sold to the Public at the Initial Offering Prices.]

4. The Underwriters had no reason to believe that any of the Initial Offering Prices of the Bonds exceeded the expected fair market value of the Bonds as of the Sale Date.

5. We have been advised by McManimon, Scotland & Baumann, LLC, as Bond Counsel to the Issuer ("Bond Counsel"), that, as used in this certificate, the term "yield" refers to that discount rate calculated on the basis of a 360 day year consisting of twelve months of thirty days each and assuming semiannual compounding which, when used in computing the present value as of the date hereof of all expected payments of the principal of and interest on the Bonds produces an amount equal to the aggregate Initial Offering Prices of the Bonds, less the cost of any qualified guaranty. We have been advised by Bond Counsel that the aggregate Initial Offering Price is equal to the sum of the products of the par amount of each maturity of the Bonds multiplied by the Initial Offering Price for such maturity. The Bonds consist of, inter alia, callable bonds maturing on July 1, [_____], which are issued at respective Initial Offering Prices that exceed the stated redemption price at maturity by more than one-fourth of one percent (0.25%) multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional redemption date of the Bonds. In such case, Bond Counsel has advised that the yield on the issue must be calculated by treating the Bonds maturing on July 1, [_____] as redeemed at their stated redemption price on the optional redemption date that would produce the lowest yield on the issue. Accordingly, Bond Counsel has advised that the Bonds maturing on July 1, [_____] shall be treated as redeemed at their stated redemption price on the optional redemption date that would produce the lowest yield on the issue. Such date has been determined to be July 1, 20[__].

6. The yield on the Bonds, calculated in the manner described in 5, is [_____]%.

7. We have been advised by Bond Counsel that the weighted average maturity of bonds shall be computed by calculating the sum of the products of the Initial Offering Prices of each maturity of the bonds and the number of periods to maturity for each maturity of the bonds (determined separately for each maturity and taking into account mandatory sinking fund redemptions, if any), divided by the aggregate of the Initial Offering Prices. To the extent any bonds of the same maturity are sold at different interest rates, such bonds shall be treated as separate maturities for purposes of the foregoing. Based upon such methodology, the weighted average maturity of the Bonds is [_____] years.

We understand that the foregoing information will be relied upon by the Authority and the University with respect to certain of the representations set forth in their respective Arbitrage and Tax Certificates for the Bonds and by Bond Counsel in connection with rendering its opinion to the Authority that the interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws; in particular the regulations under the Internal Revenue Code of 1986, as amended, or the application of any laws to these facts. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect. We remind you that we are neither accountants nor actuaries, nor are we engaged in the practice of law, accordingly, while we believe our calculations described herein to be correct, we do not warrant their validity for

purposes of Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended.

Very truly yours,

BARCLAYS CAPITAL, INC., on behalf of itself and as Representative of the Underwriters

By: _____
Name: John Augustine
Title: Managing Director

Exhibit D

FORM OF UNDERWRITER'S COUNSEL OPINION

[TO COME FROM BALLARD SPAHR LLP]

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

AND

THE TRUSTEES OF THE STEVENS INSTITUTE OF TECHNOLOGY

LOAN AGREEMENT

Dated as of December 1, 2019

relating to

New Jersey Educational Facilities Authority
Revenue Bonds, Stevens Institute of Technology Issue,
2019 Series C (Tax-Exempt) (Green Bonds)
Revenue Bonds, Stevens Institute of Technology Issue,
2019 Series D (Federally Taxable) (Green Bonds)

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EXHIBIT A
Special Notice Events A-1

This **LOAN AGREEMENT**, dated as of December 1, 2019, by and between the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (hereinafter called the "*Authority*"), a public body corporate and politic with corporate succession, constituting a political subdivision organized and existing under and by virtue of the laws of the State of New Jersey (the "*State*"), created and established by 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 Laws of 1967, as amended and supplemented, having its principal place of business at 103 College Road East, Princeton, New Jersey 08540-6612, and THE TRUSTEES OF THE STEVENS INSTITUTE OF TECHNOLOGY (together with its successors and assigns, hereinafter called the "*University*"), a corporation not-for-profit duly organized and existing under the laws of the State, located at Castle Point on Hudson, Hoboken, New Jersey 07030, and constituting a "private institution of higher education" under the Act.

The Authority and the University hereby mutually covenant and agree as follows:

ARTICLE I

1.1. Definitions.

As used in this Agreement, unless the context shall otherwise require, all capitalized terms shall have the meanings set forth in Section 1.01 of the Trust Indenture, dated as of December 1, 2019 (the "*Indenture*"), by and between the Authority and U.S. Bank National Association, as Trustee.

The following terms have the meanings given:

"*Act*" means 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 Laws of 1967, as amended and supplemented.

"*Additional Loan Payments*" shall have the meaning given to such term in Section 2.10 hereof.

"*Agreement*" means this Loan Agreement, dated as of December 1, 2019, by and between the Authority and the University, and any amendments hereto.

"*Annual Administrative Fee*" means 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 principal amount of each series of the Bonds, with a maximum Annual Administrative Fee of $50,000 per series of Bonds to commence on the Closing Date.

"*Authority's Bonds*" shall have the meaning given to such term in Section 5.5(b) hereof.

"*Authority Written Procedures*" shall have the meaning given to such term in Section 5.5(b) hereof.

"*Basic Loan Payments*" shall have the meaning given to such term in Section 2.8 hereof.

"*Bonds*" means, collectively, the Tax-Exempt Bonds and the Taxable Bonds.

"*Deductible Amount*" shall have the meaning given to such term in Section 4.1 hereof.

"*Documents*" shall have the meaning given to such term in Section 5.12 hereof.

"*Event of Default*" shall have the meaning given to such term in Section 2.5 hereof.

"*Indemnified Parties*" shall have the meaning given to such term in Section 2.13 hereof.

"*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 each series of the Bonds, with a maximum initial fee of $100,000 payable by the University on the closing date for the Bonds.

"*Lien*" shall have the meaning given to such term in Section 3.9 hereof.

"*Loan*" means the loan made pursuant to this Agreement.

"*Official Statement*" shall have the meaning given to such term in Section 2.13 hereof.

"*Prepayment Price*" shall have the meaning given to such term in Section 2.12 hereof.

"*Project*" means, collectively, the Tax-Exempt Project and the Taxable Project.

"*Project Facilities*" means, collectively, the Tax-Exempt Project Facilities and the Taxable Project Facilities.

"*Project Fund*" means the fund described in Section 3.5 hereof.

"*Special Notice Event*" shall have the meaning given to such term in Section 5.5(b) hereof.

"*Swap Agreement*" means any agreement between the University and a Swap Provider confirming a transaction that is a rate swap transaction, basis swap, forward rate transaction, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, corridor transaction, currency swap transaction, cross-currency rate swap transaction, currency option or other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of these transactions and any related agreements.

"*Swap Payment Obligations*" means all net amounts payable, respectively, by the University or the Swap Provider under any Swap Agreement.

"*Swap Provider*" means the University's counterparty under a Swap Agreement.

"*Swap Revenues*" means all amounts received by the Trustee on behalf of the University pursuant to any Swap Agreement, including, without limitation, any Swap Termination Payment.

"*Swap Termination Payment*" means, with respect to any Swap Agreement, any settlement amount payable by the applicable Swap Provider or the University by reason or on account of the early termination of such Swap Agreement, either in whole or in part.

"*Tax Certificate*" means the Arbitrage and Tax Certificate, dated the date of issuance of the Tax-Exempt Bonds, provided by the University with respect to, among other things, the nature, use and costs of the Tax-Exempt Project Facilities.

"*Tax-Exempt Bonds*" means the $__,___,000 principal amount of New Jersey Educational Facilities Authority Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series C (Tax-Exempt) (Green Bonds), dated their date of delivery.

"*Tax-Exempt Project*" means the financing, through the issuance of the Tax-Exempt Bonds, of the costs of a project consisting of: (a) [Tax-Exempt Project Description]; (b) funding capitalized interest for the Tax-Exempt Bonds through [DATE], 20__; and (c) paying certain costs of issuing the Tax-Exempt Bonds.

"*Tax-Exempt Project Facilities*" means certain educational facilities financed and refinanced with the proceeds of the Tax-Exempt Bonds, including any additions, improvements, modifications, substitutions and renewals thereof.

"*Taxable Bonds*" means the $__,___,000 principal amount of New Jersey Educational Facilities Authority Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series D (Federally Taxable) (Green Bonds), dated their date of delivery.

"*Taxable Project*" means the financing, through the issuance of the Taxable Bonds, of the costs of a project consisting of: (a) [Taxable Project Description]; (b) funding capitalized interest for the Taxable Bonds through [DATE], 20__; and (c) paying certain costs of issuing the Taxable Bonds.

"*Taxable Project Facilities*" means certain educational facilities financed and refinanced with the proceeds of the Taxable Bonds, including any additions, improvements, modifications, substitutions and renewals thereof.

"*Tuition*" means the price of or payment for academic instruction at the University.

"*University Written Procedures*" shall have the meaning given to such term in Section 5.5(b) hereof.

"*Written Procedures*" shall have the meaning given to such term in Section 5.5(b) hereof.

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

ARTICLE II

2.1. Term of Agreement; Benefits.

This Agreement shall remain in full force and effect until the date on which the principal of and redemption premium, if any, and interest on the Bonds and all other payment obligations of the University owing to the Authority and to the Trustee under this Agreement shall have been fully paid or provision for the payment thereof shall have been made as provided by the Indenture and any other documents related thereto, at which time the Authority shall release and cancel this Agreement.

This Agreement is executed in part to induce the purchase by others of the Bonds, and, accordingly, all covenants and agreements on the part of the University and the Authority as set forth in this Agreement are hereby declared to be for the benefit of the Holders from time to time of the Bonds, reserving always the right of the Authority to amend and supplement this Agreement, with the written consent of the University as set forth in Section 2.7 hereof.

2.2. Agreements of University.

The University agrees to do all things within its power in order to enable the Authority to comply with all requirements and to fulfill all covenants of the Indenture, including, but not limited to, making all payments due from the University under this Agreement, including, without limitation, the Initial Fee, and all payments to the Authority described in Sections 2.8 and 2.10 of this Agreement.

2.3. Agreements of Authority.

The Authority agrees that, upon the issuance of the Bonds and the execution and delivery of this Agreement, it will lend the proceeds of the Bonds to the University and cause same to be deposited with the Trustee and applied in accordance with the provisions of the Indenture to finance the Project.

2.4. Authority's Right to Inspect.

The Authority may make inspections of the Project Facilities at reasonable times upon reasonable notice.

2.5. Events of Default; Remedies.

(a) As used herein, the term "*Event of Default*" shall mean (after any applicable notice or cure periods):

(1) If payment of any amount due under Section 2.8 of this Agreement is not made when it becomes due and payable;

(2) If payment of any amount due under Section 2.10 of this Agreement is not made when it becomes due and payable and if such amount remains unpaid for a period of forty-five (45) days after receipt by the University of the bills required to be paid by Section 2.10 of this Agreement;

(3) If the University shall: (A) admit in writing its inability to pay its debts generally as they become due, or (B) file a petition to be adjudicated a voluntary bankrupt in bankruptcy or a petition to otherwise take advantage of any State or federal bankruptcy or insolvency law, or (C) make an assignment for the benefit of its creditors or seek a composition with its creditors, or (D) consent to the appointment of a receiver of itself, or its fees or charges, or of the whole or any substantial part of the Project Facilities;

(4) If the University shall, upon an involuntary petition under any section or chapter of the federal bankruptcy laws filed against it, be adjudicated a bankrupt or if a court of competent jurisdiction shall enter an order or decree appointing a trustee or receiver (interim or permanent) or appointing the University a debtor-in-possession, with or without the consent of the University, or approving a petition filed against it seeking reorganization or an arrangement of the University under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof;

(5) If final judgment for the payment of money in excess of $250,000 that, in the judgment of the Authority, will adversely affect the rights of the Holders of the Bonds and that is not covered by adequate insurance shall be rendered against the University and at any time after thirty (30) days from the entry thereof (A) such judgment shall not have been discharged or (B) the University shall not have taken and be diligently prosecuting an appeal therefrom or from the order, decree or process upon which or pursuant to which such judgment shall have been granted or entered, and shall not have caused, within thirty (30) days, the execution of or levy under such judgment, order, decree or process or the enforcement thereof to have been stayed pending determination of such appeal;

(6) If the University defaults in the due and punctual performance of any other covenant in this Agreement (including, without limitation, failure of the University to comply with its covenant that it will operate or use the Project Facilities and each portion thereof as educational facilities constituting an authorized "project" under the Act) and such default continues for thirty (30) days after written notice requiring the same to be remedied shall have been given by the Authority; or

(7) If any representation or warranty made by the University herein shall prove to be untrue in any material respect when made.

(b) The University agrees that it shall notify the Authority, in writing, of an Event of Default described in Sections 2.5(a)(2) through (7). The Authority agrees that it shall notify the Trustee, in writing, of the occurrence of an Event of Default hereunder other than an Event of Default described in Section 2.5(a)(1) or with respect to an Event of Default described in Section 2.5(a)(2) with respect to fees or payments that are made directly to the Trustee by or on behalf of the University. The Authority and the University agree that, upon the occurrence of an Event of Default, the Authority may, by notice in writing to the University, declare all, including future,

payments under this Agreement to be due and payable immediately. At any time after such payments shall have been so declared to be due and payable and before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of such default or before the completion of the enforcement of any other remedies under this Agreement, the Authority may annul such declaration and its consequences if moneys shall have accumulated in any fund created or held under the Indenture sufficient to pay all arrears of such payments under this Agreement other than payments due only because of such declaration. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

The Authority and the University further agree that, upon the occurrence of an Event of Default, the Authority and/or the Trustee may exercise, with respect to any amount in any Fund under the Indenture (other than the Rebate Fund, the Project Fund and the Additional Loan Payments Fund), all the rights of a secured party under the New Jersey Uniform Commercial Code.

2.6. Insurance.

The amounts paid by any insurance company pursuant to any contract of insurance may be applied to the Extraordinary Optional Redemption of the Bonds in accordance with Section 4.01(b) of the Indenture or released for the repairing or rebuilding of the Project Facilities. All insurance prescribed by this Section 2.6 shall be procured from financially sound and reputable insurers qualified to do business in the State or otherwise approved by the Authority.

2.7. Amendments to this Agreement.

The Authority and the University may, without the consent of or notice to the Bondholders, amend this Agreement as may be required or permitted (i) by the provisions of this Agreement, (ii) for the purpose of curing any ambiguity or formal defect or omission in this Agreement, (iii) so as to identify or modify more precisely the scope of the Project or the Project Facilities, (iv) to enter into an indenture or indentures supplemental to the Indenture as provided in Section 9.01 of the Indenture, (v) to make any revisions that shall be required by a Rating Agency in order to obtain or maintain an investment grade rating on the Bonds, or (vi) in connection with any other change herein that, in the opinion of Bond Counsel, in the case of any amendment described in clauses (i) through (v) above, neither adversely affects the Pledged Property to repay the Bondholders nor adversely affects the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes; *provided*, that no such amendment may modify the rights or obligations of the Trustee without the written consent of the Trustee.

2.8. Basic Loan Payments.

The obligation of the University to pay or cause to be paid the amounts payable under this Agreement shall be absolute and unconditional, and the amount, manner and time of payment of such amounts shall not be decreased, abated, postponed or delayed for any cause or by reason of the happening of any event. The amounts payable by the University shall equal the sums necessary for the payment of the principal of and redemption premium, if any, and interest

on the Bonds and all amounts required to be deposited in the Funds established under the Indenture.

The University agrees to pay from any legally available funds of the University "*Basic Loan Payments*" in immediately available funds, at the times set forth below, and in amounts sufficient to enable the Trustee to make the transfers and deposits required at the times and in the amounts pursuant to Article V of the Indenture. Each payment shall be made in immediately available funds.

Notwithstanding the foregoing, the University agrees to make payments, or cause payments to be made, in the amounts required to be paid as the principal of and redemption premium, if any, and interest on the Bonds from time to time Outstanding under the Indenture and any 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.

All Basic Loan Payments required under this Agreement shall be made at the times required by Section 3.5 hereof.

Except as otherwise expressly provided herein, all amounts payable hereunder by the 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 University covenants and agrees that it will pay the Basic Loan 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 and redemption premium, if any, and interest on the Bonds.

2.9. Swap Payments.

The University further covenants and agrees that, in the case of any Swap Agreement that the University enters into in connection with the Bonds, the University will pay to any applicable Swap Provider all of the University's Swap Payment Obligations and may pay or cause each Swap Provider of such Swap Agreement to pay the Swap Provider's Swap Payment Obligations to the Trustee for deposit in the Interest Account of the Debt Service Fund.

2.10. Additional Loan Payments.

In addition to the Basic Loan Payments, the University shall also pay to the Authority and the Trustee "*Additional Loan Payments*" as follows:

(a) all reasonable fees, charges, expenses and indemnities of the Authority and the Trustee as and when the same become due and payable, including reasonable attorneys' fees;

(b) 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 and opinions or to provide such other services required under this Agreement or the Indenture;

(c) the Annual Administrative Fee of the Authority and any other expenditures for insurance, fees and expenses of auditing and fees and expenses as required by the Indenture and not otherwise paid or provided for by the University and all other expenditures reasonably and necessarily incurred by the Authority by reason of the financing of the Project or the Project Facilities, including 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

(d) all other reasonable and necessary fees and expenses attributable to the Bonds and this Agreement, including, without limitation, all payments required pursuant to the Indenture and the Tax Certificate (including payments of all amounts required to be deposited in the Rebate Fund and any fees of the Authority in connection with any arbitrage compliance services, including rebate calculations performed by or at the direction of the Authority).

Such Additional Loan Payments shall be billed to the University by the Authority or the Trustee, from time to time. After such a demand, amounts so billed shall be paid by the University within forty-five (45) days after receipt of the bill by the University. Payment of the initial Annual Administrative Fee shall be made in the Bond Year ending June 30, [2020] and in each Bond Year thereafter.

Payments required to be made under this Section 2.10 shall be made in legally available funds of the University to the Trustee unless otherwise directed in an agreement pursuant to which such payments are required.

2.11. Credits for Payments.

The University may receive, in the sole discretion of the Authority, credit against its payments required to be made under Section 2.8, in addition to any credits resulting from payment or repayment from other sources, as follows:

(a) on the portion of Basic Loan Payments allocable to interest, in an amount equal to moneys on deposit in the Interest Account of 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. Amounts on deposit in the Interest Account of the Debt Service Fund that may be available for credit against the interest portion of Basic Loan Payments include, without limitation, payments made directly to the Trustee by a Swap Provider, if any, to satisfy the Swap Provider's Swap Payment Obligations on behalf of and at the direction of the University;

(b) on the portion of Basic Loan Payments allocable to installments of principal, in an amount equal to moneys deposited in the Principal Account of 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. Amounts on deposit in the Principal Account of the Debt Service Fund that may be available for credit against the principal portion of

Basic Loan Payments include, without limitation, payments made directly to the Trustee by a Swap Provider, if any, to satisfy the Swap Provider's Swap Payment Obligations on behalf of and at the direction of the University;

(c) on the portion of Basic Loan Payments representing installments of principal and interest, in an amount equal to the principal amount of the Bonds for the payment at maturity or redemption of which sufficient amounts (as determined by Section 2.01 of the Indenture) in cash or non-callable United States Obligations are on deposit as provided in Section 2.01 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 that 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 Loan Payments allocable to installments of principal and interest, in an amount equal to (i) the principal amount of the Bonds acquired by the University and surrendered to the Trustee for cancellation or purchased by the Trustee on behalf of the University and canceled, and the interest on such Bonds from and after the date interest thereon has been paid prior to cancellation, or (ii) the principal amount of Prior Non-Mandatory Redemptions that the Authority, with the consent of the University, has elected to credit against sinking fund redemption payments. Such credits shall be made against the installments of principal and interest that would have been used, but for such cancellation, to pay principal of and interest on such Bonds when due.

2.12. Prepayment.

(a) The University shall have the right, so long as all amounts that have become due hereunder have been paid, at any time or from time to time, to prepay all or any part of the Basic Loan 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 rights under this Agreement, but shall be credited to the principal portion of Basic Loan Payments due from the University as determined by the Authority and the Trustee. The University is further hereby granted the option to prepay its payment obligations under this Agreement in whole by paying to the Trustee the "*Prepayment Price*", which for any date of calculation shall be equal to, or shall be the amount, together with investment income pursuant to Section 2.01 of the Indenture (as verified pursuant to such Section and paragraph (b) below), equal to 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 University's notice to the Trustee of such prepayment, (ii) any interest to accrue 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 in implementing such prepayment. The Prepayment Price shall be deposited, upon receipt by the Trustee, in the Debt Service Fund (or in such other Trustee-held escrow account as may be specified by the University) and, at the request of and as determined by the 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 Loan Payments required to be made hereunder remain unpaid, the University will not be relieved of its obligations hereunder.

(b) Said option may be exercised by the University at any time by (i) giving written notice to the Trustee and the Authority of the exercise of such option at least forty-five (45) days prior to the redemption date set forth in such notice, and (ii) complying with any other requirements 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 the Authority to the effect that the amount so prepaid will equal the Prepayment 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 redemption date thereof, plus all interest accruing thereon to such redemption date. Such option shall be exercised by depositing with said notice cash and/or United States Obligations 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 University may also prepay at any time or from time to time all or any part of the Basic Loan Payments from moneys derived from condemnation awards or the proceeds of hazard insurance relating to the facilities of the University, and the Authority agrees that the Trustee shall accept such prepayments when the same are tendered. Such amount shall be used to redeem bonds as set forth in Section 4.01(b) of the Indenture.

2.13. Indemnification.

The University agrees to indemnify and hold harmless the Authority, any member, officer, official, employee, counsel, consultant or agent of the Authority, including the Trustee and each and any underwriter that purchases the Bonds from the Authority, and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of each and any purchaser of the Bonds through the ownership of voting securities, by contract or otherwise (collectively, the "*Indemnified Parties*"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by any untrue statement or misleading statement or alleged untrue statement or misleading statement of a material fact contained in the official statement relating to the offer and sale of the Bonds (the "*Official Statement*") or caused by any omission from the Official Statement of any material fact required to be stated therein or necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading, but only if and insofar as such losses, claims, damages, liabilities or expenses are caused by any such untrue or misleading statement or alleged untrue or misleading statement contained in the Official Statement or such omission or alleged omission from the Official Statement with respect to information contained in the Official Statement furnished by, or on behalf of, or relating to, the University, the Project or the Project Facilities. In case any action shall be brought against the Indemnified Parties based upon the Official Statement and in respect of which indemnity may be sought against the University in accordance with this Section 2.13, the Indemnified Parties shall promptly notify the University in writing. However, failure on the part of the Authority to give such notification shall not relieve the University from its obligation under this Section 2.13 to the Authority. For

any Indemnified Party other than the Authority, to the extent the University suffers actual prejudice as a result of any such failure to give notification, such failure to give such notification shall not relieve the University from its obligation under this Section 2.13, but it shall reduce the liability of the University by the amount of damages attributable to such failure of the Indemnified Party to give such notification. Upon receipt of such notification, the University shall promptly assume the defense of such action, including the retention of counsel, the payment of all expenses in connection with such action, including any expenses incurred prior to such notification, and the right to negotiate and settle any such action on behalf of such Indemnified Parties with such Indemnified Parties' consent. Any Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, unless the employment of such counsel has been specifically authorized by the University or unless by reason of conflict of interest, determined by the written opinion of counsel to any such Indemnified Party delivered to the University, it is advisable for such party to be represented by separate counsel to be retained by such Indemnified Party, in which case the fees and expenses of such separate counsel shall be borne by the University. The University shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the University or if there be a final judgment for the plaintiff in any such action with or without its written consent, the University agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Nothing in this Section 2.13 shall require or obligate the University to indemnify or hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused by any gross negligence or willful misconduct on the part of the Indemnified Parties in connection with the offer or sale of the Bonds.

The University releases the Authority and the Trustee from, and agrees that the Authority and the Trustee shall not be liable for, and agrees to indemnify and hold the Authority and the Trustee harmless from, any liability for, or expense (including, but not limited to, attorneys' fees) resulting from, or any loss or damage that may be occasioned by any cause whatsoever pertaining to the sale, issuance and delivery of the Bonds, or the actions taken or to be taken by the Authority or the Trustee under this Agreement, the Indenture or any Swap Agreement, except for the gross negligence or willful misconduct of the Authority or the Trustee. The parties intend that no general obligation or liability or charge against the general credit of the Authority shall occur by reason of making this Agreement, the issuance of the Bonds, the entry into any Swap Agreement or the performance of any act required of it by this Agreement or any Swap Agreement. Nevertheless, if the Authority shall incur any such pecuniary liability, then in such event the University shall indemnify and hold the Authority harmless by reason thereof, to the extent permitted by law, unless such liability results from gross negligence or willful misconduct of the Authority. The indemnification provisions of this paragraph are subject to the same limitations and qualifications thereto as are set forth in the immediately preceding paragraph, including, but not limited to, notice, conflict of interest and consent provisions, as if set forth fully in this paragraph.

The provisions of this Section 2.13 shall survive the termination of this Agreement, the payment of the Bonds and the resignation or removal of the Trustee.

2.14. Consent to Authority's Use of Photographs and Videos.

The University agrees that, upon reasonable notice and coordination with the University, the Authority may use photographs or videos taken on the 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.

2.15. Consent to Assignment by Authority.

The University hereby consents to and authorizes the assignment and reservation of rights set forth in the Indenture by the Authority to the Trustee of the Authority's rights to receive the payments required by Section 2.8 hereunder. Upon such assignment, the Trustee shall be fully vested with all of the rights of the Authority so assigned and may thereafter exercise or enforce, by any remedy provided therefor (subject to the reservations of rights) by law or by this Agreement, such right directly in its own name.

ARTICLE III

3.1. Nature of Obligation.

The University agrees to make payments hereunder in the amounts, at the times and in the manner as set forth herein. The University agrees that its obligations to make the payments required hereunder in the manner set forth herein shall constitute a general obligation of the University payable from any moneys legally available to the University.

3.2. Use of Bond Proceeds.

The proceeds of the Bonds shall be used to make a Loan to the University to finance the Project.

3.3. Information to be Provided by University.

Whenever requested by the Authority, the University shall within thirty (30) days provide and certify, or cause to be provided and certified, such information concerning the University, its finances and other topics as the Authority considers necessary to enable it to complete and publish an official statement or other offering or disclosure document, or any supplement or amendment thereto, relating to the Bonds at the time when the Bonds are to be offered for sale, at other times upon the reasonable request of the Authority or to enable it to make any reports required by law or the Indenture.

3.4. General Obligation of University; Pledge of Tuition.

The University agrees unconditionally to repay the Loan in the amounts, at the times and in the manner as is necessary to pay the Bonds fully when due. This Agreement and the obligation of the University to make the payments required hereunder are general obligations of the University, such payments to be made from any moneys of the University legally available therefor. As security for such general obligation, the University grants the Authority a pledge of and lien on Tuition. The Authority may issue additional bonds on behalf of the University secured by a pledge of and lien on Tuition on a parity basis with the pledge of and lien on Tuition hereunder.

The University further covenants and agrees to impose such Tuition, fees, rentals and other charges sufficient at all times to generate revenues that, together with other legally available funds of the University, will be sufficient to pay the cost of operating and maintaining the Project Facilities and to pay all amounts required under this Agreement.

3.5. Project Fund.

To secure payment of the amounts required hereunder, the University agrees that it shall create a special account (the "*Project Fund*") to be maintained with the Trustee separate and apart from the other funds of the University. Except for the payments on account of rebate required by Section 2.10(d) hereof, the University covenants and agrees that it will deposit or cause to be deposited in the Project Fund held with the Trustee:

(i) on the first day of December in each Bond Year, one hundred percent (100%) of the interest payments due pursuant to this Agreement on the immediately succeeding January 1 and one-half (1/2) of the principal payments due pursuant to this Agreement on the immediately succeeding July 1; and

(ii) on the first day of June in each Bond Year, one hundred percent (100%) of the interest payments due pursuant to this Agreement on the immediately succeeding July 1 and one-half (1/2) of the principal payments due pursuant to this Agreement on the immediately succeeding July 1.

Moneys in the Project Fund deposited pursuant to this Section 3.5 shall be transferred by the Trustee without further direction by the Authority to the applicable account of the Debt Service Fund as set forth in the Indenture on June 20 and December 20 of each year.

Any balances remaining in the Project Fund on June 30 of each Bond Year, after payment of all amounts due hereunder, shall be returned to the University, at the direction of the Authority.

The moneys in the Project Fund may be invested at the written direction of the University or the Authority in (a) United States Obligations and (b) money market funds described in clause (K) of the definition of Investment Obligations. If the investment instructions of the Authority and the University conflict, then the University's instructions shall control.

3.6. Taxes.

The University shall pay when due at its own expense all taxes, assessments, utilities, water and sewer charges and other impositions thereon, if any, that may be levied or assessed upon the Project Facilities. The University shall file exemption certificates as required by law.

3.7. Compliance With Applicable Law.

In connection with the acquisition, construction, renovation, operation, maintenance, repair and replacement of the Project Facilities, the University shall comply with all applicable ordinances and laws of the government of the United States, the State and the municipality in which the Project Facilities or any part thereof is located.

In connection with the Project Facilities, the University hereby acknowledges that the provisions of N.J.S.A. 18A:72A-5.1 through 5.4 relating to payment of the prevailing wage rate determined by the Commissioner of Labor and Workforce Development pursuant to the Prevailing Wage Act (N.J.S.A. 34:11-56.25 *et seq.*) apply to the construction and rehabilitation undertaken in connection with the Authority's assistance in financing the Project Facilities and covenants to comply with such provisions.

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

3.8. Secondary Market Disclosure.

The University hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding Section 2.5 or any other provision of this Agreement, failure of the University to comply with or perform its obligations under this Section 3.8 or under the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; *however*, the Trustee may (and, at the written request of the Underwriter or the Holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, shall), after provision of indemnity in accordance with Section 2.13 hereof, or any Holder of the Bonds may take such actions as may be necessary or desirable, including seeking specific performance by court order, to cause the University to comply with its obligations under this Section 3.8.

3.9. Negative Pledge. [TO BE UPDATED/REVISED AS NECESSARY]

The University agrees and covenants that, as long as the Bonds are Outstanding, the University shall not pledge or create or suffer to be created or exist upon that portion of its real property constituting (i) the Gianforte Academic Center, (ii) the Wesley J. Howe Center and (iii) the Lawrence T. Babbio, Jr. Center for Technology Management, any additional Liens that secure any indebtedness for money borrowed by the University in an aggregate amount greater than $10,000,000, unless there is provision made, in each instance, to secure the Bonds equally and ratably with such indebtedness by such Lien.

For purposes of this Section 3.9, "*Lien*" shall mean any mortgage of, security interest in or pledge of property.

ARTICLE IV

4.1. Covenants as to Insurance.

The University 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) 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 the Authority (the "*Deductible Amount*"), on the plant, structure, machinery, equipment and apparatus comprising the Project Facilities, plus Boiler and Machinery coverage, and Flood Insurance if the Project Facilities 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 the obligations of the Authority issued with respect to the Project Facilities are Outstanding and shall be in an amount not less than $250,000,000 or such other amount as may be approved, in writing, by the Authority. The inclusion of the Project Facilities under a blanket insurance policy or policies of the University insuring against the above hazards or any additional hazards of the types and in the amounts approved, in writing, by the Authority shall be a complete compliance with the provisions of this Section 4.1(a). The University shall give at least thirty (30) 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 shall be provided. In any event, each such policy shall be in an amount sufficient to prevent the University and the Authority from becoming co-insurers under the applicable terms of such policy. In the event that the University 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 United States Obligations 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 Section 4.1(a) establishing a Deductible Amount; and

(b) At all times, insurance protecting the Authority and the 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 per occurrence and two million dollars ($2,000,000) general aggregate for bodily injury and property damage, or such other amounts as may be approved, in writing, by the Authority. The University shall give at least thirty (30) 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 shall be provided. The Authority and the Trustee shall be named as Additional Insureds on such policy or policies.

Upon closing of the Bonds and thereafter upon each renewal of insurance coverage, the University shall deliver to the Authority 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 evidence of the required Additional Insured Endorsement.

All policies of insurance shall be payable to the University and the Authority (with respect to liability insurance), as their interests may appear, and the University shall have the sole right to receive the proceeds of such policy or policies affecting the Project Facilities and receipt for claims thereunder.

The proceeds of all such property insurance policies shall either be: (i) applied by the University to the repair and replacement of the damaged property of the Project Facilities or (ii) deposited by the University with the Trustee for payment into the applicable account of the Debt Service Fund accompanied by a certificate of the University stating that such deposit is being made pursuant to this Section 4.1 for the purpose of paying the principal of and interest on the Bonds in accordance with Section 4.01(b) of the Indenture.

All insurance prescribed by this Section 4.1 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 4.1 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 and the Trustee at all reasonable times, and a list prepared as of June 30 of each Bond Year describing such policies shall be furnished by the University to the Authority and 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 annual Authority certificates and hold the same for inspection by any Bondholders.

In the event that the University shall fail to obtain or maintain the insurance required under this Section 4.1, the Authority may, at its sole option, obtain such coverage. In such event, the Authority shall promptly notify the University of its actions. The University agrees to promptly reimburse the Authority for the costs of such coverage, such amounts constituting Additional Loan Payments due by the University to the Authority pursuant to Section 2.10 of this Agreement.

4.2. University Covenant as to Swap Agreements.

The University agrees that, so long as the Bonds are Outstanding, it shall not enter into, amend, novate or terminate any Swap Agreement without prior notice being sent to the Authority so long as such Swap Agreement is with respect to or in connection with the Bonds. The University also agrees that in connection with any such Swap Agreement it shall cooperate with the Authority to take any actions deemed necessary by the Authority related to the Bonds and/or such Swap Agreement.

ARTICLE V

5.1. Termination of Agreement.

The Authority and the University agree that, upon sixty (60) days' written notice to the Authority and the Trustee, the University shall have the right to terminate this Agreement by paying to the Trustee, for the account of the Authority, an amount equal to the sum of: (i) the aggregate principal amount of the Bonds Outstanding on the date of such termination; (ii) accrued interest thereon to the date that the Bonds mature or are next redeemable; (iii) applicable redemption premium, if any, due thereon to the date of maturity or next applicable redemption date in accordance with the provisions of the Bonds and the Indenture; and (iv) all other costs and expenses of the Authority and the Trustee in connection therewith, including amounts presently due and amounts reasonably expected by the Authority and the Trustee to become due, all in accordance with the provisions of this Agreement, the Bonds and the Indenture.

The Authority and the University agree that if, at the time the moneys on deposit in the Debt Service Fund are at least equal to the sum of: (i) the aggregate principal amount of the Bonds then Outstanding; (ii) accrued interest thereon to the date that the Bonds are next redeemable; (iii) redemption premium, if any, due thereon to the next applicable redemption date in accordance with the provisions of the Bonds and the Indenture; and (iv) all other costs and expenses of the Authority and the Trustee due and owing with respect to the Bonds or necessary in connection with such redemption, including amounts presently due and amounts reasonably expected by the Authority and the Trustee to become due, all in accordance with the provisions of this Agreement, the Bonds and the Indenture, the Authority, upon the written request of the University, shall give written notice to the Trustee of the Authority's election to redeem all of the Bonds Outstanding. The University understands and agrees that redemption premium, if any, and costs and expenses of the Authority and the Trustee in connection therewith will also be payable by the University as Additional Loan Payments pursuant to Section 2.10 of this Agreement.

The Authority agrees that the security interest in the Project Facilities shall terminate when all of the Bonds, the interest thereon and all other amounts due pursuant to this Agreement have been paid or provision for the payment thereof has been made by the University, as provided by Section 2.01 of the Indenture and any applicable Swap Agreement or other agreement.

The Authority further agrees that, after payment to it in trust by the Trustee of all moneys or securities held by the Trustee pursuant to the Indenture, the Authority shall pay the same to the University after first deducting any moneys due to the Authority for the Authority's reasonable expenses incurred or accruing relating to the financing of the Project.

5.2. Operation and Maintenance of Project Facilities.

The University agrees that sufficient funds are and shall be available for effective use of the Project Facilities for the purposes for which they were acquired, constructed, renovated and improved and for educational purposes within the meaning of the Act. The University further agrees to pay all costs of operating and maintaining the Project Facilities.

The University agrees that it shall not request the Authority to enter into any contracts or agreements or to perform any acts that may substantially and adversely affect any of the assurances or rights of the Authority. The University further agrees not to use the Project Facilities or any part thereof for sectarian instruction or as a place for religious worship and this covenant shall continue as long as the Project Facilities shall remain in existence.

The University shall, at its own expense, hold, operate and maintain the Project Facilities and any equipment related thereto in a careful and prudent manner, and it shall keep the Project Facilities and any equipment related thereto in a good, clean and orderly fashion.

5.3. Rights and Remedies Not Exclusive.

All rights and remedies herein given or granted to the Authority are cumulative, non-exclusive 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.

5.4. Notices.

All notices required to be given or authorized to be given by either party pursuant to this Agreement shall be in writing and sent by facsimile, electronic mail or registered or certified mail to the main office of the other party, in the case of the Authority addressed to it at its office in Princeton, New Jersey, or such other address as the Authority may direct upon notice given to the parties named in this Section 5.4, and in the case of the University, addressed to it at its address stated hereinabove to the attention of its Vice President for Finance and Treasurer and with a copy to its General Counsel, or such other address as the University may direct upon notice given to the parties named in this Section 5.4. All notices required to be given to the Trustee by either party pursuant to this Agreement shall be in writing and sent by registered or certified mail to the main office of the Trustee at the address of such principal office.

The University agrees that it shall send to the Authority a duplicate copy or executed copy of all certificates, notices, correspondence or other data and materials sent to or received from the Trustee under the Indenture as may be required by the Authority.

5.5. Tax Covenants.

(a) The University covenants that:

(i) it will maintain its status as an organization described in Section 501(c)(3) of the Code that is exempt from federal income taxation under Section 501(a) of the Code, or corresponding provision of future federal income tax laws, and it will use the proceeds of the Bonds exclusively for facilities used in activities forming a part of the basis of such exemption and costs and expenses necessary and incidental to such activities;

(ii) it shall not perform any acts nor enter into any agreements that shall cause any revocation or adverse modification of such federal income tax status of the University;

(iii) it shall not carry on or permit to be carried on in the Project Facilities or its other projects or permit the Project Facilities or its other projects to be used in or for any trade or business the conduct of which is not substantially related (aside from the need of the University for income or funds or the use it makes of the profits derived) to the exercise or performance by the University of the purposes or functions constituting the basis for its exemption under Section 501(a) of the Code, if such use of the Project Facilities or any of its other projects would result in the loss of the University's exempt status under Section 501(a) of the Code or would cause the interest on the Tax-Exempt Bonds to be included in gross income for purposes of federal income taxation;

(iv) neither it nor any related party (as defined in §1.150-1(b) of the Treasury Regulations) shall purchase the Bonds pursuant to an arrangement, formal or informal, in an amount related to the amount of the Loan made by the Authority under this Agreement;

(v) it will not use any portion of the proceeds of the Bonds for the acquisition, construction, improving and equipping of facilities for use in sectarian worship, sectarian instruction or other sectarian purposes or for other costs and expenses or activities of a sectarian character incident to any of the foregoing;

(vi) it will not use any portion of the proceeds of the Bonds for the acquisition, construction, improving and equipping of facilities for the use in any unrelated trade or business within the meaning of Section 513 of the Code or corresponding provisions of future federal income tax laws, if such use of the proceeds thereof would result in the loss of the University's exempt status under Section 501(a) of the Code or would cause the interest on the Tax-Exempt Bonds to be included in gross income for purposes of federal income taxation;

(vii) it will comply with the applicable requirements of the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds and will not take any action or fail to take any action that would cause the loss of such exclusion;

(viii) it will not use the proceeds of the Tax-Exempt Bonds, the earnings thereon and any other moneys on deposit in any Fund or account maintained in respect of the Tax-Exempt Bonds (whether such moneys were derived from proceeds of the sale of the Tax-Exempt Bonds or from other sources) in a manner that would cause the Tax-Exempt Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations promulgated thereunder, as the same may be from time to time amended;

(ix) it will not take any action nor cause any action to be taken that would cause the Tax-Exempt Bonds to be "federally guaranteed" as defined in Section 149(b) of the Code;

(x) it will create and maintain records with respect to: (A) all allocations of proceeds of the Tax-Exempt Bonds to expenditures under §1.141-6 and §1.148-6(d) of the Treasury Regulations and any reallocations of proceeds of the Tax-Exempt Bonds under §1.141-12(e) of the Treasury Regulations; (B) all allocations of the non-Tax-Exempt Bond proceeds to expenditures for costs of the Project Facilities or costs of issuing the Tax-Exempt Bonds; (C) the

ownership and any disposition of any of the property financed with proceeds of the Tax-Exempt Bonds under Section 145(a)(1) of the Code; (D) the economic lives of each portion of the property financed with proceeds of the Tax-Exempt Bonds; (E) the date each portion of the property financed with proceeds of the Tax-Exempt Bonds is placed in service (within the meaning of §1.150-2(c) of the Treasury Regulations); (F) any use of proceeds of the Tax-Exempt Bonds, or the property financed with proceeds of the Tax-Exempt Bonds, in an unrelated trade or business (within the meaning of Section 513 of the Code); (G) any private trade or business use (within the meaning of Sections 141 and 145 of the Code and §1.141-2 of the Treasury Regulations) of the property financed with proceeds of the Tax-Exempt Bonds; (H) any investments of the University of the gross proceeds (within the meaning of §1.148-1(b) of the Treasury Regulations) of the Tax-Exempt Bonds (including, without limitation, records required under §1.148-5(d)(6) of the Treasury Regulations); (I) any use of proceeds of the Tax-Exempt Bonds or the property financed with proceeds of the Tax-Exempt Bonds in an unrelated trade or business (within the meaning of Section 513 of the Code); (J) all information necessary to compute the yield on the Tax-Exempt Bonds, including the information necessary to establish the existence of any qualified guarantee or qualified hedge (within the meaning of §1.148-4(f) and (h) of the Treasury Regulations) with respect to the Tax-Exempt Bonds, the amount and date of payments for a qualified guarantee or qualified hedge with respect to the Tax-Exempt Bonds and the issue price of the Tax-Exempt Bonds; and (K) all information necessary to establish that the 6-month, the 18-month or the 2-year construction exception to arbitrage rebate (with the meaning of §1.148-7 of the Treasury Regulations) has been met with respect to proceeds of the Tax-Exempt Bonds, which the University will retain for at least three (3) years after the final scheduled maturity date of the Tax-Exempt Bonds; and

(xi) all representations made in the Tax Certificate are true and correct and fully and accurately represent the facts as known to the University. The University agrees to comply with all of the covenants and requirements set forth in the Tax Certificate; notwithstanding any other provision of the Indenture or this Agreement to the contrary, so long as necessary in order to maintain the exclusion of interest on the Tax-Exempt Bonds from gross income under Section 103 of the Code, the covenants contained in subparagraphs (i) through (x) of this Section 5.5 shall survive the discharge and satisfaction of the Tax-Exempt Bonds and the term of this Agreement.

(b) The 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*"). Within sixty (60) days of the issuance of the Tax-Exempt Bonds, the University shall adopt 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 University agrees to provide a copy of the current University Written Procedures or upon their adoption. The University agrees to comply with the Written Procedures and at least once a year review the use of the Tax-Exempt Bonds and any other outstanding bonds of the Authority that have financed facilities for the University (together with the Tax-Exempt Bonds, the "*Authority's Bonds*") in order to determine whether the Authority's Bonds meet all federal tax law conditions applicable to such bonds and certify its findings in writing to the Authority. In addition, the 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 A** attached hereto and made a part hereof that may jeopardize the tax-exempt status of the Tax-Exempt Bonds (a "*Special Notice Event*"). The 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 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 disclosing 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 has occurred, or otherwise. The University agrees that, in consultation with the Authority, at the expense of the 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 §1.141-12 of the Treasury Regulations or a closing agreement with the Internal Revenue Service, and to provide to the Authority an Opinion of Bond Counsel outlining the plan of remediation and whether or not the tax-exempt status of the Tax-Exempt 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 University, to conduct its own investigation and, at the sole reasonable cost and expense of the University, retain Bond Counsel to determine any and all actions required to remediate such Special Notice Event. The University shall adopt and follow its own written post-issuance compliance procedures to supplement the foregoing.

5.6. Tax-Exempt Status.

The University affirmatively represents that, as of the date of this Agreement: (i) it is an organization described in Section 501(c)(3) of the Code or corresponding provisions of prior law and it is not a "private foundation" (as such term is defined under Section 509(a) of the Code); (ii) it has received a letter from the Internal Revenue Service to such effect and such letter has not been modified, limited or revoked; (iii) it is in compliance with all terms, conditions and limitations, if any, contained in such letter; (iv) the facts and circumstances that form the basis of such letter as represented to the Internal Revenue Service continue substantially to exist; and (v) it is an organization exempt from federal income taxes under Section 501(a) of the Code.

The University affirmatively represents that, as of the date hereof, it is an organization organized and operated: (i) exclusively for educational purposes; (ii) not for pecuniary profit; and (iii) no part of the net earnings of which inures to the benefit of any person, private stockholder or individual, all within the meaning of the Code. The University agrees that it shall not perform any act or enter into any agreement that shall change its organization or operations as set forth in items (i), (ii) and (iii) of this paragraph of Section 5.6.

5.7. Additional Representations and Warranties.

The University hereby makes the following representations and warranties to the Authority:

(a) Uniform Commercial Code. If revisions to Article 9 of the Uniform Commercial Code are enacted by the State Legislature or by any other jurisdiction whose laws govern the perfection and enforceability of any security for the Bonds, the University covenants

and agrees to cooperate with the Authority in taking all steps necessary to perfect and maintain the priority and enforceability of the security for the Bonds.

(b) Financial Statements. The audited financial statements of the University for the most recent fiscal year, including its balance sheets as of such date, as heretofore delivered to the Underwriter, correctly and fairly present, in all material respects, the financial condition of the University as of said dates and the results of the operations of the 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 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 University is a corporate body created under the laws of the State and has the necessary power and authority to execute and deliver this Agreement and any other Documents (as defined in Section 5.12 hereof) to which the University is a party, and to perform its obligations hereunder and thereunder.

(d) Authorization and Validity. The execution and delivery by the University of this Agreement and any other Documents to which the University is a party have been duly authorized by proper proceedings of the University, and no further approval, authorization or consents are required by law or otherwise. This Agreement and such other Documents constitute the legal, valid and binding obligations of the University enforceable against the University 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 University of this Agreement or any of the other Documents to which the University is a party, nor the consummation of the transactions herein or 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 University, the University's organizational documents or the provisions of any indenture, instrument or agreement to which the 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 University, threatened against or affecting the University (i) wherein an unfavorable decision, ruling or finding would materially adversely affect (A) the transactions contemplated by or the validity of this Agreement or any other Documents to which the University is a party, (B) the tax-exempt status of the University or of the interest on the Tax-Exempt Bonds, or (C) the University's property, assets, operations or condition, financial or otherwise, or its ability to perform its obligations hereunder or under such other Documents, or (ii) that, in any way, contests the existence, organization or powers of the University or the titles of the officers of the

University to their respective offices, except as described in the Official Statement relating to the Bonds.

5.8. Additional Covenants.

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

(a) Existence. The University shall maintain its existence as a non-profit corporation operating as a private college formed under the laws of the State, and it shall not merge, consolidate, liquidate or sell substantially all of its assets.

(b) Compliance With Laws. The 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 that are material to the Bonds, this Agreement or any other Documents to which the University is a party, or the operations, affairs, properties or condition (financial or otherwise) of the University; *provided, however*, that the 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 that it may have with regard thereto, so long as such acts do not affect the University's power and authority to execute and deliver this Agreement and such other Documents and to perform its obligations and pay all amounts payable by it hereunder and thereunder.

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

(d) Rebate. The University acknowledges 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 Certificate and shall pay or direct in writing the Trustee to pay (but only from amounts received from the University under this Agreement) the amount to be paid to the Internal Revenue Service pursuant to Section 148 of the Code from the Rebate Fund in the percentage, at the times and in the manner set forth in the Tax Certificate.

5.9. Alternate Dates for Payment.

If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided herein, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding day that is a Business Day with the same force and effect as if done on the day provided herein, and no interest shall accrue for the period from such day to the next Business Day authorized herein.

5.10. Agreement for Benefit of Bondholders.

This Agreement is executed in part to induce the purchase by others of the Bonds, and, accordingly, all covenants and agreements on the part of the University and the Authority as set forth in this Agreement are hereby declared to be for the benefit of the Holders from time to time

of the Bonds, reserving always the right of the Authority to amend and supplement this Agreement, with the written consent of the University, in accordance with Section 2.7 hereof.

The University agrees to do all things within its power in order to enable the Authority to comply with all requirements and to fulfill all covenants of the Indenture.

5.11. Reports Furnished by University.

The University shall render a report periodically on request of the Authority as to the physical condition of the Project Facilities. In addition, the University shall, if and when requested by the Authority, render such other reports to the Trustee and the Authority concerning the condition of the Project Facilities and the University as the Authority may reasonably request. The University also shall furnish annually to the Trustee and the Authority, and such other parties as the Authority may designate, copies of (i) its annual audited financial statements not later than each December 27th following the end of each fiscal year of the University, commencing with the fiscal year ending June 30, 2019; *provided*, that if the fiscal year of the University should change, then the audited financial statements shall be due not later than one hundred eighty (180) days after the end of each fiscal year, and (ii) such other reports and such other information as may be reasonably requested by the Authority, as soon as practicable.

5.12. Review and Execution of Documents.

The University hereby represents and warrants to the Authority that the University has reviewed and has a full understanding of all the terms, conditions and risks (economic and otherwise) of this Agreement, the Indenture, the Bond Purchase Agreement, the Swap Agreement, if any, and any of the other documents or instruments executed in connection with the issuance of the Bonds and herewith (collectively, the "*Documents*"), that it is capable of assuming and is 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 or the Authority's legal and financial advisors, and that it has made its own investment, hedging and trading decisions (including decisions relating to the suitability of each of the Documents) based upon its own judgment and upon any advice from its own legal and financial advisors as it has deemed necessary. The University hereby acknowledges that the Authority is entering into certain of the Documents at the request of, and as an accommodation to, the University, and that the terms of the Documents have been negotiated by, and are acceptable to, the University.

5.13. Multiple Counterparts.

This Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed in their respective names by their duly authorized officers, all as of the date first above written.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

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

ATTEST:

By:_____
Steven P. Nelson
Assistant Secretary

THE TRUSTEES OF THE STEVENS INSTITUTE OF TECHNOLOGY

By:_____
Louis J. Mayer, Ed.D.
Vice President for Finance and Treasurer

ATTEST:

By:_____
Kathy L. Schulz, Esq.
Secretary

EXHIBIT A

SPECIAL NOTICE EVENTS

1. **Private Business Use of Bond Financed Property** – if any portion of the property financed with proceeds of the Bonds 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 property financed with the proceeds of the Bonds, for beneficial use of the property financed with the proceeds of the Bonds with proceeds of tax-exempt debt or an arrangement that conveys a special economic benefit). Use of property financed with proceeds of the Bonds by the federal government or a 501(c)(3) organization 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 University;

3. **Naming Rights Agreements For Bond Financed Property** – if any portion of the property financed with proceeds of the Bonds will become subject to a naming rights agreement, other than a "brass plaque" dedication;

4. **Research Using Bond Financed Property** – if any portion of the property financed with proceeds of the Bonds has been or will be used for the conduct of research (as described in Rev. Proc. 2007-47) under the sponsorship of, 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 property financed with proceeds of the Bonds 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 financed projects, such as janitorial services or office equipment repair, or (ii) a qualified management contract described in Rev. Proc. 97-13 or successor Internal Revenue Service guidance applicable to proceeds of the Bonds (*n.b.*, a contract that results in the payment of a concession or similar fee to the University is not a qualified contract);

6. **Joint Ventures** – if any portion of the property financed with proceeds of the Bonds 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 Pledged Fund** – if the University, or any organization related to the University, identifies funds (other than mere preliminary earmarking) that 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 University receives funds that may have a sufficiently direct nexus to the Bonds or to the property financed with proceeds of the Bonds to conclude that the amounts would have been used for that governmental purpose if proceeds of the Bonds were not used to finance such property related to Bond-financed property or the Bonds, including, without limitation, charitable gifts, insurance payments and settlements of litigation relating to the property or other disputes.

CONTINUING DISCLOSURE AGREEMENT

by and between

THE TRUSTEES OF THE STEVENS INSTITUTE OF TECHNOLOGY

and

U.S. BANK NATIONAL ASSOCIATION

Dated [Closing Date]

Entered into with respect to
New Jersey Educational Facilities Authority
$__,___,000 Revenue Bonds, Stevens Institute of Technology Issue,
2019 Series C (Tax-Exempt) (Green Bonds)
and
$__,___,000 Revenue Bonds, Stevens Institute of Technology Issue,
2019 Series D (Federally Taxable) (Green Bonds)

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the "*Agreement*"), made and entered into [Closing Date], by and between THE TRUSTEES OF THE STEVENS INSTITUTE OF TECHNOLOGY, an independent, non-profit educational corporation organized and existing under the laws of the State of New Jersey, located in Hoboken, New Jersey (the "*University*"), 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 and authorization to conduct business in the State of New Jersey (the "*Trustee*" and "*Dissemination Agent*").

W I T N E S S E T H:

WHEREAS, the New Jersey Educational Facilities Authority, a public body corporate and politic with corporate succession, constituting a political subdivision organized and existing under and by virtue of the laws of the State of New Jersey (hereinafter referred to as the "*Authority*"), is issuing its $__,___,000 Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series C (Tax-Exempt) (Green Bonds), and its $__,___,000 Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series D (Federally Taxable) (Green Bonds), each dated [Closing Date] (collectively, the "*Bonds*"); and

WHEREAS, the Bonds are being issued pursuant to a Trust Indenture, dated as of December 1, 2019 (the "*Indenture*"), by and between the Authority and the Trustee; and

WHEREAS, the University has entered into a Loan Agreement with the Authority, dated as of December 1, 2019 (the "*Loan Agreement*"), whereby the Authority has loaned the proceeds of the Bonds to the University to finance the costs of the Project described in the Bond Resolution of the Authority duly adopted on August 20, 2019, and the University has agreed to repay the loan of such proceeds; and

WHEREAS, the Trustee has duly accepted the trusts imposed upon it by the Indenture as Trustee for the Holders (as defined herein) from time to time of the Bonds; and

WHEREAS, the Securities and Exchange Commission (the "*SEC*"), pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified as of the date hereof at 15 U.S.C. 77 *et seq.*), has adopted amendments effective July 3, 1995 to its Rule 15c2-12 (codified at 17 C.F.R. §240.15c2-12), as the same may be further amended, supplemented and officially interpreted from time to time or any successor provision thereto ("*Rule 15c2-12*"), generally prohibiting a broker, dealer or municipal securities dealer from purchasing or selling municipal securities, such as the Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and operating data, notices of the occurrence of certain disclosure events and notices of the failure to make a submission required by a continuing disclosure agreement to various information repositories; and

WHEREAS, the Authority and the University have determined that the University is an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12 and, in order to enable a "participating underwriter" (as such term is defined in Rule 15c2-12) to purchase the Bonds, is therefore required to cause the delivery of the information described in this Agreement to the municipal securities marketplace for the period of time specified in this Agreement; and

WHEREAS, the SEC has adopted amendments, effective July 1, 2009, to Rule 15c2-12 requiring that the annual financial information and operating data, notices of the occurrence of certain disclosure events and notices of the failure to make a submission required by a continuing disclosure agreement be provided to the Municipal Securities Rulemaking Board (the "*MSRB*") and not to the various information repositories, and requiring that such information be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB; and

WHEREAS, the SEC has adopted amendments, effective December 1, 2010, to Rule 15c2-12 revising the list of disclosure events and requiring that notices of such disclosure events be provided within ten (10) business days after the occurrence of the event; and

WHEREAS, the SEC has adopted amendments, effective February 27, 2019, to Rule 15c2-12 revising the list of disclosure events and requiring that notices of such additional disclosure events be provided within ten (10) business days after the occurrence of the event; and

WHEREAS, on November __, 2019, the Authority and the University entered into a Bond Purchase Agreement with Barclays Capital Inc., on behalf of itself and the underwriters named therein (the "*Participating Underwriter*"), for the purchase of the Bonds; and

WHEREAS, the execution and delivery of this Agreement have been duly authorized by the University and the Dissemination Agent, respectively, and all conditions, acts and things necessary and required to exist, to have happened or to have been performed precedent to and in the execution and delivery of this Agreement, do exist, have happened and have been performed in regular form, time and manner; and

WHEREAS, the University and the Dissemination Agent are entering into this Agreement for the benefit of the Holders of the Bonds.

NOW, THEREFORE, for and in consideration of the promises and of the mutual representations, covenants and agreements herein set forth, the University and the Dissemination Agent, each binding itself, its successors and assigns, do mutually promise, covenant and agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.1. 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 Agreement.

Section 1.2. Additional Definitions. The following additional terms shall have the meanings specified below:

"*Annual Report*" means Financial Statements and Operating Data provided at least annually.

"*Bondholder*" or "*Holder*" or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any Outstanding Bond, including holders of beneficial interests in the Bonds.

"*Business Day*" means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York, the State or in the city or cities in which the principal corporate trust office of the Dissemination Agent is located are authorized or required by law to close, or (c) a day on which the New York Stock Exchange is closed.

"*Disclosure Event*" means any event described in Section 2.1(d) of this Agreement.

"*Disclosure Event Notice*" means the notice to the MSRB as provided in Section 2.1(d) of this Agreement.

"*Dissemination Agent*" means U.S. Bank National Association, acting in its capacity as Dissemination Agent under this Agreement, or any successor Dissemination Agent designated in writing by the University that has filed a written acceptance of such designation.

"*Electronic Means*" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee or the Dissemination Agent, or another method or system specified by the Trustee or the Dissemination Agent, as available for use in connection with its services hereunder.

"*EMMA*" means the MSRB's Electronic Municipal Markets Access System or any other electronic municipal securities information access system designated by the MSRB for collecting and disseminating primary offering documents and certain other information.

"*Final Official Statement*" means the final Official Statement of the Authority, dated November __, 2019, pertaining to the Bonds.

"*Financial Obligation*" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation or (iii) guarantee of (i) or (ii); *provided, however*, that the term "Financial Obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

"*Financial Statements*" means the statement of financial position, statement of activities, statement of cash flows or other statements that convey similar information.

"*Fiscal Year*" means the fiscal year of the University. As of the date of this Agreement, the Fiscal Year of the University begins on July 1 of each calendar year and closes on June 30 of the next succeeding calendar year. If the Fiscal Year of the University should change, the Annual Reports under Section 2.1(a) of this Agreement shall be due not later than one hundred eighty (180) days after the end of each Fiscal Year.

"*GAAP*" means generally accepted accounting principles as in effect from time to time in the United States of America, consistently applied.

"*GAAS*" means generally accepted auditing standards as in effect from time to time in the United States of America, consistently applied.

"*MSRB*" means the Municipal Securities Rulemaking Board.

"*Operating Data*" means the financial and statistical information of the University of the type included in Appendix A to the Final Official Statement under the headings, "Student Enrollment (Headcount) & Full-Time Equivalent (FTE)", "Student Admissions", "Tuition and Fees", "Financial Aid", "Research", "Faculty", "Endowment", "Fundraising" and "Outstanding Indebtedness".

"*Opinion of Counsel*" means a written opinion of counsel expert in federal securities law and acceptable to the University.

"*State*" means the State of New Jersey.

"*Trustee*" means U.S. Bank National Association, acting in its capacity as Trustee for the Bonds under the Indenture, and its successors and assigns.

Section 1.3. Capitalized Terms Not Defined Herein. Capitalized terms used but not defined herein shall have the meanings assigned to them in Section 1.01 of the Indenture or Article I of the Loan Agreement, as the case may be.

Section 1.4. Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Agreement. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms as used in this Agreement refer to this Agreement as a whole unless otherwise expressly stated. The disjunctive term "or" shall be interpreted conjunctively as required to ensure that the University performs any obligations mentioned in the passage in which such term appears. The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

ARTICLE 2
CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1. Continuing Disclosure Covenants of University. The University agrees that it will provide, until such time as the University instructs the Dissemination Agent to provide, at which time the Dissemination Agent shall provide:

(a) Not later than each December 27th following the end of each Fiscal Year, commencing with the Fiscal Year ending June 30, 2020, an Annual Report to the MSRB through EMMA, to the Trustee and to the Authority. If the University's audited Financial Statements are not available at the time the Annual Report is required to be filed, the Annual Report shall contain unaudited Financial Statements.

(b) Not later than fifteen (15) days prior to the date specified in Section 2.1(a) hereof, a copy of the Annual Report to the Dissemination Agent.

(c) If not submitted as part of the Annual Report, then when and if available, to the MSRB through EMMA, to the Trustee and to the Authority, audited Financial Statements for the University.

(d) In a timely manner not in excess of ten (10) Business Days after the occurrence of the event, to the MSRB through EMMA, to the Trustee and to the Authority, notice of any of the following listed events with respect to the Bonds (each a "*Disclosure Event*"):

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;

(vii) Modifications to the rights of Holders of the Bonds, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar events of the University, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the University in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the University, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the University;

(xiii) The consummation of a merger, consolidation or acquisition involving the University or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) Incurrence of a Financial Obligation of the University, if material, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which affect Holders of the Bonds, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms or other similar events under a Financial Obligation of the University, if any such event reflects financial difficulties.

(e) In a timely manner, to the MSRB through EMMA, to the Trustee and to the Authority, notice of a failure by the University to provide the Annual Report within the period described in Section 2.1(a) hereof.

(f) In determining the materiality of the Disclosure Events specified in subsections (d)(ii), (vi), (vii), (viii), (x), (xiii), (xiv) or (xv) of this Section 2.1, the University may, but shall not be required to, rely conclusively on an Opinion of Counsel.

Section 2.2. Continuing Disclosure Representations. The University represents and warrants that:

(a) Financial Statements shall be prepared in accordance with GAAP.

(b) Any Financial Statements that are audited shall be audited by an independent certified public accountant in accordance with GAAS.

Section 2.3. Form of Annual Report. (a) The Annual Report may be submitted as a single document or as separate documents comprising a package.

(b) Any or all of the items that must be included in the Annual Report may be incorporated by reference from other documents, including official statements delivered in connection with other financings issued on behalf of the University or related public entities that are available to the public on the MSRB's website or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The University shall clearly identify each such other document so incorporated by reference.

(c) The Annual Report for any Fiscal Year containing any modified operating data or financial information (as contemplated by Sections 4.9 and 4.10 hereof) for such Fiscal Year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Report being provided for such Fiscal Year.

Section 2.4. Documents to be Provided in Electronic Format and Accompanied by Identifying Information. The University agrees that each Annual Report, each Disclosure Event Notice and each notice pursuant to Sections 2.1(a), 2.1(b), 2.1(c), 2.1(d) and 2.1(e) hereof shall be provided to the MSRB in an electronic format as prescribed by the MSRB, and that all documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 2.5. Responsibilities and Duties of Dissemination Agent. (a) If the University or the Dissemination Agent has determined it necessary to report the occurrence of a Disclosure Event, the University or the Dissemination Agent shall, in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, file a Disclosure Event Notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB. The obligations of the University or the Dissemination Agent to provide the notices to the MSRB under this Agreement are in addition to, and not in substitution of, any of the obligations of the Trustee to provide notices of events of default to Bondholders under Section 7.01 of the Indenture. The University or the Dissemination Agent shall file a copy of each Disclosure Event Notice with the Authority and the Trustee (for informational purposes only).

(b) If an Annual Report is received by it, the Dissemination Agent shall file a written report with the University and the Trustee (if the Dissemination Agent is not the Trustee), with a copy to the Authority, certifying that the Annual Report has been provided to the MSRB pursuant to this Agreement and stating the date it was provided to the MSRB.

Section 2.6. Appointment, Removal and Resignation of Dissemination Agent; Indemnification. (a) The University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and it may discharge any such Dissemination Agent and appoint a successor Dissemination Agent, with written notice to the Authority, such discharge to be effective on the date of the appointment of a successor Dissemination Agent. The University hereby appoints U.S. Bank National Association as Dissemination Agent, and U.S. Bank National Association hereby accepts such appointment.

(b) The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Agreement, and the University agrees to indemnify and hold the Dissemination Agent and its officers, directors, employees and agents harmless against any loss, expense or liability it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liability due to the Dissemination Agent's negligence or willful misconduct. The obligations of the University under this Section 2.6(b) shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the University and the Authority. Such resignation shall take effect on the date specified in such notice.

Section 2.7. Responsibilities, Duties, Immunities and Liabilities of Trustee. Article VIII of the Indenture is hereby made applicable to this Agreement as if the duties of the Trustee hereunder were (solely for this purpose) set forth in the Indenture.

ARTICLE 3
DEFAULTS AND REMEDIES

Section 3.1. Disclosure Default. The occurrence and continuation of a failure by the University to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Agreement, and such failure shall remain uncured for a period of thirty (30) days after written notice thereof has been given to the University by the Trustee or any Bondholder, shall constitute a disclosure default hereunder.

Section 3.2. Remedies on Default. (a) The Trustee may (and shall, at the written request of the Participating Underwriter or the Holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, after provision of indemnity satisfactory to the Trustee), or any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may, take whatever action at law or in equity is necessary or desirable against the University and any of its officers, agents and employees to enforce the specific performance and observance of any obligation, agreement or covenant of the University hereunder and may compel the University or any such officers, agents or employees, except for the Dissemination Agent, to perform and carry out their duties hereunder; *provided*, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(b) In case the Trustee or any Bondholder shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Bondholder, as the case may be, then and in every such case the University, the Trustee and any Bondholder, as the case may be, shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the University, the Trustee and any Bondholder shall continue as though no such proceedings had been taken.

(c) A default under this Agreement shall not be deemed an event of default under either the Indenture or the Loan Agreement, and the sole remedy under this Agreement in the event of any failure by the University to comply with this Agreement shall be as set forth in Section 3.2(a) hereof.

ARTICLE 4
MISCELLANEOUS

Section 4.1. Purpose of Agreement. This Agreement is being executed and delivered by the University and the Dissemination Agent for the benefit of the Bondholders and in order to assist the Participating Underwriter in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2. Third-Party Beneficiaries; Authority and Bondholders. (a) The Authority is hereby recognized as being a third-party beneficiary hereunder, and may enforce any such right, remedy or claim conferred, given or granted hereunder in favor of the Dissemination Agent or the Bondholders.

(b) Each Bondholder is hereby recognized as being a third-party beneficiary hereunder, and each may enforce, for the equal benefit and protection of all Bondholders similarly situated, any such right, remedy or claim conferred, given or granted hereunder in favor of the Dissemination Agent.

Section 4.3. No Recourse to Authority; Indemnified Parties. No recourse shall be had for the performance of any obligation, agreement or covenant of the University or the Dissemination Agent hereunder against the Authority or against any member, officer, employee, counsel, consultant or agent of the Authority or any person executing the Bonds.

The University agrees to indemnify and hold harmless the Authority, any member, officer, official, employee, counsel, consultant or agent of the Authority, including the Dissemination Agent, each and any purchaser of the Bonds (including the Participating Underwriter), and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of each and any purchaser of the Bonds through the ownership of voting securities, by contract or otherwise (collectively, the "*Indemnified Parties*"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by the University's failure to perform or observe any of its obligations, agreements or covenants under the terms of this Agreement, but only if and insofar as such losses, claims, damages, liabilities or expenses are caused by any such failure of the University to perform hereunder. In case any action shall be brought against the Indemnified Parties based upon this Agreement and in respect of which indemnity may be sought against the University, the Indemnified Parties shall promptly notify the University in writing; *provided, however*, that the failure on the part of any Indemnified Party to give such notification shall not relieve the University from its obligation under this Section 4.3. Upon receipt of such notification, the University shall promptly assume the defense of such action, including the retention of counsel, the payment of all expenses in connection with such action, including any expenses incurred prior to such notification, and the right to negotiate and settle any such action on behalf of such Indemnified Parties. Any Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the sole expense of such Indemnified Party, unless the employment of such counsel has been specifically authorized by the University or unless by reason of conflict of interest (determined by the written opinion of counsel to any Indemnified Party delivered to the University) it is advisable for such Indemnified Party to be represented by separate counsel, in which case the fees and expenses of such separate counsel shall be borne by the University. The

University shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the University or if there be a final judgment for the plaintiff in any such action with or without written consent, the University agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Nothing in this Section 4.3 shall require or obligate the University to indemnify or hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused by any gross negligence or intentional misconduct on the part of the Indemnified Parties in connection with the University's performance of its obligations, agreements and covenants hereunder.

Section 4.4. Additional Information. Nothing in this Agreement shall be deemed to prevent the University from (a) disseminating any other information using the means of dissemination set forth in this Agreement or any other means of communication, or (b) including, in addition to that which is required by this Agreement, any other information in any Annual Report or any Disclosure Event Notice. If the University chooses to include any information in any Annual Report or any Disclosure Event Notice in addition to that which is specifically required by this Agreement, the University shall not have any obligation under this Agreement to update such information or to include it in any future Annual Report or any future Disclosure Event Notice. The University shall reimburse the Dissemination Agent for any expenses incurred by the Dissemination Agent in providing such additional information pursuant to this Section 4.4.

Section 4.5. Notices. All notices required to be given or authorized to be given by either party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail (as well as by Electronic Means, in the case of the Trustee or the Dissemination Agent) addressed to, in the case of the University, Stevens Institute of Technology, Castle Point on Hudson, Hoboken, New Jersey 07030, to the attention of its Vice President for Finance and Treasurer (facsimile (201) 216-5137), with a copy to the attention of its General Counsel (facsimile (201) 216-5601); and in the case of the Trustee/Dissemination Agent, its principal corporate trust office at U.S. Bank National Association, c/o Global Corporate Trust Services, 333 Thornall Street, 4th Floor, Edison, New Jersey 08837 (facsimile (732) 321-3982), with a copy to the Authority, at its offices at 103 College Road East, Princeton, New Jersey 08540 (facsimile (609) 987-0850).

Section 4.6. Assignments. This Agreement may not be assigned by either party hereto without the written consent of the other with written notice to the Authority and, as a condition to any such assignment, only upon the assumption in writing of all of the obligations imposed upon such party by this Agreement.

Section 4.7. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 4.8. Execution of Counterparts. This Agreement 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. Both parties hereto may sign the same counterpart or each party hereto may sign a separate counterpart.

Section 4.9. Amendments, Changes and Modifications. (a) Except as otherwise provided in this Agreement, subsequent to the initial issuance of the Bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the Indenture), this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Dissemination Agent.

(b) Without the consent of any Bondholders, the University and the Dissemination Agent at any time and from time to time may enter into any amendments or modifications to this Agreement for any of the following purposes:

(i) to add to the covenants and agreements of the University hereunder for the benefit of the Bondholders or to surrender any right or power conferred upon the University by this Agreement;

(ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices or legal requirements followed by or applicable to the University, to reflect changes in the identity, nature or status of the University or in the business, structure or operations of the University, or to reflect any mergers, consolidations, acquisitions or dispositions made by or affecting the University; *provided*, that any such modification shall not be in contravention of Rule 15c2-12 as then in effect at the time of such modification; or

(iii) to cure any ambiguity herein, to correct or supplement any provision hereof that may be inconsistent with any other provision hereof or to include any other provisions with respect to matters or questions arising under this Agreement, any of which, in each case, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12 as well as any changes in circumstances;

provided, that prior to approving any such amendment or modification, the University determines that such amendment or modification does not adversely affect the interests of the Bondholders in any material respect.

(c) Upon entering into any amendment or modification required or permitted by this Agreement that materially affects the interests of the Bondholders, the University shall deliver, or cause the Dissemination Agent to deliver, to the MSRB through EMMA written notice of any such amendment or modification.

(d) The University and the Dissemination Agent shall be entitled to rely exclusively upon an opinion of Bond Counsel to the Authority to the effect that such amendments or modifications comply with the conditions and provisions of this Section 4.9.

Section 4.10. Amendments Required by Rule 15c2-12. The University and the Dissemination Agent each recognize that the provisions of this Agreement are intended to enable compliance with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof or the promulgation of a successor rule, statute or regulation thereto, a change in this Agreement shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery of an opinion of Bond Counsel to the Authority addressed to the University and the Dissemination Agent to the effect that such amendments shall be permitted or necessary to assure continued compliance with Rule 15c2-12 as so amended or interpreted, then the University and the Dissemination Agent shall amend this Agreement to comply with and be bound by any such amendment to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and shall provide written notice of such amendment as required by Section 4.9(c) hereof.

Section 4.11. Governing Law. This Agreement shall be governed exclusively by and construed in accordance with the laws of the State and the laws of the United States of America, as applicable. The University and the Dissemination Agent agree that the University or the Authority may be sued only in a court in the County of Mercer in the State of New Jersey.

Section 4.12. Termination of University's Continuing Disclosure Obligations. The continuing obligation of the University under Section 2.1 hereof to provide the Annual Report and any Disclosure Event Notice and to comply with the other requirements of this Agreement shall terminate if and when either (i) the Bonds are no longer Outstanding in accordance with the terms of the Indenture or (ii) the University no longer remains an "obligated person" (as such term is defined in Rule 15c2-12) with respect to the Bonds, and, in either event, only after the University delivers, or causes the Dissemination Agent to deliver, notice to such effect to the MSRB through EMMA. This Agreement shall be in full force and effect from the date of issuance of the Bonds and shall continue in effect until the date the Bonds are no longer Outstanding in accordance with the terms of the Indenture; *provided, however*, that the indemnification provisions set forth in Sections 2.6 and 4.3 hereof shall survive the termination of this Agreement.

Section 4.13. Prior Undertakings. Except as disclosed in the Final Official Statement, the University has not failed during the previous five years to comply in all material respects with any prior continuing disclosure undertaking made by it in accordance with Rule 15c2-12.

Section 4.14. Covenant. In accordance with P.L. 2005, c. 92, the Dissemination Agent covenants and agrees that all services performed by it under this Agreement shall be performed within the United States of America.

Section 4.15. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the University and the Dissemination Agent and their respective successors and assigns.

Section 4.16. Compliance with P.L. 2005, c. 271, Reporting Requirements. The Dissemination Agent 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 (L. 2005, c. 271, Section

3) if the Dissemination Agent enters into agreements or contracts, such as this Agreement, 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 Dissemination Agent'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 at www.elec.state.nj.us.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, THE TRUSTEES OF THE STEVENS INSTITUTE OF TECHNOLOGY and **U.S. BANK NATIONAL ASSOCIATION** have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

THE TRUSTEES OF THE STEVENS INSTITUTE OF TECHNOLOGY

By:_____
Louis J. Mayer, Ed.D.
Vice President for Finance and Treasurer

U.S. BANK NATIONAL ASSOCIATION

By:_____
Paul D. O'Brien
Vice President

TRUST INDENTURE

By and Between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of December 1, 2019

relating to

New Jersey Educational Facilities Authority
Revenue Bonds, Stevens Institute of Technology Issue,
2019 Series C (Tax-Exempt) (Green Bonds)
Revenue Bonds, Stevens Institute of Technology Issue,
2019 Series D (Federally Taxable) (Green Bonds)

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TRUST INDENTURE

THIS TRUST INDENTURE, dated as of December 1, 2019, by and between the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (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 being qualified to accept and administer the trusts hereby created (the "*Trustee*");

W I T N E S S E T H:

WHEREAS, 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), N.J.S.A. 18A:72A-1 *et seq.* (the "*Act*"); and

WHEREAS, The Trustees of the Stevens Institute of Technology (the "*Borrower*") has determined to undertake a capital project consisting of (i) the construction, renovation and equipping of the new Student Housing and University Center Project and (ii) the construction, renovation, expansion and equipping of certain additional facilities of the Borrower for research and education, including, but not limited to, projects included in the Borrower's long-range facilities plan (collectively, the "*Capital Project*"); and

WHEREAS, the Borrower has requested that the Authority issue one or more series of bonds as described herein for the purpose of providing funds to: (i) finance the Capital Project; (ii) fund capitalized interest for the Bonds (as hereinafter defined) through [DATE], 20__; and (iii) pay certain costs of issuance of the Bonds (collectively, the "*Project*"), all as presented, submitted and approved by the Borrower's Board of Trustees; and

WHEREAS, pursuant to a resolution of the Authority adopted on August 20, 2019, the Authority has determined that it is necessary and in keeping with its authorized purposes to issue two series of bonds to be designated (i) "New Jersey Educational Facilities Authority Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series C (Tax-Exempt) (Green Bonds)" (the "*Tax-Exempt Bonds*") and (ii) "New Jersey Educational Facilities Authority Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series D (Federally Taxable) (Green Bonds)" (the "*Taxable Bonds*"; and together with the Tax-Exempt Bonds, the "*Bonds*") or such other designation as may be determined by the Authority for the purpose of providing funds to finance the Project; and

WHEREAS, the Bonds will be issued under and secured by this Trust Indenture (as amended and supplemented from time to time as permitted herein, the "*Indenture*") to be entered into by and between the Authority and the Trustee; and

WHEREAS, in order to provide for the financing of the Project and to secure repayment of the Bonds, it is necessary and desirable to enter into a Loan Agreement, dated as of December 1, 2019, by and between the Authority and the Borrower (as amended and supplemented from time to time as permitted therein, the "*Loan Agreement*"); and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and redemption premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Indenture; and

WHEREAS, all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal, special and limited obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and redemption premium, if any, and interest on the Bonds at any time issued and Outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, the payment of all other amounts due under this Indenture, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the promises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Holders thereof, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority does hereby covenant with the Trustee for the benefit of the respective Holders from time to time of the Bonds, as their respective interests may appear, as follows:

ARTICLE I

DEFINITIONS

Section 1.01. **Definitions.**

The following terms as used in this Indenture, the Bonds and any certificate or document executed in connection therewith shall have the following meanings (or are defined elsewhere in this Indenture as indicated below), unless the context otherwise indicates:

"*Additional Loan Payments*" means those payments so designated and required to be made by the Borrower pursuant to Section 2.10 of the Loan Agreement.

"*Additional Loan Payments Fund*" means the fund so designated, created and established pursuant to Section 5.05 hereof.

"*Authority*" means the New Jersey Educational Facilities Authority.

"*Authorized Denominations*" means $5,000 or any integral multiple thereof.

"*Authorized Officer*" means 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 of the Authority, 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 and shall also include any of such officers designated as "acting" or "interim".

"*Bankruptcy Code*" means Title 11 of the United States Code, as amended, and any successor statute.

"*Basic Agreements*" means each of this Indenture, the Bonds and the Borrower Security Instruments.

"*Basic Loan Payments*" means those payments so designated and required to be made by the Borrower pursuant to Section 2.8 of the Loan Agreement.

"*Beneficial Owner*" means any Person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including any Person holding a Bond through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

"*Bond Counsel*" means any attorney or firm of attorneys of nationally recognized standing in matters pertaining to the validity of and the tax-exempt nature of interest on bonds issued by states and their political subdivisions acceptable to the Authority.

"*Bond Year*" means each twelve (12) month period beginning July 1 and ending the following June 30; except that the initial Bond Year shall commence on the date of issuance of the Bonds and shall end on June 30, 2020.

"*Bondholder*" or "*Holder*" means, as of any time, the registered owner of any Bond as shown in the register kept by the Trustee as bond registrar.

"*Bonds*" means, collectively, the Tax-Exempt Bonds and the Taxable Bonds issued hereunder and from time to time Outstanding under this Indenture.

"*Borrower*" means The Trustees of the Stevens Institute of Technology, and its successors and assigns.

"*Borrower Representative*" means the person or each alternate designated to act for the Borrower by written certificate furnished to the Authority and the Trustee, containing the specimen signature of such person, and signed on behalf of the Borrower by the Chief Financial Officer, the Treasurer or any Executive Vice President, Senior Vice President or Vice President of the Borrower.

"*Borrower Security Instruments*" means each of the Loan Agreement and such additional or supplemental notes and other instruments as the Borrower, from time to time, may enter into in favor of the Trustee for the purpose of securing or supporting the obligations of the Borrower to pay all or any portion of the Basic Loan Payments or for the purpose of securing all or any portion of the Bonds and as shall be identified as a "Borrower Security Instrument" for the purpose of this Indenture by written agreement of the Borrower and the Trustee, each as from time to time in effect.

"*Business Day*" means any day other than a Saturday, Sunday or other day on which the New York Stock Exchange is closed or on which banks are authorized or required to be closed in any of the State of New Jersey, the City of New York, New York, or any other municipalities in which the principal offices of the Trustee are located.

"*Capitalized Interest Account*" means the account within the Construction Fund so designated, created and established pursuant to Section 5.02 hereof.

"*Closing Date*" means the date of delivery of the Bonds to the Underwriter against payment therefor.

"*Code*" means the Internal Revenue Code of 1986, as from time to time amended, and any regulations promulgated thereunder that are applicable to the Tax-Exempt Bonds, including, without limitation, any Treasury Regulations or Temporary or Proposed Regulations, as the same shall from time to time be amended, including (until modified, amended or superseded) Treasury Regulations or Temporary or Proposed Regulations under the Internal Revenue Code of 1954, as amended, as applicable to the Tax-Exempt Bonds.

"*Construction Fund*" means the fund so designated, created and established pursuant to Section 5.02 hereof.

"*Continuing Disclosure Agreement*" means the Continuing Disclosure Agreement, dated the Closing Date, by and between the Borrower and the Trustee, acting as Dissemination Agent, as may be amended or supplemented from time to time.

"*Costs of Issuance Account*" means the account within the Construction Fund so designated, created and established pursuant to Section 5.02 hereof.

"*Counsel*" means an attorney or a firm of attorneys admitted to practice law in the highest court of any state in the United States of America or in the District of Columbia.

"*Debt Service Fund*" means the fund so designated, created and established pursuant to Section 5.03 hereof.

"*Default*" means any Event of Default or any event or condition that, with the passage of time or the giving of notice or both, would constitute an Event of Default.

"*DTC*" means The Depository Trust Company, New York, New York.

"*Electronic Means*" means facsimile transmission, email transmission or other similar electronic means of communication providing evidence of transmission, including a telephone communication confirmed by any other method set forth in this definition.

"*Event of Bankruptcy*" means any of the following events:

(i) the Borrower (or any other Person obligated, as guarantor or otherwise, to make payments on the Bonds or under the Loan Agreement or an "affiliate" of the Borrower as defined in Bankruptcy Code §101(2)) or the Authority shall (a) apply for or

consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the Borrower (or such other Person) or the Authority or of all or any substantial part of their respective property, (b) commence a voluntary case under the Bankruptcy Code, or (c) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts; or

(ii) a proceeding or case shall be commenced, without the application or consent of the Borrower (or any other Person obligated, as guarantor or otherwise, to make payments on the Bonds or under the Loan Agreement or an "affiliate" of the Borrower as defined in Bankruptcy Code §101(2)) or the Authority, in any court of competent jurisdiction, seeking (a) the liquidation, reorganization, dissolution, winding-up or composition or adjustment of debts of the Borrower (or any such other Person) or the Authority, (b) the appointment of a trustee, receiver, custodian, liquidator or the like of the Borrower (or any such other Person) or the Authority or of all or any substantial part of their respective property, or (c) similar relief in respect of the Borrower (or any such other Person) or the Authority under any law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts.

"*Event of Default*" means any of the events listed in Section 7.01 hereof.

"*Favorable Opinion of Bond Counsel*" means, with respect to any action relating to the Bonds, the occurrence of which requires such an opinion, a written legal opinion of Bond Counsel addressed to the Trustee, the Authority and the Borrower to the effect that such action is permitted under this Indenture and will not impair the exclusion of interest on the Tax-Exempt Bonds from gross income for purposes of federal income taxation or the exemption of interest on the Bonds from personal income taxation under the laws of the State (subject to customary exceptions).

"*Fitch*" means Fitch Ratings, a corporation organized and existing under the laws of the State of New York, and its successors and assigns.

"*Fund*" means any of the Construction Fund, the Debt Service Fund, the Rebate Fund, the Additional Loan Payments Fund and the Project Fund.

"*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 Counsel*" means an attorney or firm of attorneys duly admitted to practice law before the highest court of any State of the United States and who is not a full-time employee of the Authority, the Borrower or the Trustee.

"*Interest Accrual Date*" means the dated date of the Bonds.

"*Interest Payment Date*" means each January 1 and July 1 or, if any January 1 or July 1 is not a Business Day, the next succeeding Business Day.

"*Investment Obligations*" means the investments identified in **Exhibit A** attached hereto.

"*Loan Agreement*" means the Loan Agreement, dated as of December 1, 2019, by and between the Authority and the Borrower, and any amendments thereto.

"*Majority of the Bondholders*" means the Holders of more than fifty percent (50%) of the aggregate principal amount of Outstanding Bonds.

"*Maturity Date*" shall have the meaning set forth in the Bonds.

"*Moody's*" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns.

"*Notice Address*" means:

(a) As to the Borrower:	The Trustees of the Stevens Institute of Technology Castle Point on Hudson Hoboken, New Jersey 07030 Attention: Vice President for Finance/Treasurer
(b) As to the Authority:	New Jersey Educational Facilities Authority 103 College Road East Princeton, New Jersey 08540 Attention: Executive Director
(c) As to the Trustee:	U.S. Bank National Association Corporate Trust Department 333 Thornall Street, 4th Floor Edison, New Jersey 08837
(d) As to DTC:	The Depository Trust Company 55 Water Street New York, New York 10022 Attention: Announcements (facsimile: 212-855-4566); and Attention: Reorganization (facsimile: 813-470-1109)

or, in each case, such other address or addresses as any such Person shall designate by notice actually received by the addressor.

"*Official Statement*" means the Official Statement, dated November __, 2019, relating to the Bonds, including all Appendices thereto.

"*Outstanding*" means the amount of principal of the Bonds that has not at the time been paid, exclusive of (a) Bonds in lieu of which others have been authenticated under Section 3.05 hereof, (b) principal of any Bond that has become due (whether by maturity, call for redemption or otherwise) and for which provision for payment as required herein has been made or deemed made, and (c) for purposes of any direction, consent or waiver under this Indenture, Bonds deemed not to be Outstanding pursuant to Section 10.07 hereof.

"*Participant*" means, with respect to DTC or another Securities Depository, a member of or participant in DTC or such other Securities Depository, respectively.

"*Paying Agent*" means the Trustee or any other paying agent appointed in accordance with Section 8.09 hereof.

"*Payment Date*" means each Interest Payment Date or any other date on which any principal of or redemption premium, if any, or interest on any Bond is due and payable for any reason, including, without limitation, upon any redemption of Bonds pursuant to Section 4.01 hereof.

"*Person*" means a corporation, association, partnership, limited liability company, joint venture, trust, organization, business, individual or government or any governmental agency or political subdivision thereof.

"*Pledged Property*" means all Revenues and the moneys and earnings held in the Funds and accounts created hereunder (except the Rebate Fund, the Additional Loan Payments Fund and the Project Fund) and the right to receive the same (except amounts in respect of administrative expenses in whatever Fund held); all right, title and interest of the Authority in and to the foregoing; and all right, title and interest of the Authority in and to, and the remedies under, the Loan Agreement (but excluding the Reserved Rights of the Authority described in Section 5.01(b) of this Indenture).

"*Principal Office*" means, with respect to the Trustee, the address of such Person identified as its Notice Address in this Indenture or otherwise notified in writing by such Person to the Authority and the Borrower.

"*Project*" means, collectively, the Tax-Exempt Project and the Taxable Project.

"*Project Facilities*" means certain educational facilities financed and refinanced with the proceeds of the Bonds, including any additions, improvements, modifications, substitutions and renewals thereof, and further including other facilities and uses as are permitted by the Act and the Loan Agreement.

"*Project Fund*" means the Fund created pursuant to Section 3.5 of the Loan Agreement and held under this Indenture.

"*Purchase Contract*" means the Bond Purchase Agreement by and among the Borrower, the Authority and the Underwriter relating to the Bonds.

"*Rating Agency*" means, as of any date, each of Fitch, if the Bonds are then rated by Fitch, Moody's, if the Bonds are then rated by Moody's, and S&P, if the Bonds are then rated by S&P.

"*Rebate Amount*" means the amount to be rebated to the Internal Revenue Service on a periodic basis in accordance with the terms of the Tax Certificate.

"*Rebate Fund*" means the fund so designated, created and established pursuant to Section 5.04 hereof.

"*Record Date*" means, with respect to any Interest Payment Date, the fifteenth day of the month immediately preceding that Interest Payment Date.

"*Reserved Rights*" shall have the meaning set forth in Section 5.01 hereof.

"*Responsible Officer*" means, with respect to the Trustee, any officer or authorized representative in its Principal Office or similar group administering the trusts hereunder or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers to whom a particular matter is referred by the Trustee because of such officer's or authorized representative's knowledge of and familiarity with the particular subject.

"*Revenues*" means (i) all Basic Loan Payments; (ii) any amount directed to be transferred to or deposited in the Construction Fund and the Debt Service Fund pursuant to this Indenture; (iii) all other moneys when received by the Trustee for deposit into the Construction Fund and the Debt Service Fund, including prepayments, insurance proceeds and condemnation proceeds; and (iv) all interest, profits or other income derived from the investment of amounts in any Fund or account established pursuant to this Indenture, but not including any administrative fees or expenses or any moneys required to be deposited in the Rebate Fund, the Additional Loan Payments Fund or the Project Fund.

"*S&P*" means S&P Global Ratings, acting through Standard & Poor's Financial Services LLC, a corporation organized and existing under the laws of the State of New York, and its successors and assigns.

"*Securities Depository*" means DTC or, if applicable, any successor securities depository appointed pursuant to the last paragraph of Section 3.05 of this Indenture.

"*State*" means the State of New Jersey.

"*Tax Certificate*" means, collectively, the Arbitrage and Tax Certificate of the Authority and the Arbitrage and Tax Certificate of the Borrower, each dated the Closing Date, as amended or supplemented from time to time.

"*Tax-Exempt Bonds*" means the $__,___,000 principal amount of New Jersey Educational Facilities Authority Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series C (Tax-Exempt) (Green Bonds), dated their date of delivery.

"*Tax-Exempt Project*" means the financing, through the issuance of the Tax-Exempt Bonds, of the costs of a project consisting of: (a) [Tax-Exempt Project Description]; (b) funding capitalized interest for the Tax-Exempt Bonds through [DATE], 20__; and (c) paying certain costs of issuing the Tax-Exempt Bonds.

"*Taxable Bonds*" means the $__,___,000 principal amount of New Jersey Educational Facilities Authority Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series D (Federally Taxable) (Green Bonds), dated their date of delivery.

"*Taxable Project*" means the financing, through the issuance of the Taxable Bonds, of the costs of a project consisting of: (a) [Taxable Project Description]; (b) funding capitalized interest for the Taxable Bonds through [DATE], 20__; and (c) paying certain costs of issuing the Taxable Bonds.

"*Trustee*" means U.S. Bank National Association, a national banking association, with trust and fiduciary powers in the State, and its successors and assigns.

"*Underwriter*" means Barclays Capital, Inc. and such other firms named in the Purchase Contract.

"*United States Obligations*" means direct general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed as to full and timely payment by, the United States of America, which obligations are noncallable.

Section 1.02. **Certain References.**

Any reference in this Indenture to the Borrower, the Authority or the Trustee shall include those Persons who succeed to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions. Any reference in this Indenture to any statute or law (or chapter or section thereof) shall include all amendments, supplements or successor provisions thereto.

Section 1.03. **Timing of Actions.**

Whenever in this Indenture there is specified a time of day at or by which a certain action must be taken, such time shall be prevailing Eastern time, except as otherwise specifically provided in this Indenture. If the date for making any payment or the last day for the performance of any act or the exercise of any right provided in this Indenture shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture, except as otherwise specifically provided herein.

ARTICLE II

DEFEASANCE OF LIEN; ADDITIONAL OBLIGATIONS

Section 2.01. **Defeasance of Lien.**

When the Authority has paid or has been deemed to have paid, within the meaning of this Section 2.01, to the Holders of all of the Bonds the principal and interest and redemption premium, if any, due or to become due thereon at the times and in the manner stipulated therein and herein, and all other obligations owing to the Trustee hereunder or under the Loan Agreement have been paid or provided for, the lien of this Indenture on the Pledged Property shall terminate. Upon the written request of the Authority or the Borrower, the Trustee shall, upon the termination of the lien hereof, promptly execute and deliver to the Authority, with a copy to the Borrower, an appropriate discharge hereof except that, subject to the provisions of this Indenture, the Trustee shall continue to hold in trust amounts held pursuant to Section 5.07 hereof for the payment of the principal of and redemption premium, if any, and interest on the Bonds.

Outstanding Bonds shall be deemed to have been paid within the meaning of this Section 2.01 if the Trustee shall be holding in trust for and shall have irrevocably committed to the payment of such Outstanding Bonds, United States Obligations the payments on which when due, without reinvestment, will be, in the opinion of a firm of certified public accountants or other verification agent acceptable to the Authority and the Borrower, sufficient for the payment of all principal of and interest and redemption premium, if any, on such Bonds to the date of maturity or redemption, as the case may be; *provided, however*, that if any of such Bonds are deemed to have been paid prior to the earlier of the redemption or the maturity thereof, the Trustee, the Borrower and the Authority shall have received an opinion of Bond Counsel that such payment and the holding thereof by the Trustee shall not in and of itself cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes; *provided, further*, that if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given to the Bondholders or irrevocable provision shall have been duly made for the giving of such notice to the Bondholders.

Limitations set forth elsewhere in this Indenture regarding the investment of moneys held by the Trustee in the Debt Service Fund shall not be construed to prevent the depositing and holding in the Debt Service Fund of the United States Obligations described in the preceding paragraph of this Section 2.01 for the purpose of defeasing the lien of this Indenture as to Outstanding Bonds that have not yet become due and payable. Notwithstanding any other provision of this Indenture to the contrary, all moneys deposited with the Trustee as provided in this Section 2.01 and held in the Debt Service Fund or a separate escrow may be invested and reinvested, at the written direction of the Authority, in United States Obligations maturing in the amounts and at the times as hereinbefore set forth, and all income from all United States Obligations in the hands of the Trustee pursuant to this Section 2.01 that is not required for the payment of the Bonds and the interest and redemption premium, if any, thereon with respect to which such moneys shall have been so deposited shall be deposited in the Debt Service Fund or such separate escrow as and when realized and collected for use and application as are other moneys deposited in the Debt Service Fund or such separate escrow.

After all of the Outstanding Bonds shall be deemed to have been paid and all other amounts required to be paid under this Indenture shall have been paid, then upon the termination of this Indenture any amounts in the Funds held under this Indenture (other than the Rebate Fund and the Project Fund) shall be paid first to the Trustee and then to the Authority to the extent necessary to repay any unpaid obligations owing to the Trustee and/or the Authority hereunder or under the Loan Agreement, and thereafter the remainder, if any, shall be paid to the Borrower.

Section 2.02. **Additional Obligations.**

With the Authority's consent, the Borrower may incur obligations pursuant to one or more Swap Agreements (as such term is defined in the Loan Agreement) that are secured on parity with the Borrower's payment obligations under the Loan Agreement.

ARTICLE III

THE BONDS

Section 3.01. **Issuance of Bonds, Dates, Maturities and Interest.**

(a) Issuance. The Tax-Exempt Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series C (Tax-Exempt) (Green Bonds)", shall be issued in the original aggregate principal amount of $__,___,000 and shall be substantially in the form set forth in **Exhibit B** attached hereto, with such variations, omissions and insertions as are permitted or required hereby. The Taxable Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series D (Federally Taxable) (Green Bonds)", shall be issued in the original aggregate principal amount of $__,___,000 and shall be substantially in the form set forth in **Exhibit B** attached hereto, with such variations, omissions and insertions as are permitted or required hereby. Except to the extent otherwise provided in Section 3.05 hereof or made necessary as a result of a partial redemption, the Bonds shall be issued in fully registered form, without coupons, numbered from R-1 upwards and in Authorized Denominations.

(b) Date. The Bonds shall bear the date of authentication thereof.

(c) Maturities. The Tax-Exempt Bonds shall bear interest and mature on July 1 in each of the years set forth in the chart below, and shall be subject to redemption prior to stated maturity as and to the extent provided in Section 4.01 hereof.

Maturity Date (July 1)	Principal Amount $	Interest Rate %

The Taxable Bonds shall bear interest and mature on July 1 in each of the years set forth in the chart below, and shall be subject to redemption prior to stated maturity as and to the extent provided in Section 4.01 hereof.

Maturity Date (July 1)	Principal Amount $	Interest Rate %

(d) Interest. The provisions of Section 3.07 hereof shall govern the interest rates per annum and the payment terms of the Bonds.

Section 3.02. **Authentication and Delivery of Bonds.**

Prior to the authentication and delivery by the Trustee of the Bonds, there shall be filed or deposited with the Trustee:

(a) a copy, certified by the Secretary, the Assistant Treasurer or any Assistant Secretary of the Authority, of all resolutions adopted and proceedings had by the Authority authorizing the issuance of the Bonds, including the resolution authorizing the execution, delivery and performance of this Indenture and the Loan Agreement;

(b) executed counterparts of this Indenture and the Loan Agreement;

(c) the opinion of Bond Counsel approving the validity of the Bonds and confirming the exclusion from gross income of interest on the Tax-Exempt Bonds, subject to customary qualifications and assumptions;

(d) a request and authorization to the Trustee on behalf of the Authority and signed by an Authorized Officer of the Authority to authenticate and deliver the Bonds in such specified denominations as permitted herein to purchasers thereof upon payment to the Trustee, but for the account of the Authority, of a specified sum of money. Upon payment of the proceeds to the Trustee, the Trustee shall deposit the proceeds pursuant to Article V hereof; and

(e) an executed counterpart of the Tax Certificate.

Section 3.03. **Execution; Authentication; Special and Limited Obligations.**

The Bonds shall be executed on behalf of the Authority with the manual or facsimile signature of its Chair, Vice Chair, Executive Director or Deputy Executive Director, and any of such officers designated as "acting" or "interim", and the Authority's official common seal (or facsimile thereof) shall be affixed thereto or printed or otherwise reproduced thereon and attested by the manual or facsimile signature of its Executive Director, Deputy Executive Director, Secretary, Assistant Treasurer or any Assistant Secretary, and any of 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 Authorized Officer executing the Bonds. All authorized facsimile signatures shall have the same force and effect as if manually signed.

No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Bond substantially in the form set forth in the form of Bonds attached hereto as **Exhibit B** shall have been duly executed by the Trustee, and such executed certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The certificate of authentication on any Bond shall be deemed to have been executed by the Trustee if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory execute the certificate of authentication on all of the Bonds.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE NOT A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THIS INDENTURE), OR 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 SET FORTH IN THIS INDENTURE). THE AUTHORITY HAS NO TAXING POWER.

Section 3.04. **Mutilated, Lost, Stolen or Destroyed Bonds.**

In the event any Bond is mutilated, lost, stolen or destroyed, the Authority shall execute and the Trustee shall authenticate a new Bond of like date and denomination as that mutilated, lost, stolen or destroyed; *provided*, that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Authority or the Trustee, and in the case of any lost, stolen or destroyed Bond, there first shall be furnished to the Authority and the Trustee evidence of such loss, theft or destruction satisfactory to the Authority and the Trustee, together with an indemnity satisfactory to them. In the event any such Bond shall have matured, the Trustee, instead of issuing a duplicate Bond, may pay the same without surrender thereof, making such requirements as it deems fit for its protection, including a lost instrument bond. The Authority and the Trustee may charge the owner of such Bond with their reasonable fees and expenses for such service. In executing a new Bond, the Authority may rely conclusively upon a representation by the Trustee that the Trustee is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft or destruction of any Bond.

Section 3.05. **Exchange and Transfer of Bonds; Book-Entry System.**

Upon surrender of a Bond or Bonds at the Principal Office of the Trustee, as bond registrar, together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form and with such guaranty of signature as shall be satisfactory to the Trustee, a Bond or Bonds may be exchanged for fully registered Bonds of the same maturity, aggregating in amount the then unpaid principal amount of the Bond or Bonds surrendered, in Authorized Denominations.

As to any Bond, the Bondholder shall be deemed and regarded as the absolute owner thereof for all purposes and none of the Authority, the Borrower or the Trustee shall be affected by any notice, actual or constructive, to the contrary.

Any Bond may be registered as transferred upon the books kept for the registration and transfer of Bonds only upon surrender thereof to the Trustee, as bond registrar, together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form and with such guaranty of signature as shall be satisfactory to the Trustee. Upon the registration of transfer of any such Bond and on request of the Trustee, the Authority shall execute, and the Trustee shall authenticate and deliver, a new Bond or Bonds, registered in the name of the transferee or transferees, of the same maturity, aggregating in amount the then unpaid principal amount of the Bond or Bonds surrendered, in Authorized Denominations.

In all cases in which Bonds shall be issued in exchange for or in replacement of other Bonds, the Bonds to be issued shall be signed and sealed on behalf of the Authority and authenticated by the Trustee, and shall have attached thereto an executed validation certificate, all as provided in Section 3.03 hereof. The obligation of the Authority and the rights of the Bondholders with respect to such Bonds shall be the same as with respect to the Bonds being exchanged or replaced. Such registrations of transfers or exchanges of Bonds shall be without charge to the Bondholders, except that any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Bondholder requesting such registration of transfer or exchange as a condition precedent to the exercise of such privilege. Any service charge made by the Trustee for any such registration of transfer or exchange shall be paid by the Borrower.

Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, or for registration of transfer or exchange pursuant to this Section 3.05, such Bond shall be promptly canceled and destroyed by the Trustee (subject to applicable record retention requirements) and counterparts of a certificate of destruction evidencing such destruction shall be retained by the Trustee and, if requested by the Authority or the Borrower, shall be furnished by the Trustee to the Authority or the Borrower, as the case may be.

The foregoing provisions of this Section 3.05 to the contrary notwithstanding, the Bonds will be issued initially as one fully registered bond for each maturity of each series in the name of Cede & Co., as nominee for DTC, and deposited in the custody of DTC. The Beneficial Owners will not receive physical delivery of the Bonds. Individual purchases of the Bonds may be made in book-entry form only in principal amounts equal to Authorized Denominations thereof. Payments of principal of and redemption premium, if any, and interest on the Bonds will be made to DTC or its nominee as Bondholder.

DTC shall pay interest to the Beneficial Owners of record through its Participants as of the close of business on the Record Date. DTC shall pay the redemption price of the Bonds called for redemption to the Beneficial Owners of record through its Participants in accordance with its customary procedures.

Transfer of ownership interests in the Bonds shall be made by DTC and its Participants, acting as nominees of the Beneficial Owners, in accordance with rules specified by DTC and its Participants.

Bond certificates will be issued directly to Holders of the Bonds other than DTC, or its nominee, upon the occurrence of the following events (subject, however, to operation of the two sentences following clause (c) below):

(a) DTC determines not to continue to act as Securities Depository for the Bonds; or

(b) the Borrower, with the consent of the Authority and the Trustee, has advised DTC of its determination that DTC is incapable of discharging its duties; or

(c) the Borrower, with the consent of the Authority and the Trustee, has determined that it is in the best interest of the Bondholders not to continue the book-entry system of transfer or that interests of the Beneficial Owners of the Bonds might be adversely affected if the book-entry system of transfer is continued.

Upon occurrence of the event described in clause (a) or (b) above, the Borrower shall attempt to locate another qualified Securities Depository. If the Borrower fails to locate another qualified Securities Depository to replace DTC, the Trustee shall authenticate and deliver Bonds in certificated form. In the event the Borrower makes the determination noted in clause (b) or (c) above (as to which the Borrower undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Borrower to make any such determination), and has made provisions to notify the Beneficial Owners of the Bonds of the availability of Bond certificates by mailing an appropriate notice to DTC, the Authority shall cause the Trustee to authenticate and deliver Bonds in certificated form pursuant to **Exhibit B** to DTC's Participants (as requested by DTC) in appropriate amounts. Principal of and interest on the Bonds shall be payable as otherwise provided in this Article III.

Section 3.06. **Temporary Bonds.**

Until Bonds in definitive form are ready for delivery, the Authority may execute and, upon the request of the Authority, the Trustee shall authenticate and deliver, subject to the provisions, limitations and conditions set forth above, one or more Bonds in temporary form, whether printed, typewritten, lithographed or otherwise produced, substantially in the form of the definitive Bonds, with appropriate omissions, variations and insertions, and in Authorized Denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the liens and benefits of this Indenture.

Section 3.07. **Interest on Bonds.**

General. Interest on the Bonds shall be payable initially on [July 1, 2020] and semi-annually thereafter on January 1 and July 1 of each year at the interest rates set forth in Section 3.01 hereof.

(a) Payment of Interest. Interest on the Bonds shall be paid on each Interest Payment Date and any redemption date therefor.

(b) Interest Accrual and Payment. Interest on the Bonds shall accrue on the basis of a 360-day year based on twelve 30-day months.

Interest shall be paid on the Bonds on each Interest Payment Date. Each Bond shall bear interest from and including the Interest Accrual Date immediately preceding the date of authentication thereof or, if such date of authentication is an Interest Accrual Date to which interest on such Bond has been paid in full or duly provided for, from such date of authentication or, if it is the first payment of interest on such Bond, the date thereof. However, if, as shown by the records of the Trustee, interest on the Bonds is in default, Bonds issued in exchange for Bonds surrendered for registration of transfer or exchange shall bear interest from the date to which interest has been paid in full on the Bonds so surrendered or, if no interest has been paid on such Bonds, from the date thereof.

Section 3.08. **Method and Place of Payment.**

The principal of and redemption premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Principal of and redemption premium, if any, on the Bonds are payable upon presentation of the Bonds to the Trustee. Interest on the Bonds shall be paid by the Trustee on the applicable Payment Dates, by check mailed by the Trustee to the respective Holders thereof on the applicable Record Date at their addresses as they appear as of the close of business on the applicable Record Date in the books kept by the Trustee, as bond registrar, except that in the case of a Holder of $1,000,000 or more in aggregate principal amount of such Bonds, upon the written request of such Holder to the Trustee, specifying the account or accounts (within the continental United States) to which such payment shall be made, such payments shall be made by wire transfer of immediately available funds on the applicable Interest Payment Date following such Record Date. Any request referred to in the preceding sentence shall remain in effect until revoked or revised by such Holder by an instrument in writing delivered to the Trustee.

ARTICLE IV

REDEMPTION AND PURCHASE OF BONDS BEFORE MATURITY

Section 4.01. **Redemption of Bonds.**

The Bonds shall be subject to redemption prior to maturity as follows:

(a) Optional Redemption. The Tax-Exempt Bonds maturing on and after July 1, 20__ are subject to optional redemption on any date on or after July 1, 20__ at the option of the Authority with the written consent of the Borrower, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the redemption date.

(b) Extraordinary Optional Redemption. The Bonds shall be subject to redemption prior to maturity, in whole or in part at the option of the Authority, upon the written direction of the Borrower, at any time and from time to time, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, without redemption premium, in the event that any one or more of the following events shall have occurred: (i) title to, or the temporary use of, all or a material portion of the Project Facilities shall have been taken under the exercise of the power of eminent domain by, or sold in lieu thereof to, any governmental authority or person, firm or corporation acting under governmental authority, which taking or sale prevents or is likely to prevent the carrying on of normal operations of the Project Facilities for a period of at least twelve months; or (ii) the Project Facilities are rendered untenable or unusable in the normal operations of the Borrower by any cause whatsoever, including, but not limited to, a hazard against which insurance is required to be maintained in accordance with the Loan Agreement.

(c) Mandatory Sinking Fund Redemption. The Tax-Exempt Bonds maturing on July 1, 20__ shall be retired by sinking fund installments as hereinafter described, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the Tax-Exempt Bonds on July 1 in each of the years and in the principal amounts as follows:

Year	Amount $
*	

*Final maturity.

The Tax-Exempt Bonds maturing on July 1, 20__ shall be retired by sinking fund installments as hereinafter described, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date. The sinking fund installments shall be sufficient to redeem the principal

amount of the Tax-Exempt Bonds on July 1 in each of the years and in the principal amounts as follows:

Year	Amount $
*	

*Final maturity.

The Taxable Bonds maturing on July 1, 20__ shall be retired by sinking fund installments as hereinafter described, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the Taxable Bonds on July 1 in each of the years and in the principal amounts as follows:

Year	Amount $
*	

*Final maturity.

The principal amount of the Bonds required to be redeemed from sinking fund installments may be reduced by the principal amount of such Bonds theretofore delivered to the Trustee by the Borrower in lieu of cash payments under the Loan Agreement or purchased by the Trustee out of moneys in the Debt Service Fund that have not theretofore been applied as a credit against any sinking fund installment.

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date for the Bonds, the Borrower may deliver to the Trustee for cancellation Bonds of the appropriate maturity in any aggregate principal amount that have been purchased by the Borrower in the open market. Each Bond so delivered shall be credited by the Trustee at 100% of the principal amount thereof against the mandatory sinking fund redemption requirement for Bonds on such mandatory redemption date; and any excess of such amount shall be credited against future mandatory sinking fund redemption requirements in chronological order, unless the Borrower, on or before the 45th day preceding each mandatory sinking fund redemption date, furnishes the Trustee with a certificate, signed by a Borrower Representative for the Bonds, specifying a different method of crediting such amount against future mandatory sinking fund redemption requirements.

Any partial redemption of the Bonds pursuant to any optional redemption pursuant to Section 4.01(a) (the "*Prior Non-Mandatory Redemptions*") shall at the election of the Authority, with the consent of the Borrower, be credited against and reduce the obligation of the Authority to effect mandatory scheduled sinking fund redemption requirements for the Bonds. Such election shall be exercised by delivery to the Trustee of written notice from the Authority, with the consent of the Borrower, that the Authority elects to credit Prior Non-Mandatory Redemptions that have not been previously credited against mandatory sinking fund redemption requirements for the Bonds, which notice shall designate the mandatory sinking fund redemption installments to be reduced by date and the principal amount of such reductions.

(d) Make-Whole Redemption. The [Taxable] Bonds are subject to make-whole redemption prior to maturity by written direction of the Authority, with the written consent of the Borrower, in whole or in part, on any Business Day, at the "Make-Whole Redemption Price" (as defined below).

The "*Make-Whole Redemption Price*" is the greater of (i) 100% of the principal amount of the [Taxable] Bonds to be redeemed or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the [Taxable] Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the [Taxable] Bonds are to be redeemed, discounted to the date on which the [Taxable] Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the adjusted "Treasury Rate" (as defined below), plus __ basis points, plus, in each case, accrued and unpaid interest on the [Taxable] Bonds to be redeemed on the redemption date.

The "*Treasury Rate*" will be, as of the redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least five (5) Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the [Taxable] Bonds to be redeemed; *provided, however*, that if the period from the redemption date to such maturity date is less than one (1) year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one (1) year will be used.

The Make-Whole Redemption Price of the [Taxable] Bonds to be redeemed pursuant to the make-whole redemption provision described above will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the Borrower at the Borrower's expense to calculate such Make-Whole Redemption Price. The Trustee and the Authority may conclusively rely upon the determination of such Make-Whole Redemption Price by such independent accounting firm, investment banking firm or financial advisor, and neither the Trustee nor the Authority will be liable for such reliance.

Section 4.02. **Selection of Bonds to be Redeemed.**

In the case of any redemption in part of the Bonds, the Bonds to be redeemed under Section 4.01 hereof shall be selected by the Trustee, subject to any requirements of this Section 4.02. A redemption of Bonds shall be a redemption of the whole or of any part of the Bonds; *provided*, that there shall be no partial redemption of less than $5,000. If less than all the maturities of the Bonds shall be called for redemption under any provision of this Indenture permitting such partial redemption, the particular maturity or maturities of the Bonds to be redeemed shall be selected by the Authority with the consent of the Borrower. If less than all of the Bonds Outstanding of any maturity shall be called for redemption, such Bonds shall be selected by the Trustee, in such manner as the Trustee in its discretion may deem fair and appropriate consistent with industry standards and the requirements of the last paragraph of Section 4.01(c); *provided, however*, (a) that the portion of any Bond to be redeemed under any provision of this Indenture shall be in the principal amount of $5,000 or any multiple thereof, (b) that, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by $5,000, and (c) that, to the extent practicable, the Trustee will not select any Bond for partial redemption if the amount of such Bond remaining Outstanding would be reduced by such partial redemption to less than the Authorized Denomination. If there shall be called for redemption less than all of a Bond, the Authority shall execute and deliver and the Trustee shall authenticate, upon surrender of such Bond and at the expense of the Borrower and without charge to the owner thereof, a replacement Bond in the principal amount of the unredeemed balance of the Bond so surrendered.

Section 4.03. **Procedure for Redemption.**

(a) In the event any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Trustee) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portions of the Bonds, so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest. CUSIP number identification shall accompany all redemption notices. Such notice may set forth any additional information relating to such redemption.

(b) Such notice shall be given by mail, postage prepaid, at least thirty (30) days (or, in the case of acceleration of the Bonds pursuant to Section 7.02 hereof, seven (7) days) but not more than sixty (60) days prior to the date fixed for redemption to each Holder of Bonds to be redeemed at its address shown on the registration books kept by the Trustee; *provided, however*, that failure to give such notice to any Bondholder or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other Bonds.

(c) Any notice of redemption of any Bonds pursuant to Section 4.01(a) or (b) 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 that are to be redeemed on that date.

(d) Any Bonds and portions of Bonds that have been duly selected for redemption and that are paid in accordance with Section 5.07 hereof shall cease to bear interest on the specified redemption date.

(e) For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Trustee shall provide the notices specified in this Section 4.03 only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Trustee, a Participant or otherwise), to notify the Beneficial Owner of the Bond so affected shall not affect the validity of the redemption of such Bond.

(f) Procedures Relating Solely to Taxable Bonds. If the Taxable Bonds are registered in book-entry-only form and so long as DTC or a successor Securities Depository is the sole registered owner of the Taxable Bonds, if less than all of the Taxable Bonds of a maturity are called for redemption, the particular Taxable Bonds of such maturity or portions thereof to be redeemed will be selected on a *pro rata* pass-through distribution of principal basis in accordance with the applicable DTC procedures.

It is the intention of the Authority that redemption allocations made by DTC be made on a *pro rata* pass-through distribution of principal basis as described above. However, none of the Authority, the Borrower or the Underwriter can provide any assurance that DTC, its Participants or any other intermediary will allocate the redemption of the Taxable Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the Taxable Bonds on a *pro rata* pass-through distribution of principal basis as discussed above, then the Taxable Bonds will be selected for redemption, in accordance with DTC procedures, by lot or in such other manner as is in accordance with the applicable DTC operational arrangements.

If the Taxable Bonds are not registered in book-entry-only form, any redemption of less than all of a maturity of the Taxable Bonds will be allocated among the registered owners of the Taxable Bonds of such maturity, as nearly as practicable, taking into consideration the Authorized Denominations of the Taxable Bonds, on a *pro rata* basis.

ARTICLE V

SOURCE AND APPLICATION OF FUNDS

Section 5.01. **Pledge and Assignment.**

(a) Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Pledged Property is hereby pledged to secure the payment of the Bonds. Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after delivery by the Trustee of the Bonds, without any physical delivery thereof or further act. Notwithstanding anything to the contrary in this Indenture or the Bonds, the Bonds do not and shall not represent or constitute a debt or pledge of the faith and credit of the Authority, the State or of any political subdivision thereof, and the Holders have no right to have taxes levied by the State or the taxing authority of any political subdivision of the State for the payment of the Bonds. The Authority has no taxing power.

(b) The Authority hereby transfers in trust, pledges and assigns to the Trustee, for the benefit of the Holders from time to time of the Bonds, and grants a security interest in all of the Pledged Property, specifically excluding therefrom the following rights reserved to the Authority (collectively, the "*Reserved Rights*"): (i) rights to indemnification; (ii) rights of inspection and consent; (iii) rights to payment of its fees and expenses; and (iv) all rights, title and interest in any and all provisions of the Loan Agreement relating to the Project Facilities (except for the right of the Authority to receive Basic Loan Payments pursuant to Section 2.8 of the Loan Agreement as described in Section 2.15 of the Loan Agreement), including, without limitation, its rights to exercise remedies as provided by the Loan Agreement and its rights to enter, inspect and operate the Project Facilities. The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee also shall be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority that have been assigned to the Trustee and all of the obligations of the Borrower under the Loan Agreement other than the Reserved Rights of the Authority. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture. If, on the day on which a payment of Basic Loan Payments is required to be made, the Trustee has not received the full amount of such Basic Loan Payments, the Trustee shall immediately notify the Authority and the Borrower of such insufficiency by Electronic Means and confirm such notification as soon as possible thereafter by written notice.

Section 5.02. **Construction Fund.**

There is hereby created and established with the Trustee a trust fund to be designated "2019 Construction Fund", which shall be funded and from which moneys deposited therein shall be expended in accordance with the provisions of this Section 5.02 and as otherwise provided in the Loan Agreement, which Construction Fund shall have a Costs of Issuance Account and a Capitalized Interest Account.

(a) The Trustee shall deposit in the Construction Fund, the Costs of Issuance Account and the Capitalized Interest Account the respective amounts specified by the Authority at closing. As soon as practicable after the delivery of the Bonds, at the written direction of the Authority, the Trustee shall pay from the Costs of Issuance Account to the firms, corporations or Persons entitled thereto the legal, administrative, financing and incidental expenses of the Authority relating to the issuance of the Bonds. At the written request of the Authority, the Trustee shall transfer any remaining balance in the Costs of Issuance Account to the Debt Service Fund.

(b) Payments pursuant to this Section 5.02 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 Borrower requests a copy of any certificate issued by the Authority pursuant to this Section 5.02, the Authority shall comply with such request.

(c) Moneys deposited in the Capitalized Interest Account shall be applied to the payment of interest as it becomes due on the Bonds, as directed by an Authorized Officer of the Authority, from the Closing Date to the date on which the funds deposited therein have been depleted in full. At the request of the Borrower, the Authority shall direct the Trustee to transfer any remaining balance in the Capitalized Interest Account to the Construction Fund to pay the costs of the Project.

(d) Upon the occurrence of an Event of Default hereunder as a result of which 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.

Section 5.03. **Debt Service Fund.**

There is hereby created and established with the Trustee a trust fund to be designated "2019 Debt Service Fund", which shall be used to pay when due the principal of (whether at maturity or upon mandatory sinking fund redemption, if any) and redemption premium, if any, and interest on the Bonds and is pledged for the benefit of the Bondholders. Within such Debt Service Fund there shall be created an Interest Account and a Principal Account. Moneys shall be deposited in the Debt Service Fund from time to time and shall be applied solely as follows:

(a) At the written direction of the Authority, funds (if any) shall be transferred from the Construction Fund to the Debt Service Fund and applied in accordance with this Section 5.03.

(b) Basic Loan Payments constituting interest due on the Bonds shall be deposited into the Interest Account of the Debt Service Fund in the amounts required to pay the interest next coming due on the Bonds (including accrued interest on any Bonds redeemed prior to maturity pursuant hereto).

(c) Basic Loan Payments constituting principal of and redemption premium, if any, due on the Bonds shall be deposited into the Principal Account of the Debt Service Fund in the amounts required to pay the principal of, sinking fund payment and redemption premium, if

any, next coming due on the Bonds (including principal of and redemption premium on any Bonds redeemed prior to maturity pursuant hereto).

(d) Sums received upon exercise of remedies by the Trustee or the Authority after an Event of Default shall be deposited in the Debt Service Fund. Such moneys shall be applied in accordance with the provisions of Section 7.05 hereof.

(e) Any payments made by the provider of any Swap Agreement entered into by the Borrower, which payments have been assigned by the Borrower to the Trustee, shall be deposited in the Interest Account of the Debt Service Fund and applied to the payment of interest on the Bonds when due.

The Authority hereby authorizes and directs the Trustee, and the Trustee hereby agrees, to withdraw from the Debt Service Fund, and make available at the Principal Office of the Trustee, sufficient funds (to the extent available) to pay the principal of and redemption premium, if any, and interest on the Bonds as the same become due and payable, whether due by maturity, acceleration, redemption or otherwise, only in the following order of priority:

(A) Amounts on deposit in the Debt Service Fund.

(B) Any other amounts in such other Funds or accounts (other than the Rebate Fund, the Additional Loan Payments Fund and the Project Fund), including, but not limited to, moneys obtained from the Borrower.

Section 5.04. **Rebate Fund.**

At the direction of the Authority, the Trustee shall create and establish a trust fund to be designated "2019 Rebate Fund", which shall be funded and expended in accordance with this Section 5.04. It shall be held by the Trustee separate and apart from the other Funds held under this Indenture and shall not be part of the Pledged Property.

(a) An amount shall be deposited to the Rebate Fund by the Borrower from amounts paid by the Borrower pursuant to the Loan Agreement or from interest earnings, if and to the extent required, so that the balance in the Rebate Fund shall equal the Rebate Amount. Computations of the Rebate Amount shall be furnished to the Trustee by or on behalf of the Authority in accordance with the Tax Certificate.

(b) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section 5.04, other than from moneys held in the Rebate Fund or provided to it for such purpose by the Borrower.

(c) At the written direction of the Authority, the Trustee shall invest all amounts in the Rebate Fund in Investment Obligations, subject to any restrictions set forth in the Tax Certificate. The Trustee shall not be liable for any consequences arising from such investment and shall not be required to review the Tax Certificate to determine compliance with the preceding sentence. Moneys shall not be transferred from the Rebate Fund except as provided in subsection (d) below.

(d) Upon receipt of the Authority's written direction, the Trustee shall remit part or all of the balance in the Rebate Fund to the Internal Revenue Service, as so directed. In addition, if the Authority so directs, the Trustee will deposit money into or transfer money out of the Rebate Fund from or into such accounts or funds as directed by the Authority's written directions. Any funds remaining in the Rebate Fund after redemption and payment of the Tax-Exempt Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor satisfactory to the Trustee, and payment of any amount then owed to the Trustee, shall be withdrawn and remitted to the Borrower.

Notwithstanding any other provision of this Indenture, the obligation to remit Rebate Amounts to the Internal Revenue Service and to comply with all other requirements of this Section 5.04 and the Tax Certificate shall survive the defeasance or payment in full of the Tax-Exempt Bonds.

Any provision hereof to the contrary notwithstanding, amounts credited to the Rebate Fund shall be free and clear of any lien hereunder and the Holders of the Bonds shall not have any claim or right thereto. The provisions concerning the calculation and payment of the required Rebate Amount are set forth in the Tax Certificate.

Section 5.05. **Additional Loan Payments Fund.**

At the direction of the Authority, the Trustee shall create and establish a trust fund to be designated "2019 Additional Loan Payments Fund", which shall be funded and expended in accordance with this Section 5.05. It shall be held by the Trustee separate and apart from the other Funds held under this Indenture and shall not be part of the Pledged Property.

In addition to making the deposits and payments required by the preceding sections, the Trustee shall deposit all Additional Loan Payments received pursuant to the terms of Section 2.10 of the Loan Agreement into the Additional Loan Payments Fund and shall pay such fees and expenses for which such Additional Loan Payments were made when due at the written direction of the Authority.

Any provision hereof to the contrary notwithstanding, amounts credited to the Additional Loan Payments Fund shall be free and clear of any lien hereunder and the Holders of the Bonds shall not have any claim or right thereto.

Section 5.06. **Investment of Moneys in Funds.**

(a) Investment. All moneys in any of the Funds and accounts created or established hereunder shall be invested or reinvested by the Trustee in Investment Obligations at the written direction of the Authority. In the event no such direction is given to the Trustee, such moneys shall be invested in shares of an open-end, diversified investment company that is registered under the Investment Company Act of 1940, as amended, and that 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, as previously designated by the Authority. Moneys shall be invested in Investment Obligations maturing or redeemable at the written direction of the Authority at the times and in the amounts necessary for the purposes specified in this Indenture. Investment Obligations purchased under a

repurchase agreement may be deemed to mature on the date or dates on which the Trustee may deliver such Investment Obligations for repurchase pursuant to such agreement.

All interest, profit and other income received from the investment of moneys in any Fund or account established hereunder shall be deposited when received in such Fund or account. Notwithstanding anything herein to the contrary, an amount of interest received with respect to any Investment Obligation equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Obligation shall be credited to the Fund or account for the credit of which such Investment Obligation was acquired.

Pursuant to any written directions from the Authority with respect thereto, from time to time, the Trustee shall sell those investments and reinvest the proceeds therefrom in Investment Obligations maturing or redeemable as aforesaid. Any of those investments may be purchased from or sold to the Trustee, or a Paying Agent, or any bank, trust company, savings and loan association or broker/dealer affiliated with any of the foregoing. The Trustee shall sell or redeem investments credited to the Debt Service Fund as necessary to produce sufficient moneys applicable hereunder to and at the times required for the purposes of paying interest on, principal or sinking fund payments of or the redemption price of the Bonds when due as aforesaid.

The Trustee may commingle any of the Funds or accounts established pursuant to this Indenture (other than the Rebate Fund) into a separate fund or funds for investment purposes only; *provided*, that all Funds or accounts held by the Trustee hereunder shall be accounted for separately as required by this Indenture.

The Trustee shall not be responsible or liable for any loss or decrease in value of the investments made pursuant this Article V.

(b) Valuation. For the purpose of determining the amount on deposit to the credit of any Fund or account, the value of obligations in which money in such Fund or account shall have been invested shall be computed at the lower of cost or market value, exclusive of accrued interest, with the market value determined by the Trustee and as set forth in statements provided by the Trustee for such purpose.

So long as the Bonds are then Outstanding, the Trustee shall value the Funds and accounts established and held by the Trustee hereunder on June 30 of each year and at such other times as requested by the Authority.

Section 5.07. **Moneys to be Held in Trust.**

Except where money has been deposited with or paid to the Trustee pursuant to an instrument restricting its application to particular Bonds, all money required or permitted to be deposited with or paid to the Trustee or any Paying Agent under any provision of this Indenture and the Loan Agreement, and any investments thereof, shall be held by the Trustee (or any of its affiliates) or any Paying Agent in trust for all Bonds. Except for (i) money deposited with or paid to the Trustee or any Paying Agent for the redemption of Bonds, notice of the redemption of which shall have been duly given, and (ii) money in the Rebate Fund, the Additional Loan Payments Fund and the Project Fund; all money described in the preceding sentence held by the Trustee or any Paying Agent shall be subject to the lien hereof while so held.

Section 5.08. **Nonpresentment of Bonds.**

In the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, if moneys sufficient to pay any such Bonds shall have been deposited with the Trustee for the benefit of the Holder thereof, all liability of the Authority to the Holder thereof for the payment of such Bonds shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds uninvested or invested in non-callable United States Obligations maturing overnight, but in any event without liability for interest thereon, for the benefit of the Holder of such Bonds, which shall thereafter be restricted exclusively to such funds for any claim of whatever nature on its part under this Indenture with respect to such Bonds.

If any Bond or evidence of beneficial ownership of such Bond shall not be presented for payment when the principal thereof becomes due (whether at maturity, by acceleration, upon call for redemption, upon purchase or otherwise), all liability of the Authority to the Holder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged if funds sufficient to pay such Bond and interest due thereon, if any, are held by the Trustee uninvested for the benefit of the Holder thereof. 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. The Holder shall thereafter be restricted exclusively to such funds for any claim of whatever nature on its part under this Indenture or on, or with respect to, such Bond.

Section 5.09. **Project Fund.**

The Project Fund created pursuant to Section 3.5 of the Loan Agreement shall be held by the Trustee pursuant to this Indenture. It shall be held by the Trustee separate and apart from the other Funds held under this Indenture and shall not be part of the Pledged Property. Moneys shall be deposited in the Project Fund, applied to the payment of debt service and returned to the Borrower at the times and as set forth in Section 3.5 of the Loan Agreement. At the written direction of the Borrower or the Authority, the Trustee shall invest all amounts in the Project Fund in (i) United States Obligations and (ii) money market funds described in clause (K) of the definition of Investment Obligations. If the investment instructions of the Authority and the Borrower, given pursuant to this Section 5.09, conflict, then the Borrower's instructions shall control.

Any funds remaining in the Project Fund after redemption and payment of the Bonds, and payment of any amount then owed to the Trustee, shall be withdrawn and remitted to the Borrower.

Any provision hereof to the contrary notwithstanding, amounts credited to the Project Fund shall be free and clear of any lien hereunder and the Holders of the Bonds shall not have any claim or right thereto.

Section 5.10. **Additional Funds, Accounts and Sub-accounts.**

The Trustee shall establish any additional Funds, accounts or sub-accounts within any Fund as directed by the Authority, in writing.

ARTICLE VI

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 6.01. **Payment of Principal, Redemption Premium, if any, and Interest.**

Except as permitted herein, the Authority covenants that it will promptly pay, or cause to be paid, the principal of and redemption premium, if any, and interest on the Bonds, at the places, on the dates and in the manner provided herein and in the Bonds, according to the true intent and meaning thereof, but only from the Pledged Property. The Authority further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Indenture, in the Loan Agreement, in the Bonds or in any proceedings of the Authority pertaining thereto. The Authority represents and warrants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Bonds and to enter into this Indenture and the Loan Agreement and to pledge the Pledged Property in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds initially issued hereunder and the execution of this Indenture has been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be valid and enforceable, special and limited obligations of the Authority according to their terms.

The Bonds shall not be general obligations of the Authority, but special and limited obligations payable solely from the Pledged Property. No Holder of any Bonds has the right to compel any exercise of taxing power (if any) of the State or of any political subdivision thereof, including the Authority, to pay the Bonds or the interest thereon, and the Bonds do not constitute an indebtedness or a loan of credit of the State or of any political subdivision thereof, including the Authority, within the meaning of any constitutional or statutory provisions. The Authority has no taxing power.

Section 6.02. **Extension of Payment of Bonds.**

The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon that shall not have been so extended. Nothing in this Section 6.02 shall be deemed to limit the right of the Authority to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.03. **Against Encumbrances.**

Except as permitted herein, the Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves

the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Act, and reserves the right to issue other obligations for such purposes.

Section 6.04. **Power to Issue Bonds and Make Pledge and Assignment.**

The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special and limited obligations of the Authority in accordance with their terms, and the Authority and Trustee shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bondholders under this Indenture against all claims and demands of all persons whomsoever.

Section 6.05. **Accounting Records and Financial Statements.**

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with the Trustee's accounting practices for books of record and account relating to similar trust accounts, in which complete and accurate entries shall be made of all transactions relating to the proceeds of the Bonds, the Revenues, the Loan Agreement and all Funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority, the Borrower and any Bondholder, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

(b) The Trustee shall file and furnish on or before the fifteenth (15th) day of each month to the Authority, the Borrower and each Bondholder who shall have filed his or her name and address with the Trustee for such purpose a complete financial statement (which need not be audited) covering receipts, disbursements, allocation and application of Revenues and any other moneys (including proceeds of the Bonds) in any of the Funds and accounts established pursuant to this Indenture for the preceding month.

Section 6.06. **Tax Covenants.**

The Authority shall at all times do and perform all acts and things required by law and require the Borrower at all times to do and perform all acts and things required by law and this Indenture that are necessary or desirable in order to assure that interest paid on the Tax-Exempt Bonds will be excluded from gross income for purposes of federal income taxes and shall neither take action nor permit any other person to take any action that would result in such interest not being excluded from gross income for federal income tax purposes.

Section 6.07. **Waiver of Laws.**

The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

Section 6.08. **Continuing Disclosure.**

Pursuant to Section 3.8 of the Loan Agreement, the Borrower has covenanted to comply with and carry out all of the provisions of a disclosure agreement with respect to the Bonds that complies with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission (as amended from time to time, the "*Rule*"), in form and substance satisfactory to the Participating Underwriters (as defined in the Rule). Notwithstanding any other provision of this Indenture, failure of the Borrower to enter into and comply with such a disclosure agreement shall not be considered an Event of Default hereunder; *however*, any Bondholder or Beneficial Owner may, and the Trustee, at the written request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower to comply with its obligations under Section 3.8 of the Loan Agreement.

ARTICLE VII

DEFAULT PROVISIONS AND REMEDIES.

Section 7.01. **Events of Default; Defaults.**

The occurrence of any one or more of the following events (after any applicable notice or cure periods) shall constitute an "*Event of Default*" hereunder:

(a) failure to pay interest on any Bond when due and payable;

(b) failure to pay any principal of or redemption premium on any Bond when due and payable, whether at stated maturity or pursuant to any redemption requirement under Section 4.01 hereof;

(c) failure by the Authority to observe or perform any other covenant, condition or agreement on its part to be observed or performed in this Indenture or the Bonds, for a period of thirty (30) days after written notice of such failure shall have been given to the Borrower and the Authority by the Trustee; *provided, however*, that if such observance or performance requires work to be done, actions to be taken or conditions to be remedied that by its or their nature cannot reasonably be done, taken or remedied, as the case may be, within such 30-day period, no Event of Default under this subsection (c) shall be deemed to have occurred or to exist if and so long as the Authority or the Borrower, as the case may be, shall have commenced such work, action or remediation within such 30-day period and provided written notice thereof to the Trustee and shall diligently and continuously prosecute the same to completion; and

(d) the occurrence of an Event of Default under the Loan Agreement as defined in Section 2.5 thereof, which Event of Default has not been waived pursuant to Section 7.08 hereof.

Within five (5) Business Days after actual knowledge by a Responsible Officer of the Trustee of an Event of Default, the Trustee shall give written notice, by registered or certified mail, to the Authority, the Borrower and the Bondholders and, upon notice as provided in Section 8.01(h) hereof, shall give similar notice of any other Event of Default.

Section 7.02. **Acceleration.**

Upon the occurrence of any Event of Default known to a Responsible Officer of the Trustee, the Trustee may, and shall, upon the written request of the Holders of not less than 25% in principal amount of the Outstanding Bonds, by a notice in writing to the Authority, declare all Bonds then Outstanding to be due and payable immediately, and, upon such declaration, all principal and interest accrued thereon shall become immediately due and payable, and there shall be an automatic corresponding acceleration of the Borrower's obligation to make all payments required to be made under the Loan Agreement in an amount sufficient to pay immediately all principal of and accrued and unpaid interest on the accelerated Bonds. Interest shall accrue on the Bonds to the date of payment (even if after the date of acceleration).

The provisions of the preceding paragraph, however, are subject to the condition that if, after the principal of the Bonds shall have been so declared to be due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, there shall be deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of any and all Bonds that shall have become due otherwise than by reason of such declaration and such amount as shall be sufficient to cover reasonable compensation and reimbursement of expenses payable to the Trustee and each Paying Agent, and all Events of Default hereunder other than nonpayment of the principal of Bonds that shall have become due by such declaration shall have been remedied, then, in every such case, such Event of Default shall be deemed waived and such declaration and its consequences rescinded or annulled, and the Trustee shall promptly give written notice of such waiver, rescission or annulment to the Authority, each Paying Agent and the Borrower and shall give notice thereof to all Holders of Outstanding Bonds; but no such waiver, rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Section 7.03. **Other Remedies; Rights of Bondholders.**

Upon the continuance of an Event of Default, if so requested, in writing, by a Majority of the Bondholders, and if satisfactory indemnity has been furnished to it, the Trustee shall exercise such of the rights and powers conferred by this Indenture, the Borrower Security Instruments or any other Basic Agreement as the Trustee, being advised by counsel, shall deem most effective to enforce and protect the interests of the Bondholders; *provided*, that the Trustee may take action with respect to the Loan Agreement only to enforce the rights expressly and specifically assigned to the Trustee under Section 5.01 of this Indenture.

No remedy under this Indenture is intended to be exclusive and, to the extent permitted by law, each remedy shall be cumulative and in addition to any other remedy hereunder or now or hereafter existing. No delay or omission to exercise any right or power shall impair such right or power or constitute a waiver of any Default or Event of Default or acquiescence therein; and each such right or power may be exercised as often as deemed expedient. No waiver by the Trustee or the Bondholders of any Default or Event of Default shall extend to any subsequent Default or Event of Default.

Section 7.04. **Right of Bondholders to Direct Proceedings.**

A Majority of the Bondholders shall have the right at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, the Borrower Security Instruments or any other Basic Agreement or for the appointment of a receiver or any other proceedings hereunder or thereunder; *provided*, that such direction shall be in accordance with applicable law and this Indenture and, if applicable, the Borrower Security Instruments or such other Basic Agreement, and provided that the Trustee shall be indemnified to its satisfaction.

Section 7.05. **Application of Moneys.**

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses (including reasonable attorneys' fees and expenses), liabilities and advances owing to or incurred or made by the Trustee, be deposited in the Debt Service Fund, and the moneys in the Debt Service Fund shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied in the following order of priority:

(A) – To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest (with interest on overdue installments of such interest, to the extent permitted by law, at the rate of interest borne by the Bonds) and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto without any discrimination or privilege; and

(B) – To the payment to the Persons entitled thereto of the unpaid principal of and redemption premium, if any, on any of the Bonds that shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture) (with interest on overdue installments of such principal and redemption premium, if any, to the extent permitted by law, at the rate of interest borne by the Bonds) and, if the amount available shall not be sufficient to pay in full all Bonds due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege; and

(C) – To the payment to the Persons entitled thereto as the same shall become due of the principal of and redemption premium, if any, and interest on the Bonds that may thereafter become due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest and redemption premium, if any, then due and owing thereon, payment shall be made ratably, according to the amount of interest, principal and redemption premium, if any, due on such date, to the Persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due, respectively, for principal and interest, to the Persons entitled thereto without any discrimination or privilege, with interest on overdue installments of interest or principal, to the extent permitted by law, at the rate of interest borne by the Bonds.

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article VII, then, subject to the provisions of paragraph (b) above, in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) above.

Whenever moneys are to be applied pursuant to the provisions of this Section 7.05, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date, unless it 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 date shall cease to accrue; *provided*, that upon an acceleration of Bonds pursuant to Section 7.02 hereof, interest shall cease to accrue on the Bonds on and after the date of actual payment. 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 Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 7.06. **Remedies Vested in Trustee.**

All rights of action (including the right to file proof of claims) 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 Bondholders, and any recovery of judgment shall be for the equal and ratable benefit of the Holders of the Outstanding Bonds.

Section 7.07. **Rights and Remedies of Bondholders.**

No Bondholder shall have any right to institute any proceeding for the enforcement of this Indenture or any right or remedy granted hereby, unless (i) an Event of Default is continuing, (ii) a Responsible Officer of the Trustee is deemed to have notice or knowledge thereof or has been notified as provided in Section 8.01(h) hereof, (iii) a Majority of the Bondholders shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to exercise its powers or to institute such proceeding in its own name, and have offered to the Trustee indemnity satisfactory to it, and (iv) the Trustee shall have failed or refused to exercise its powers or to institute such proceeding. Such notice, request, offer of indemnity and failure or refusal shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action for the enforcement of this Indenture or of any right or remedy granted hereby. The Holders of the Bonds shall have no right to affect or prejudice the lien of this Indenture by their action or to enforce any right hereunder except in the manner herein provided and proceedings shall be instituted and maintained in the manner herein provided and for the benefit of the Holders of all Bonds then Outstanding. Notwithstanding the foregoing, each Bondholder shall have a right of action to enforce the payment of the principal of and redemption premium, if any, and interest on any

Bond held by it at and after the maturity thereof, from the sources and in the manner expressed in such Bond.

Section 7.08. **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 request of the Holders of (1) at least a majority in aggregate principal amount of all Outstanding Bonds in respect of which default in the payment of principal or interest, or both, exists or (2) at least a majority in aggregate principal amount of all Outstanding Bonds in the case of any other Event of Default; *provided*, that there shall not be waived any Event of Default specified in subsection (a) or (b) of Section 7.01 hereof unless, prior to such waiver or rescission, the Borrower shall have caused to be paid to the Trustee (i) all arrears of principal and interest (other than principal of or interest on the Bonds that became due and payable by declaration of acceleration), with interest at the rate then borne by the Bonds on overdue installments, to the extent permitted by law, and (ii) all expenses of the Trustee in connection with such Event of Default. In case of any waiver or rescission described above, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or concluded or determined adversely, then and in every such case the Authority, the Trustee and the Holders of Bonds shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 7.09. **Intervention by Trustee.**

In any judicial proceeding that the Trustee believes has a substantial bearing on the interests of the Bondholders, the Trustee may intervene on behalf of the Bondholders.

Section 7.10. **Remedies of Authority on Event of Default.**

Upon the occurrence and continuance of an Event of Default, the Authority or the Trustee shall not be required to take any action that, in its opinion, might cause it to expend time or money or otherwise incur any liability unless satisfactory indemnity has been furnished to it.

ARTICLE VIII

THE TRUSTEE

Section 8.01. **Acceptance of Trusts.**

The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of a Default and after the curing of all Defaults that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and the Loan Agreement. In case a Default has occurred (which has not been cured or waived), 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 the exercise of such rights and powers as an ordinary, prudent trustee would exercise or use in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, but shall not be answerable for the conduct of the same if appointed with due care, and the Trustee shall be entitled to advice of counsel concerning its duties hereunder and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Authority or the Borrower) selected by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or inaction taken or not taken, as the case may be, in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of authentication endorsed on the Bonds), or for insuring the Project Facilities, or for collecting any insurance moneys, or for the validity of the execution by the Authority of this Indenture or of any supplements hereto or 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 Project Facilities or any lien waivers with respect to the Project Facilities, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Borrower under the Loan Agreement except as hereinafter set forth; but the Trustee may require of the Authority and the Borrower full information and advice as to the performance of the aforesaid covenants, conditions and agreements. The Trustee shall have no obligation to perform any of the duties of the Authority under the Loan Agreement.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds secured hereby with the same rights that it would have if not the Trustee hereunder.

(e) The Trustee shall be protected in acting upon any notice, request, 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 Trustee pursuant to this Indenture 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 owner of any Bond shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely conclusively upon a certificate signed by an Authorized Officer or a Borrower Representative as sufficient evidence of the facts therein contained and prior to the occurrence of a Default of which the Trustee has been notified as provided in Section 8.01(h) hereof, or of which by said subsection the Trustee is deemed to have notice, and 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 by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Authorized Officer 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.

(g) 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.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder except for Defaults specified in subsection (a) or (b) of Section 7.01 hereof, unless a Responsible Officer of the Trustee shall be specifically notified in writing at its Principal Office of such Default by the Authority or by the Holders of at least 50% in aggregate principal amount of Outstanding Bonds, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be received by a Responsible Officer at the Principal Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Default except as aforesaid.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books and records of the Authority pertaining to the Bonds and to make such copies and memoranda from and with regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of this Indenture or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a

condition of such action, deemed desirable by the Trustee for the purpose of establishing the right of the Authority to the authentication of any Bonds, the withdrawal of any cash, the release of any property or the taking of any other action.

(l) Before taking any action under this Indenture or under the Loan Agreement (other than accelerating the Bonds as required under Section 7.02 hereof and paying the principal of and redemption premium, if any, and interest on the Bonds as the same shall become due and payable), the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of any expenses to which it may be put and to protect it against all liability, except liability that is adjudicated to have resulted from its negligence or willful misconduct in connection with any such action.

(m) All moneys 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 but need not be segregated from other funds except to the extent otherwise required herein or required by law.

(n) The Trustee's immunities and protections from liability and its rights to compensation and indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents and employees. Notwithstanding anything else contained herein or in any other document or instrument executed by or on behalf of the Trustee in connection herewith, no stipulation, covenant, agreement or obligation contained herein or therein shall be deemed or construed to be a stipulation, covenant, agreement or obligation of any present or future officer, director, employee or agent of the Trustee in any such person's individual capacity, and no such person, in his individual capacity, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulation, covenant, agreement or obligation. All immunities and protections and rights to indemnification of the Trustee and its officers, directors, employees and agents, together with the Trustee's rights to compensation, shall survive the Trustee's resignation or removal and final payment of the Bonds.

(o) Notwithstanding anything else herein contained, (i) the Trustee shall not be liable for any error or judgment made in good faith unless it is proven that the Trustee was negligent in ascertaining the pertinent facts, and (ii) no provisions 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 believes the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(p) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders of the Bonds, each representing less than a majority in aggregate principal amount of the Bonds Outstanding, the Trustee, in its sole discretion, may determine what action, if any, shall be taken.

(q) The Trustee shall have no responsibility for any registration, filing, recording, refiling or rerecording of this Indenture or any other document or instrument executed in connection with this Indenture and the issuance and sale of the Bonds, including, without limitation, any financing statements or continuation statements with respect thereto.

(r) To the extent that it is necessary for the Trustee to determine whether any Person is a Beneficial Owner, the Trustee shall make such determination based on a certification of such Person (on which the Trustee may conclusively rely) setting forth in satisfactory detail the principal balance and Bond certificate owned and any intermediaries through which such Bond certificate is held. The Trustee shall be entitled to rely conclusively on information it receives from DTC or other applicable Securities Depository, its Participants and the indirect participating brokerage firms for such Participants with respect to the identity of a Beneficial Owner. The Trustee shall not be deemed to have actual or constructive knowledge of the books and records of DTC or its Participants.

(s) The Trustee shall have no obligation or duty to review any financial statements (audited or otherwise) filed with it and shall not be deemed to have notice of the content of such statements or a default based on such content and shall have no obligation or duty to verify the accuracy of such statements.

(t) The Trustee shall have no responsibility with respect to any information in any offering memorandum or document or disclosure material relating to the Bonds or for compliance with securities laws in connection with the issuance and sale of the Bonds.

Section 8.02. **Successor Trustee.**

Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate 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, shall be and become successor Trustee hereunder and vested with all of the title to the Pledged Property and 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 8.03. **Resignation by Trustee; Removal.**

The Trustee may at any time resign from the trusts hereby created by giving sixty (60) days' written notice to the Authority, to the Borrower and to each Bondholder, but such resignation shall not take effect until the appointment of a successor Trustee, acceptance by the successor Trustee of such trusts and assignment to such successor Trustee of the rights of the predecessor Trustee under the Borrower Security Instruments. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee, the Authority and the Borrower and signed by the Authority or a Majority of the Bondholders, but such removal shall not take effect until the appointment of a successor Trustee and acceptance by the successor Trustee of such trusts. The Trustee may also be removed at any time for any breach of trust, or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture or any other Basic Agreement with respect to the duties and obligations of the Trustee, by any State court of competent jurisdiction upon the application of the Authority, the Borrower or a Majority of the Bondholders.

Section 8.04. **Appointment of Successor Trustee.**

If the Trustee hereunder shall resign or be removed, or be dissolved, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the Authority with the consent of the Borrower. If the Authority does not appoint a successor Trustee within forty-five (45) days of the Trustee providing notice of its resignation, the Trustee may petition a State court of competent jurisdiction to appoint a successor Trustee. At any time within one (1) year after any such vacancy shall have occurred and provided a court has not appointed a successor Trustee as provided above, a Majority of the Bondholders may appoint a successor Trustee by an instrument or concurrent instruments in writing signed by or on behalf of such Holders, which appointment shall supersede any Trustee theretofore appointed by the Authority. Each successor Trustee shall be a trust company or bank having the powers of a trust company that is in good standing and has a reported capital, surplus and undivided profits of not less than $100,000,000. Any such successor Trustee shall become Trustee upon giving notice to the Borrower, the Authority and the Bondholders, if any, of its acceptance of the appointment, vested with all the property, rights and powers of the Trustee hereunder, without any further act or conveyance. Any predecessor Trustee shall execute, deliver and record and file such instruments as the Trustee may reasonably require to confirm or perfect any such succession.

Section 8.05. **Dealing in Bonds.**

The Trustee and any of its directors, officers, employees or agents may become the owners of any or all of the Bonds secured hereby with the same rights as if such owner were not the Trustee or an affiliate of the Trustee.

Section 8.06. **Trustee as Bond Registrar; List of Bondholders.**

The Trustee is hereby designated as bond registrar for the Bonds and, as such, will keep on file a list of names and addresses of the Holders of all Bonds; *provided, however*, that the Trustee shall be under no responsibility with regard to the accuracy of the address of any Bondholder. At reasonable times and under reasonable regulations established by the Trustee, such list may be inspected and copied by the Authority or by owners (or a designated representative thereof) of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 8.07. **Successor Trustee as Custodian of Funds, Bond Registrar and Paying Agent.**

In the event of a change in the office of Trustee, the predecessor Trustee that has resigned or been removed shall cease to be custodian of any funds it may hold pursuant to this Indenture, and shall cease to be the bond registrar and Paying Agent for any of the Bonds, and the successor Trustee shall become such custodian, bond registrar and Paying Agent.

Section 8.08. **Adoption of Authentication.**

In case any Bonds shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of the predecessor Trustee and deliver the Bonds as so authenticated.

Section 8.09. **Designation and Succession of Paying Agents.**

After thirty (30) days' written notice to the Authority and subject to the Authority's approval (which shall not be unreasonably withheld or delayed), the Trustee may designate any other banks or trust companies as Paying Agent. Any bank or trust company with or into which any Paying Agent other than the Trustee may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor to such Paying Agent for the purposes of this Indenture. If the position of such Paying Agent shall become vacant for any reason, the Trustee shall, within thirty (30) days thereafter, appoint a bank or trust company located in the same state as such Paying Agent to fill such vacancy, subject to the Authority's approval (which shall not be unreasonably withheld or delayed). The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in Section 8.01 hereof with respect to the Trustee, insofar as such provisions may be applicable.

Section 8.10. **Trustee to Retain Information; No Responsibility.**

So long as any of the Bonds shall be Outstanding, the Trustee shall retain all certificates, all financial statements and all other written information furnished to it by or on behalf of the Authority, the Borrower or any other Person under this Indenture, the Loan Agreement and the other Basic Agreements and shall make such documentation available for review after reasonable notice during regular business hours at the Principal Office of the Trustee to the Authority, the Borrower, any Bondholder and, so long as the Bonds are held by DTC or other Securities Depository or its nominee, any Beneficial Owner of Bonds presenting evidence of such ownership reasonably satisfactory to the Trustee. The Trustee shall permit such reviewers to take copies of all or any part of such documentation, subject to their payment of such reasonable copying and handling charges as the Trustee may impose. Unless otherwise expressly provided, the Trustee shall not have any responsibility with respect to any such reports, notices, certificates, financial statements and other written information furnished to it hereunder, except to make them available for inspection at reasonable times as provided above.

Section 8.11. **Certain Notices to Rating Agencies and Bondholders.**

The Trustee shall give or cause to be given to each Rating Agency then rating the Bonds notice of (i) any change in the identity of the Trustee, (ii) any amendment of or supplement to this Indenture, (iii) any optional redemption, mandatory redemption (other than scheduled redemptions), defeasance or acceleration of the Bonds, and (iv) the occurrence of any Event of Default under this Indenture. For the purpose of this Section 8.11, the addresses of the Rating Agencies shall be the following (or in each case such other address as the Rating Agency has specified to the parties hereto):

Moody's Investors Service, Inc.
7 World Trade Center at 250 Greenwich Street
Municipal Structured Product Group – 23rd Floor
New York, New York 10007
Fax: 212-553-1066
MSPGSurveillanceGroup@Moodys.com

S&P Global Ratings
55 Water Street – 38th Floor
New York, New York 10041
Attention: Public Finance Department Structured Finance Group

Fitch Ratings
One State Street Plaza
New York, New York 10004
Attention: Municipal Structured Finance

Section 8.12. **Compensation and Indemnification.**

The Authority shall pay to the Trustee (solely from Additional Loan Payments) from time to time reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements, and those of its attorneys, agents and employees incurred in and about the performance of its powers and duties under this Indenture. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of Article VII hereof shall first be applied to payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses (including reasonable attorneys' fees and expenses), liabilities and advances owing to or incurred or made by the Trustee and, thereafter, shall be deposited and applied as set forth in Section 7.05 hereof.

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 its rights or powers, if it has not received the agreed compensation for such services or, in cases where the Trustee has a right to reimbursement or indemnification for such performance or exercise, 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.

The Authority hereby agrees, to the extent permitted by law, to reimburse and hold harmless the Trustee from and against any and all claims, damages, losses, liabilities, costs or reasonable expenses whatsoever that the Trustee may incur in connection with the performance by the Trustee of its obligations under this Indenture; *provided, however*, that the Authority shall not be required to reimburse and hold harmless the Trustee for any claims, damages, losses, liabilities, costs or expenses caused in whole or in part by the Trustee's negligence, bad faith, breach of contract or willful misconduct arising out of or as a result of the Trustee's performing its obligations hereunder or undertaking any transaction contemplated hereby; and *further provided*, that the foregoing is subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 *et seq.*, and the New Jersey Contractual Liability Act, N.J.S.A.

59:13-1 *et seq*. While the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq*., is not applicable by its terms to claims arising under contracts with the Authority, the Trustee, by accepting its appointment as such hereunder, agrees that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims against the Authority arising under this Section 8.12.

The Trustee, by accepting its appointment as such under this Indenture, agrees that the Trustee: (i) shall give the Authority prompt notice in writing of any actual or potential claim described above, and the institution of any suit or action; (ii) shall not adjust, settle or compromise any such claim, suit or action without the consent of the Authority; and (iii) shall permit the Authority, at the Authority's sole discretion, to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action.

The indemnification provided in this Section 8.12 does not apply to or extend to any indemnification that may be given by the Trustee to any other Person, if any.

ARTICLE IX

SUPPLEMENTAL INDENTURES AND WAIVERS; AMENDMENT OF LOAN AGREEMENT

Section 9.01. **Supplemental Indentures Not Requiring Consent of Bondholders.**

The Authority and the Trustee may, without the consent of or notice to any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture if Bond Counsel delivers an opinion that the provisions of such supplemental indenture do not materially adversely affect the interests of the Bondholders, including, without limitation, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Indenture;

(b) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee;

(c) to subject to this Indenture additional revenues, properties or collateral;

(d) to modify, amend or supplement this Indenture or any indenture supplemental hereto in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as 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 of the states of the United States of America;

(e) to evidence the appointment of a successor Trustee or a new Trustee hereunder;

(f) to correct any description of, or to reflect changes in, any of the properties comprising the Pledged Property;

(g) to make any revisions of this Indenture that shall be required by Fitch, Moody's or S&P in order to obtain or maintain an investment grade rating on the Bonds;

(h) to provide for an uncertificated system of registering the Bonds or to provide for changes to or from the book-entry system;

(i) to effect any other change herein that, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders; or

(j) to conform this Indenture to the terms and provisions of a Swap Agreement that is to be secured on parity with the Bonds.

In the event any Rating Agency has issued a rating that is outstanding on any of the Bonds, such Rating Agency or Rating Agencies, as the case may be, shall receive prior written notice from the Trustee of the proposed amendment, but such notice shall not be a condition of the effectiveness of such amendment.

Section 9.02. **Supplemental Indentures Requiring Consent of Bondholders.**

Exclusive of supplemental indentures permitted by Section 9.01 hereof and subject to the terms and provisions contained in this Section 9.02, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Outstanding Bonds shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; *provided, however*, that nothing in this Section 9.02 or in Section 9.01 hereof contained shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of, or the interest on, any Bond issued hereunder, or (b) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon, 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 the Bonds required for consent to such supplemental indentures or any modifications or waivers of the provisions of this Indenture or the Loan Agreement, or (e) the creation of any lien ranking prior to or on a parity with the lien of this Indenture on the Pledged Property or any part thereof, except as hereinbefore expressly permitted, or (f) the deprivation of the owner of any Outstanding Bond of the lien hereby created on the Pledged Property, or (g) an extension of the date for making any scheduled mandatory redemption under Section 4.01(c) hereof.

If at any time the Authority shall request the Trustee, in writing, to enter into any such supplemental indenture for any of the purposes of this Section 9.02, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given to the Bondholders in the same manner as provided in Section 4.03 of this Indenture for the giving of notices of redemption; *provided*, that prior to the delivery of such notice, the Trustee shall receive an opinion of Bond Counsel to the effect that the supplemental indenture complies with the provisions of this Indenture and will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. 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 Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Authority following such notice, the Holders 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 Bondholder 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 9.02 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

In the event any Rating Agency has issued a rating that is outstanding on any of the Bonds, such Rating Agency or Rating Agencies, as the case may be, shall receive prior written notice from the Trustee of the proposed amendment, but such notice shall not be a condition of the effectiveness of such amendment.

Section 9.03. **Borrower Consent.**

Anything herein to the contrary notwithstanding, a supplemental indenture under this Article IX shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution of any such supplemental indenture together with a copy of the proposed supplemental indenture to be mailed to the Borrower at least fifteen (15) Business Days prior to the proposed date of execution and delivery of any such supplemental indenture.

Section 9.04. **Opinion of Counsel.**

The Trustee and the Authority shall be entitled to receive, and shall be fully protected in conclusively relying upon, the opinion of any counsel approved by it, who may be counsel for the Authority, as conclusive evidence that a proposed supplemental indenture complies with the provisions of this Indenture, and that it is proper for the Trustee and the Authority, respectively, under the provisions of this Article IX, to join in the execution of such supplemental indenture.

Section 9.05. **Modification by Unanimous Consent.**

Notwithstanding anything contained elsewhere in this Indenture, the rights and obligations of the Borrower, the Authority, the Trustee and the Holders of the Bonds and the terms and provisions of the Bonds and this Indenture, any other Basic Agreement or any supplemental agreement may be modified or altered in any respect with the consent of the Borrower, the Authority, the Trustee and the Holders of all of the Bonds then Outstanding.

Section 9.06. **Execution of Amendments and Supplements by Trustee.**

The Trustee shall not be obligated to sign any amendment or supplement to this Indenture, the Loan Agreement or the Bonds pursuant to this Article IX if the amendment or supplement, in the judgment of the Trustee, could adversely affect the rights, duties, liabilities, protections, privileges, indemnities or immunities of the Trustee. In signing an amendment or supplement, the Trustee (subject to Section 8.01 hereof) shall be fully protected in conclusively relying on an opinion of Bond Counsel stating that such amendment or supplement is authorized by this Indenture and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

Section 9.07. **Amendments to Loan Agreement Not Requiring Consent of Bondholders.**

The Authority and the Trustee may, without the consent of or notice to any of the Bondholders, consent to any amendment, change or modification of the Loan Agreement as may be required or permitted (i) by the provisions of the Loan Agreement, (ii) for the purpose of curing any ambiguity or formal defect or omission in the Loan Agreement, (iii) so as to more

precisely identify the Project Facilities, (iv) to enter into an indenture or indentures supplemental hereto as provided in Section 9.01 hereof, (v) to make any revisions that shall be required by a Rating Agency in order to obtain or maintain an investment grade rating on the Bonds, or (vi) in connection with any other change therein that, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders.

Section 9.08. **Amendments to Loan Agreement Requiring Consent of Bondholders.**

Except for the amendments, changes or modifications as provided in Section 9.07 hereof, neither the Authority nor the Trustee shall consent to any other amendment, change or modification of the Loan Agreement without mailing of notice and the written approval or consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds; *provided*, that the written consent of the Holders of all Bonds Outstanding is required for any amendment, change or modification of the Loan Agreement that would permit the termination or cancellation of the Loan Agreement or a reduction in or postponement of the payments under the Loan Agreement or any change in the provisions relating to payment thereunder, except as provided in Section 9.01 hereof. If at any time the Authority and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Loan Agreement, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 9.02 hereof with respect to supplemental indentures; *provided*, that prior to the delivery of such notice or request, the Trustee or the Authority may require that an opinion of Bond Counsel be furnished to the effect that such amendment, change or modification complies with the provisions of this Indenture and will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Principal Office of the Trustee for inspection by all Bondholders.

ARTICLE X

MISCELLANEOUS

Section 10.01. **Consents, etc., of Bondholders.**

Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent documents and may be executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the written appointment of any such agent or 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 by it under such request or other instrument. The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by an officer authorized by law to take acknowledgments of deeds certifying that the Person signing such instrument or writing acknowledged to him the execution thereof. The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of owning the same shall be proved by the registration books of the Authority maintained by the Trustee pursuant to Section 3.05 hereof. The fact of beneficial ownership of Bonds in book-entry form, when required, shall be determined as provided in Section 8.01(r) hereof.

Section 10.02. **Limitation of Rights.**

With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any Person, other than the parties hereto and the Bondholders, any legal or equitable right, remedy or claim under or with respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Bondholders as herein provided.

Section 10.03. **Severability.**

If any provision of this Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 10.04. **Notices.**

All notices, certificates or other communications hereunder shall be sufficiently given and, except as provided in Section 8.01(h) hereof, shall be deemed to be delivered if in writing or in the form of a facsimile addressed to the appropriate Notice Address and if either (a) actually delivered at said address or (b) in the case of a letter, three (3) Business Days shall have elapsed after the same shall have been deposited in the United States mail, first-class postage prepaid and registered or certified. A copy of each notice, certificate or other communication given by any party hereto shall also be given to the other party hereto and to the Borrower in the manner provided for in this Section 10.04.

A duplicate copy of each notice required to be given hereunder by any Person listed above shall also be given to the others. The Authority, the Borrower and the Trustee may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Unless expressly set forth herein, all notices, certificates or other communications hereunder shall be in writing.

Section 10.05. **Payments Due on Saturdays, Sundays and Holidays.**

In any case where a Payment Date is not a Business Day, then payment of interest or principal and any redemption premium due on the Bonds on such day need not be made by the Trustee on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the Payment Date.

Section 10.06. **Extent of Authority Covenants; No Personal Liability.**

No covenant, stipulation, obligation or agreement of the Authority contained in this Indenture or any other Basic Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, director, officer, employee, counsel or agent of the Authority in his or her individual capacity; and no such person (including any such person executing the Bonds) shall be liable personally on the Bonds or be subject to any personal liability by reason of their issuance. No recourse shall be had by the Borrower, the Trustee or any Bondholder for any claim based on any Basic Agreement against any member, director, officer, employee, counsel or agent of the Authority alleging personal liability on the part of such person, unless such claim is based upon the willful dishonesty of or intentional violation of law by such person.

Section 10.07. **Bonds Owned by Authority or Borrower.**

In determining whether Holders of the requisite aggregate principal amount of the Bonds have concurred in any direction, consent or waiver under this Indenture or any other Basic Agreement, Bonds that are owned by the Authority or the Borrower (unless one or more of such Persons own all of the Bonds that are then Outstanding, determined without regard to this Section 10.07) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only Bonds that the Trustee knows are so owned shall be so disregarded. Bonds so owned that have been pledged in good faith may be regarded as Outstanding 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 Authority or the Borrower (unless one or more of such Persons own all of the Bonds that are then Outstanding, determined without regard to this Section 10.07). In case of a dispute as to such right, any decision by the Trustee taken in good faith upon the advice of counsel shall be full protection to the Trustee in accordance with its standards of performance hereunder.

Section 10.08. **Captions; Index.**

The captions, headings and index in this Indenture are for convenience only and in no way define or describe the scope or content of any provision of this Indenture.

Section 10.09. **Counterparts.**

This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 10.10. **Governing Law.**

This Indenture and the Bonds shall be governed by the laws of the State.

Section 10.11. **Compliance With Certain State Law Provisions.**

(a) In accordance with L. 2005, c. 92, the Trustee covenants and agrees that all services performed under this Indenture and any supplemental indenture shall be performed within the United States of America.

(b) 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 (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 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 at www.elec.state.nj.us.

(c) The Trustee represents and warrants that all information, certifications and disclosure statements previously provided in connection with L. 2005, c. 51, 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 L. 2005, c. 51, 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.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the Authority and the Trustee has caused this Indenture to be executed and delivered in its name and on its behalf by its authorized officer or authorized agent, all as of the date appearing on page 1.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

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

ATTEST:

By:_____
Steven P. Nelson
Assistant Secretary

U.S. BANK NATIONAL ASSOCIATION

By:_____
Paul D. O'Brien
Vice President

EXHIBIT A

INVESTMENT OBLIGATIONS

Investment Types

A. U.S. Treasury and other government obligations that carry the full faith and credit guarantee of the United States of America for the payment of principal and interest.

B. Federal agency or U.S. government sponsored enterprise 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.

I. Certificates of deposit of any bank, savings and loan or trust company organized under the laws of the United States of America 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, by the 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 that specifies securities eligible for purchase and resale and that provides the unconditional right to liquidate the underlying securities should the counterparty default or fail to provide full and 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 of America or any agency of the United States of America, 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 thereof.

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 shall 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 plus 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 the Authority and the borrowing institution.

In addition, the diversification parameters for investment agreements or guaranteed investment contracts are as follows:

- Investment agreements or guaranteed investment contracts with any financial institution whose senior long-term debt obligations, or whose obligations under such an investment agreement or guaranteed investment contract 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.

EXHIBIT B

FORM OF BOND

THE STATE OF NEW JERSEY IS NOT OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE OF NEW JERSEY IS PLEDGED TO THE PAYMENT OF, THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OF OR INTEREST ON THIS BOND. THIS BOND IS A SPECIAL AND LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY OUT OF REVENUES, FUNDS OR MONEYS OF THE AUTHORITY PLEDGED UNDER THE TRUST INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE TRUST INDENTURE FOR THE PAYMENT OF THE BONDS. THIS BOND DOES NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

REGISTERED **$_____**

R-__

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS,
STEVENS INSTITUTE OF TECHNOLOGY ISSUE, 2019 SERIES [C] [D]
[(TAX-EXEMPT)] [(FEDERALLY TAXABLE)] (GREEN BONDS)

Interest Rate	Maturity Date	Dated Date	CUSIP
___%	July 1, 20__	December __, 2019	646066___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, a body politic and corporate and a public instrumentality 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 on 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 specified above 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 December 1, 2019 (the "*Trust Indenture*"), by and between the Authority and U.S.

Bank National Association, Edison, New Jersey, as Trustee (the "*Trustee*"), until said PRINCIPAL AMOUNT is paid. Capitalized terms used but not otherwise defined herein shall have the meaning given to such terms in the Trust Indenture.

Method of Payment. The principal of and redemption premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America. Principal of and redemption premium, if any, on this Bond are payable upon presentation of this Bond to the Trustee. Interest on the Bonds shall be paid by the Trustee on the applicable Interest Payment Dates by check mailed by the Trustee to the respective Holders thereof on the applicable Record Date at their addresses as they appear as of the close of business on the applicable Record Date in the books kept by the Trustee, as bond registrar, except that in the case of a Holder of $1,000,000 or more in aggregate principal amount of such Bonds, upon the written request of such Holder to the Trustee, specifying the account or accounts (within the continental United States) to which such payment shall be made, such payments shall be made by the wire transfer of immediately available funds on the applicable Interest Payment Date following such Record Date. Any request referred to in the preceding sentence shall remain in effect until revoked or revised by such Holder by an instrument in writing delivered to the Trustee.

Authorization. This Bond is one of a duly authorized series of bonds of the Authority designated "Revenue Bonds, Stevens Institute of Technology Issue, 2019 Series [C] [D] [(Tax-Exempt)] [(Federally Taxable)] (Green Bonds)" (the "*Bonds*"), issued for the purpose of making a loan to The Trustees of the Stevens Institute of Technology, a New Jersey nonprofit corporation (the "*Borrower*"), to undertake a project consisting of: [(a) [Tax-Exempt Project Description]; (b) funding capitalized interest for the Bonds through [DATE], 20__; and (c) paying certain costs of issuing the Bonds.] [(a) [Taxable Project Description]; (b) funding capitalized interest for the Bonds through [DATE], 20__; and (c) paying certain costs of issuing the Bonds.] The loan will be made pursuant to the Loan Agreement, dated as of December 1, 2019 (the "*Loan Agreement*"), by and between the Authority and the Borrower.

Security. The Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Trust Indenture, pursuant to which the Pledged Property, including all payments due from the Borrower to the Authority under the Loan Agreement (other than certain indemnification payments and the payment of certain fees and expenses of the Authority), is pledged to the payment of the Bonds. Reference is hereby made to the Trust Indenture for a description of the Pledged Property and the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority, the Trustee and the REGISTERED OWNER of the Bonds, the terms upon which the Bonds are issued and secured and the terms upon which the Trust Indenture and the Loan Agreement may be amended or supplemented.

Interest. Interest shall be paid on the Bonds on each Interest Payment Date. Each Bond shall bear interest from and including the Interest Accrual Date immediately preceding the date of authentication thereof or, if such date of authentication is an Interest Accrual Date to which interest on such Bond has been paid in full or duly provided for, from such date of authentication or, if it is the first payment of interest on such Bond, the date thereof. However, if, as shown by the records of the Trustee, interest on the Bonds is in default, Bonds issued in exchange for Bonds surrendered for registration of transfer or exchange shall bear interest from the date to

which interest has been paid in full on the Bonds so surrendered or, if no interest has been paid on such Bonds, from the date thereof.

Interest on the Bonds shall accrue on the basis of a 360-day year based on twelve 30-day months.

Redemption. The Bonds are subject to optional, extraordinary optional and mandatory sinking fund redemption prior to their stated maturity as provided in the Trust Indenture.

Limitation on Rights; Acceleration; Modifications. The REGISTERED OWNER of this Bond shall have no right to enforce the Trust Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Trust Indenture, the principal of all the Bonds issued under the Trust 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 to the Bonds or the Trust Indenture may be made only to the extent and in the circumstances permitted by the Trust Indenture.

Special and Limited Obligations. The Bonds are not general obligations of the Authority, but special and limited obligations payable solely from the Pledged Property. No owner of any Bonds has the right to compel any exercise of taxing power (if any) of the State of New Jersey or of any political subdivision thereof, including the Authority, to pay the Bonds or the interest thereon, and the Bonds do not constitute an indebtedness or a loan of credit of the State of New Jersey or of any political subdivision thereof, including the Authority, within the meaning of any constitutional or statutory provisions. The Authority has no taxing power.

Additional Provisions. Reference is hereby made to the Trust Indenture and the Loan Agreement, each of which is on file and may be inspected during regular business hours at the principal corporate trust office of the Trustee, for a description of the security for the Bonds and for the provisions thereof with respect to the rights, limitations of rights, duties, obligations and immunities of the Authority, the Borrower, the Trustee and the REGISTERED OWNER hereof.

This Bond shall not constitute the personal obligation, either jointly or severally, of any member, director, officer, employee or agent of the Authority.

The Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of New Jersey, including, particularly, the New Jersey Educational Facilities Authority Law, P.L. 1967, c. 271, as amended and supplemented (the "*Act*"), and pursuant to a resolution duly adopted by the Authority on August 20, 2019, which authorizes, among other things, the execution and delivery of the Loan Agreement and the Trust Indenture.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Trust Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to the execution and delivery of the Trust 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; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Authority, do not exceed or violate any constitutional or statutory limitation; and that the amounts payable under the Loan Agreement and pledged to the payment of the principal of and redemption premium, if any, and interest on this Bond and the issue of which it forms a part, as the same become due, will be sufficient in amount for that purpose.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the New Jersey Educational Facilities Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its Executive Director and its official common seal to be impressed or printed hereon and attested by the manual or facsimile signature of an Assistant Secretary.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

[SEAL]

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

ATTEST:

By:_____
Steven P. Nelson
Assistant Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Trust Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By:_____
Authorized Signatory

Date of Authentication: December __, 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:_____

NOTICES: This signature to this assignment must correspond with the name as it appears upon the fact 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_____

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING AMENDMENTS TO THE EMPLOYEE POLICY MANUAL

Adopted: August 20, 2019

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") was created pursuant to the New Jersey Educational Facilities Authority Law, P.L. 1967, c. 271, N.J.S.A. 18A:72A-1 et seq., as amended and supplemented (the "Act") and authorized to issue its obligations to provide a means for New Jersey public and private colleges and universities to obtain financing to construct educational facilities as defined in the Act; and

WHEREAS: The Authority's Employee Policy Manual (the "Manual") was adopted on January 24, 2001, and certain sections of the Manual were amended and revised from time to time; and

WHEREAS: Effective July 1, 2019, N.J.A.C. 4A:1-13 was amended by R.2019 d.072, revising the definition of "Immediate Family"; and

WHEREAS: The Authority has determined that it is in the best interest of the Authority to amend Section 325 of the Manual regarding the Authority's policy on sick leave benefits to conform to the amended definition of "Immediate Family" as to conditions for use of sick leave benefits by an Authority employee for immediate family; and

WHEREAS: P.L. 2019, Chapter 129, concerning donated leave for State employees and supplementing Title 11A of the New Jersey Statutes, was approved on June 21, 2019; and

WHEREAS: The Authority has determined that it is in the best interest of the Authority to amend Section 335 of the Manual to conform to P.L. 2019, Chapter 129 as to the criteria that Authority employees shall satisfy to be eligible to receive or donate sick or vacation leave.

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

SECTION 1. Section 325 of the Authority's Employee Policy Manual pertaining to sick leave benefits is hereby revised as set forth in **EXHIBIT A**, attached hereto and made a part hereof.

SECTION 2. Section 335 of the Authority's Employee Policy Manual pertaining to the Authority's Donated Leave Program is hereby revised as set forth in **EXHIBIT B**, attached hereto and made a part hereof.

SECTION 3. The Executive Director, the Deputy Executive Director, and the Director in Charge of Human Resources, including any serving in an interim or acting capacity, are hereby authorized and directed to take all necessary and appropriate steps to implement these amendments and to reflect such amendments in the Manual.

SECTION 4. This Resolution shall take effect in accordance with the Act.

____ Mr. Hutchinson ____ 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: Joshua Hodes
Ridgeley Hutchinson
Elizabeth Maher Muoio (represented by David Moore)
Louis Rodriguez
Zakiya Smith Ellis (represented by Angela Bethea)

NAY: None

ABSTAIN: None

ABSENT: None

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

325 Sick Leave Benefits

Effective Date: 1/29/2001
Revision Dates: 5/23/2007; 12/17/2014; 3/3/2016; 6/27/2017; 8/20/2019

ELIGIBILITY FOR SICK LEAVE BENEFITS

NJEFA provides paid sick leave benefits to all Full-Time and all Regular Part-Time employees for periods of temporary absence due to illnesses or injuries. Temporary Part-Time employees are not eligible for paid sick leave.

SICK LEAVE BENEFITS – GENERAL

Sick leave benefits are intended solely to provide income protection in certain specified circumstances outlined in detail below. Should an employee use all of his or her available sick leave, he or she must use available vacation leave, administrative leave, and/or unpaid leave for future absences.

Eligible employees will accrue sick leave benefits at the rate of 15 days per year (1.25 days for every full month of service). Accrual of sick leave benefits will be prorated during an employee's initial year of employment with NJEFA in consideration of the calendar months remaining in the calendar year at the outset of employment and accrual will be prorated for Regular Part-Time employees.

All sick leave earned but not used at the end of the calendar year automatically accrues to the benefit of the employee and is available for future use. No limitation is placed on the number of days that may be carried over into subsequent years.

Unused sick leave benefits will not be paid to employees while they are employed or upon termination of employment, except at normal retirement as provided by Policy #375 and in accordance with the terms of the New Jersey Public Employees' Retirement System (PERS).

CONDITIONS FOR USE OF SICK LEAVE BENEFITS

Eligible employees may use sick leave benefits for absences due to any of the six categories listed below.

1. Personal Illness/Injury

   Employee's personal illness which prevents him/her from performing his/her job,

or which requires medical consultation.

2. Bereavement

Death in employee's family

a. Immediate family - A maximum of 5 days will be allowed.

Immediate family is defined to include an employee's spouse, domestic partner (see section 4 of P.L. 2003, c.246), civil union partner, child, legal ward, grandchild, foster child, father, mother, legal guardian, grandfather, grandmother, brother, sister, father-in-law, mother-in-law, and other relatives residing in the employee's household or any other individual whose close association with the employee is the equivalent of a family relationship, such as a step-relative.

b. Relative other than immediate family - One day may be utilized to attend the funeral.

3. Family Illness/Injury

Illness of a member of the employee's immediate family (defined in 2.a. above), which requires the employee's personal care and attention.

4. Contagious

Employee's contact with or exposure to a contagious disease, rendering the employee's presence at work hazardous to others.

5. Medical/Dental Appointment of Employee/Family Member

Employee's or family member's (as defined in 2.a. above) necessary medical or dental appointments that cannot be scheduled during non-working hours.

6. Disability Aid

Acquisition or use of an aid for disability by an employee with a disability when the aid is necessary to function on the job. In such cases, reasonable proof may be required.

PROCEDURE FOR REQUESTING AND APPROVING SICK DAYS

Employees are responsible for following proper procedures in requesting sick leave. All requests for sick leave should be submitted as soon as possible to the employee's direct supervisor for approval. The direct supervisor shall notify the Human Resources Manager of approved requests for sick leave.

Content of Sick Day Request

The request for a sick day should state the date requested and if the request is for less than one day, then the increment of time requested. Paid sick leave can be used in minimum increments of a quarter day.

The Human Resources Manager and the employee's direct supervisor shall review the contents of the sick day request for conformance to the requirements of this Policy.

Scheduling Medical and Dental Appointments

Employees are encouraged to submit a sick day request as soon as possible in advance of the appointment. Employees are encouraged to minimize missed work time by scheduling such appointments, particularly for non-emergency examinations, as early or as late in the day as possible.

On partial sick days, an employee is expected to report to work in the office for the portion of the work day in which no sick leave was requested.

STATEMENT FROM HEALTH CARE PROVIDER

Sick Leave Absence of 5 or More Consecutive Days

A statement from a health care provider, verifying that absence from work is medically necessary, must be provided if an employee is absent for five or more consecutive days due to illness or injury. The statement must also provide the beginning and expected ending dates.

Sick Leave Absence in a 12 Month Period

If a direct supervisor or the Human Resources Manager believes that sick leave is being abused, the Human Resources Manager will administer and apply the following parameters when placing employees on notice that a statement from a healthcare provider may be required to support future sick leave absences:

1. Employees who have used 11-15 sick days within a 12 month period shall be verbally counseled and reminded about the prudent use of sick leave.

2. Employees who have used 16-17 sick days within a 12 month period shall be verbally counseled and reminded that they could have been placed on notice that future sick leave absences may require a statement from a healthcare provider.

3. Employees who have used 18 or more sick days within a 12 month period shall be placed on notice that future sick leave absences shall require a statement from a healthcare provider to support future sick leave absences.

Sick leave use shall be reviewed every January and July. The number of sick days shall be calculated based upon the prior 12 month period. Note that the following types of sick leave are not included as part of the calculation: sick leave that is protected by FMLA and/or FLA, absences of 5 or more consecutive business days (as the employee is required to provide medical documentation to return to work), and bereavement days. Sick leave for medical/dental appointments are to be included in this calculation.

Examination by Physician

NJEFA may require an employee to be examined by a physician designated and compensated by NJEFA as a condition of the employee's continuation of sick leave or return to work. Such examination shall establish whether the employee is capable of performing his or her work duties and whether the employee's return to work would jeopardize the health of the employee or that of other employees. The NJEFA shall set the date of the examination to assure that it does not cause undue delay in the employee's return to work.

CONFIDENTIALITY

NJEFA respects the confidentiality of employee medical information and will take reasonable precautions to protect such information from inappropriate disclosure.

If it becomes necessary for an employee to provide confidential medical information in support of a sick leave request, an employee may provide such information to the Human Resources Manager instead of the employee's direct supervisor.

Managers and other employees have a responsibility to respect and maintain the confidentiality of employee medical information.

Exceptions to Conditions of Confidentiality

In accordance with the Americans with Disabilities Act, 42 U.S.C. 12101 et seq., information obtained pursuant to this section regarding the medical condition or history of an employee shall be collected and maintained on separate forms and in separate medical files and treated as a confidential medical record, **except** that:

1. Such information shall be available to appropriate NJEFA representatives in connection with inquiries into the ability of an employee to perform job-related functions;

2. Direct supervisors and managers may be informed regarding necessary restrictions on the work or duties of the employee and necessary accommodations;

3. Authorized first aid and safety personnel may be informed, when appropriate, if the condition might require emergency treatment, or if any specific procedures are needed in the case of fire or other evacuation; and

4. Government officials investigating compliance with the Americans with Disabilities Act, or any other Federal or State law prohibiting discrimination on the basis of disability or handicap, shall be provided relevant information on request.

MISCELLANEOUS

The Director in charge of Human Resources may administer Policy #325 in the absence of, or in conjunction with, the Human Resources Manager.

Sick leave may interact with other laws and benefits, such as FMLA, FLA, NJPLF and disability, and should be coordinated through Human Resources.

For procedures regarding medical leave and family leave, please refer to Policy #600 and #605, respectively.

Abuse of sick leave will be considered as a disregard for this policy and will be subject to disciplinary action as described in Policy #725.

In consultation with the Human Resources Manager as necessary, any questions regarding eligibility of specific circumstances for sick leave will be decided by the Executive Director, the Deputy Executive Director, or the Director in charge of Human Resources.

335 Donated Leave Program

Effective Date: 2/28/2001
Revision Date: 5/23/2007; 8/20/2019

Eligibility

An NJEFA employee shall be eligible to receive donated sick or vacation leave ("Donated Leave Program") if the employee:

1. Has completed at least one year of continuous Authority service;

2. Has exhausted all accrued sick, vacation and administrative leave, all sick leave injury benefits, if any, and all compensatory time off;

3. Has not, in the two-year period immediately preceding the employee's need for donated leave, been disciplined for chronic or excessive absenteeism, chronic or excessive lateness, or abuse of leave; and

4. Meets one of the following criteria:

   a. Suffers from a catastrophic health condition or injury (as hereinafter defined);

   b. Is needed to provide care to a member of the employee's immediate family who is suffering from a catastrophic health condition or injury (as hereinafter defined):

   c. Needs to attend to matters relating to the death of an immediate family member (The definition for immediate family member and the number of days permitted for such is set forth in Policy #325 Sick Leave Benefits);

   d. Requires absences from work due to the donation of an organ, including, but not limited to, the donation of bone marrow; or

   e. Requires absence from work during a period of disability due to the pregnancy of the employee which requires the care of a physician who provides a medical verification of the need for the employee's absence from work for 30 or more work days, regardless of whether the absence from work commences before the expected delivery date or after the actual delivery date.

Catastrophic Health Condition or Injury – Definition

1. With respect to an employee, a catastrophic health condition or injury means:

a. A life-threatening condition or combination of conditions; or

b. A period of disability required by the employee's mental or physical health or the health of the employee's fetus which requires the care of a physician who provides a medical verification of the need for the employee's absence from work for 60 or more work days; and

2. With respect to an employee's immediate family member, a catastrophic health condition or injury means:

a. life-threatening condition or combination of conditions; or

b. A period of disability required by such immediate family member's mental or physical health which requires the care of a physician who provides a medical verification of the need for the immediate family member's care by the employee for 60 or more work days.

Requesting and Donating Leave

An employee may request that the Authority approve the employee's participation in the Donated Leave Program, as a leave recipient or leave donor.

Leave Recipient

The employee's supervisor may make such a request on behalf of the employee for the employee's participation in the Donated Leave Program as a leave recipient.

The employee or supervisor requesting the employee's acceptance as a leave recipient shall submit to the Authority medical verification from a physician or other licensed health care provider concerning the nature and anticipated duration of the disability resulting from serious health condition or injury, the donation of an organ, or pregnancy, as the case may be. NJEFA has the right to request the opinions of additional health care providers if it has reason to doubt the validity of the verification provided by the employee.

When the Authority has approved an employee as a leave recipient, the Authority shall, with the employee's consent, or the consent of the employee's family if the employee is unable to consent, post or circulate the employee's name along with those of other eligible employees in a conspicuous manner ("Posting Requirement") to encourage the donation of leave time.

A leave recipient shall receive at least five sick days or vacation days or a combination thereof from one or more leave donors to participate in the Donated Leave Program.

A leave recipient shall receive no more than 260 sick days or vacation days and shall not receive any such days on a retroactive basis.

Leave Donor

A leave donor shall donate only whole sick days or whole vacation days and may not donate more than 30 such days to any one recipient.

At the time of leave donation, a leave donor shall have remaining at least 20 days of accrued sick leave if donating sick leave and at least 12 days remaining of accrued vacation leave if donating vacation leave.

A leave donor cannot revoke the leave donation.

If a leave donor is not in the same department or autonomous agency as the leave recipient, appropriate arrangements shall be made between the affected appointing authorities to verify donor eligibility and adjust leave records. The Posting Requirement shall be limited to the recipient's appointing authority.

Donated Leave Time

While using donated leave time, the leave recipient shall accrue sick leave and vacation leave and be entitled to retain such leave upon the leave recipient's return to work.

Any unused, donated leave shall be returned to the leave donors on a prorated basis upon the leave recipient's return to work, except that if prorating leave days results in less than one day per donor to be returned, that leave time shall not be returned.

Upon retirement, the leave recipient shall not be granted supplemental compensation on retirement for any unused sick days which the leave recipient received through the Donated Leave Program.

Miscellaneous

An employee shall be prohibited from threatening or coercing, or attempting to threaten or coerce, another employee for the purpose of interfering with rights involving donating, receiving, or using dated leave time. The acts prohibited shall include, but not be limited to, promising to confer a benefit such as an appointment or promotion, or making a threat to engage in an act of retaliation against an employee.

The Authority may suspend or terminate the Donated Leave Program at any time upon 30 days written notice of such suspension or termination to all affected employees.

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY APPROVING THE APPOINTMENT OF AN ARBITRAGE COMPLIANCE SERVICE PROVIDER

Adopted: August 20, 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 and supplemented (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 Authority has determined that is it advisable to retain the services of one or more arbitrage compliance service providers to provide complete arbitrage compliance service for bonds and notes for a three (3) year period with two (2) additional successive periods of twelve (12) months each at the Authority's discretion; and

WHEREAS: In accordance with the terms and provisions of EO 26 and EO 37, the staff of the Authority distributed a Request for Proposals for Arbitrage Compliance Services dated July 18, 2019, (the "RFP", attached hereto as **EXHIBIT A**), seeking proposals from qualified vendors by posting the RFP on the Authority's and State's websites, advertising the solicitation in the *Star-Ledger* and the *Trenton Times,* and distributing the RFP to a list of thirteen (13) firms; and

WHEREAS: The Authority formed an Evaluation Committee consisting of the Authority's Director of Finance/Controller and Accounting Manager in accordance with Paragraph 13 of EO 37; and

WHEREAS: The Authority received responses to the RFP from two (2) firms (the "Proposals"); and

WHEREAS: The Evaluation Committee reviewed each of the Proposals on the basis of the criteria set forth in the RFP, including qualifications and experience, expertise,

price, quality of reports and the proposed approach to the services described in the RFP, references, and presence in New Jersey, and in conformity with EO 26 and EO 37, has determined that it would be in the best interests of the Authority to accept the Proposals of BLX Group LLC and Hawkins Delafield & Wood LLP under the terms and conditions set forth in this Resolution and the RFP; and

WHEREAS: The Authority desires to authorize and approve the appointment of BLX Group LLC and Hawkins Delafield & Wood LLP under the terms and conditions set forth in this Resolution and the RFP to provide arbitrage compliance services for a period of three (3) years, commencing on the effective date of this Resolution, with two (2) additional successive periods of twelve (12) months each at the Authority's discretion 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 appointment and engagement of BLX Group LLC and Hawkins Delafield & Wood LLP to provide arbitrage compliance services for a period of three (3) years, commencing on the effective date of this Resolution with two (2) additional successive periods of twelve (12) months each at the Authority's discretion, subject to the terms and conditions set forth in this resolution, the RFP, and the Proposals, 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 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 and engagement of BLX Group LLC and Hawkins Delafield & Wood LLP as the Authority's Arbitrage Compliance Service Provider.

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

NAY: None

ABSTAIN: None

ABSENT: None

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

EXHIBIT A

New Jersey Educational Facilities Authority

REQUEST FOR PROPOSALS

FOR ARBITRAGE COMPLIANCE SERVICES

NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
building futures

103 College Road East, 2nd Floor
Princeton, NJ 08540

July 18, 2019

Question & Answer Cut-Off Date: July 25, 2019

Proposals Due: August 2, 2019

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

REQUEST FOR PROPOSALS FOR

ARBITRAGE COMPLIANCE SERVICES

Date Issued: July 18, 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 is seeking proposals from qualified vendors to provide complete arbitrage compliance service for bonds and notes for a three-year period beginning September 1, 2019 through June 30, 2022 with two (2) additional successive periods of twelve (12) months each at the Authority's discretion. The Authority intends to select one or more service providers and assignments will be made on a case-by-case based on the circumstances of the particular issuance, the service provider's expertise, and the best interests of the Authority. The Authority reserves the right to re-assign current issues to existing providers.

3.0 MINIMUM REQUIREMENTS

A vendor must meet the following minimum requirements:

3.1 Bidders must be capable of servicing the account and meeting the required due dates for any number of issues. (Recent issuance has approximated 1-3 issues per year).

3.2 Bidder must have at least ten (10) years of experience providing arbitrage compliance services for bonds and notes of governmental issuers of municipal securities.

3.3 Key members of the Bidders team assigned to the Authority's account must have at least five (5) years of experience providing arbitrage compliance services for bonds and notes of governmental issuers of municipal securities.

3.4 Bidders must be in sound financial condition.

3.5 Bidders must have professional errors and omissions liability insurance coverage with limits of at least $5 million, underwritten by carriers acceptable to the Authority.

3.6 Bidders must have access to and/or affiliation with qualified tax attorneys.

Failure of a vendor to meet minimum requirements will result in immediate rejection of the vendor's proposal.

4.0 SCOPE OF SERVICES

The vendor selected for this engagement shall provide some or all of the services identified below at the request of the Authority:

4.1 Performance of all typical and routine duties associated with arbitrage calculations and reporting to the I.R.S.

4.2 Determination of eligibility for exceptions to rebate.

4.3 Calculation and reporting of the rebate liability (a) annually as of each June 30, and (b)

for fifth-year and final installment calculation dates.

4.4 Compliance with and calculation of yield restriction/yield reduction payment requirements (a) annually as of each June 30, and (b) for fifth-year and final installment calculation dates.

4.5 Fifth-year installment calculations and final calculations required by no later than two (2) weeks prior to IRS payment due dates.

4.6 Annual interim calculations showing the accrued rebate liability as of each June 30, beginning June 30, 2020, are required by no later than July 14 of each year. Annual interim calculations may be based upon investing activity occurring through the immediately preceding April 30, if necessary to meet the July 14 reporting deadline.

4.7 Preparation of required Internal Revenue Service forms and returns.

4.8 Assist the Authority as necessary in the event of an Internal Revenue Service inquiry/audit involving the computation of rebate or yield restriction with respect to any computation covered by the contract.

4.9 Provide consultation to Authority staff as necessary on matters related to the Internal Revenue Code Rebate Provisions.

4.10 Provide assistance and consultation as necessary for proper retention of arbitrage records and documentation by the Authority.

4.11 Provide training, webinars or seminars as necessary to Authority staff and/or its borrowers

4.12 Provide a legal opinion from a nationally recognized bond counsel firm as to the liability due to the I.R.S. under any of the arbitrage regulations. The opinion must include a statement that the calculation methodology used is consistent with current tax laws and regulations and may be relied upon by the Authority in determining its liability payments to the I.R.S.

4.13 Analyze reports to determine if reports are no longer needed due to other factors outside of the two-year exception to rebate.

The Firm's legal counsel is required to work with and be available to the Authority's legal counsel throughout the term of the contract. The Firm may be requested to address any post-issuance compliance inquiries by the Authority throughout the term of the contract.

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.

5.0 REQUIRED COMPONENTS OF THE VENDOR'S PROPOSAL IN RESPONSE TO THE REQUEST FOR PROPOSALS

Each vendor 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, must contain all of the information requested, and should submitted 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 vendor.

In responding to this RFP, please address the following areas:

5.1 Please provide 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(s) who will have primary responsibility for the engagement. Provide brief resumes including relevant experience for those individuals.

5.2 A description of your organization's capabilities, qualifications, and experience with performing arbitrage compliance services for governmental issuers of municipal securities with complex programs including, but not limited to, variable rate debt issues, swap transactions, transferred proceeds, hedges, other derivative structures, commingled funds, and pooled transactions.

5.3 A description of any affiliation or relationship with qualified tax attorneys who may provide an opinion of tax counsel. Provide brief resumes including relevant experience for those individuals.

5.4 A representative list of at least five (5) clients serviced by the referenced servicing location and a description of the services provided. Please provide a contact name and phone number for each listed client.

5.5 Evidence of satisfactory professional errors and omissions liability insurance coverage with limits of at least $5 million.

5.6 Evidence of the organization's sound financial condition (e.g. a copy of the most recent audited financial statements).

5.7 A copy of the organization's proposed engagement letter. **Please Note** that (a) the engagement letter must include by reference, all terms and conditions included in this Request For Proposal (the "RFP"), (b) the Authority is not permitted to provide indemnification in any form, and (c) any agreement must be subject to the laws of the State of New Jersey.

5.8 A copy of sample reports anticipated to be issued for this engagement, including bond yield calculation with a swap, transferred proceeds analysis, commingled funds analysis and any report with an associated investment agreement. Reports must include assumptions and methodology.

5.9 A copy of the opinion letters which would accompany each report – opinions to include one certifying the mathematical correctness of the calculations, accompanied by an opinion of tax counsel regarding compliance with applicable laws and regulations.

5.10 A brief description of the software used by your firm and the firm's ability to receive data and disseminate reports electronically.

5.11 Describe your firm's physical presence in the State of New Jersey, including number of offices, number of employees and the type of business activity conducted in the State.

5.12 Please describe the participation of women and minorities in your firm. Indicate the percentage of your firm that is owned by women and/or minorities.

5.13 Please provide any additional information or documentation that you feel will assist the Authority in evaluating your organization and its ability to service the Authority.

5.14 Please indicate the location where the services will be performed.

5.15 Please provide a copy of your firm's current New Jersey business registration certification (or interim registration).

5.16 Proposed Fees

Submit a comprehensive itemized list of services and the respective costs including the hourly rate charged for adhoc consulting services 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 vendor selected to provide services.

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.

Identify whether your firm's or any employee's ability to practice have been suspended or revoked by any federal, state or local government or agency thereof. If so, provide

the details leading to the suspension, the duration of the suspension and the dates the suspension began and the date of reinstatement.

5.18 Conflicts of Interest

Describe any actual or potential conflicts of interest that might arise if your firm is selected to serve as Arbitrage Compliance Provider 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 **thirty (30)** pages, not including materials in the Appendices.

Joint proposals are not permitted.

In order to be considered for appointment, your firm must submit one (1) original and (1) hard copy of your proposal addressing the specific requirements outlined herein by no later than **3:00 EDT on August 2, 2019** at the following location:

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
Attention: Brian Sootkoos
103 College Road East, Second Floor
Princeton, NJ 08540-6612

All inquiries related to this RFP must be received by **3:00 PM EDT on Thursday, July 25, 2019** and directed in writing via email or fax to:

Brian Sootkoos
Director of Finance
Email: Brian.Sootkoos@njefa.nj.gov
Facsimile: (609) 987-0850

If due to delivery service delay, a vendor's proposal is received after 3:00 PM EDT on Friday August 2, 2019, the proposal shall be deemed responsive provided the vendor submits proof that but for delivery service delay, the vendor's proposal would have been received by the Authority prior to the stated deadline.

All inquiries related to this RFP must be received by 3:00 PM Thursday, July 25, 2019 and directed in writing via email or fax to:

Brian Sootkoos
Director of Finance
Email: Brian.Sootkoos@njefa.nj.gov
Facsimile: (609) 987-0850

All inquiries must be received by **3:00 PM EDT on Thursday, July 25, 2019.** No vendor 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.

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 **Friday, July 26, 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 once the selection process is complete, in accordance with the "New Jersey Open Public Records Act" (N.J.S.A. 47:1A-1 et seq.), as amended and including all applicable regulations and policies and applicable case law, including the New Jersey Right-to-Know law

Any proprietary and/or confidential information in a vendor's proposal will be redacted by the Authority. A Proposer may designate specific information as not subject to disclosure pursuant to the exceptions to OPRA found at N.J.S.A. 47:1A-1.1, when the Proposer has a good faith legal and/or factual basis for such assertion. The Authority reserves the right to make the determination as to what is proprietary or confidential, and will advise the Proposer accordingly. The Authority will not honor any attempt by a Proposer to designate its entire proposal as proprietary, confidential and/or to claim copyright protection for its entire proposal. In the event of any challenge to the Proposer's assertion of confidentiality with which the Authority does not concur, the Proposer shall be solely responsible for defending its designation.

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.
- Capability for servicing the account and meeting the specified reporting deadlines;
- Overall arbitrage and yield restriction qualifications and experience of the firm and the individuals assigned to the account;
- Experience of the firm and individuals assigned the account with higher education issuing authorities and college and university clients;
- Analytical capabilities;
- Financial strength and reputation of the bidder;
- Satisfactory professional errors and omissions insurance coverage;
- Satisfactory form of engagement letter, reports and opinions;
- Performance on similar engagements;
- Access of organization to qualified tax attorneys and inclusion of tax attorney opinions with reports; and
- Capability to receive data and disseminate reports electronically.

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.

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 -Must be submitted with Proposal
The Ownership Disclosure form 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 - Must be submitted with Proposal
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 Brian Sootkoos, Director of Finance, 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.

PROPOSAL FOR
ARBITRAGE COMPLIANCE SERVICES

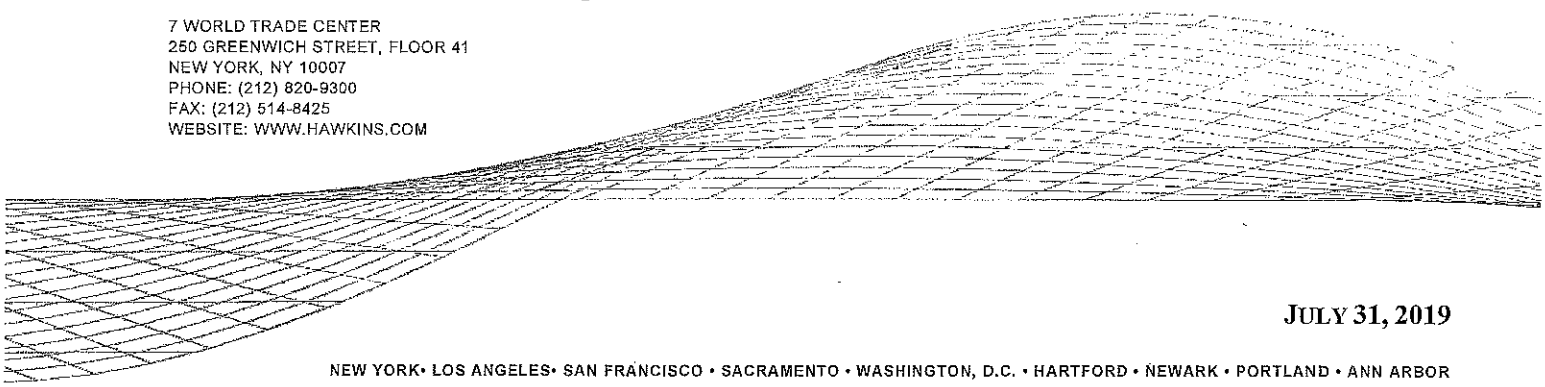
RESPECTFULLY SUBMITTED TO

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

Hawkins
DELAFIELD & WOOD LLP

Financial Analysis & Services Group

7 WORLD TRADE CENTER
250 GREENWICH STREET, FLOOR 41
NEW YORK, NY 10007
PHONE: (212) 820-9300
FAX: (212) 514-8425
WEBSITE: WWW.HAWKINS.COM



JULY 31, 2019

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Hawkins
DELAFIELD & WOOD LLP

PHONE: 212-820-9300
FAX: 212-514-8425

7 WORLD TRADE CENTER
250 GREENWICH STREET, FLOOR 41
NEW YORK, NY 10007
WWW.HAWKINS.COM

NEW YORK
WASHINGTON
NEWARK
HARTFORD
LOS ANGELES
SACRAMENTO
SAN FRANCISCO
PORTLAND
ANN ARBOR

July 30, 2019

Mr. Brian Sootkoos
Director of Finance
New Jersey Educational Facilities Authority
103 College Road East, Second Floor
Princeton, NJ 08540-6612

Re: Proposal for Arbitrage Compliance Services

Dear Mr. Sootkoos:

Hawkins Delafield & Wood LLP ("Hawkins") is pleased to have the opportunity to present the attached proposal to provide arbitrage compliance services ("Arbitrage Services") to the New Jersey Educational Facilities Authority (the "Authority"). Hawkins has a preeminent reputation and has played a predominant role in public finance law for more than a century. Our subject-matter expertise in public finance law, acting either as rebate consultant, bond counsel, underwriter's counsel, disclosure counsel or special counsel, along with our dedication and personal approach to our clients' concerns, distinguishes us from our competitors in the industry. The size and national scope of our public finance practice allow us to provide an unsurpassed level of Arbitrage Services that are tailored to the specific needs of public finance clients.

We have had the privilege of serving as an arbitrage compliance consultant to the Authority since 2003. In addition, certain of our bond and tax attorneys have had the privilege of serving as bond counsel to the Authority on many financings. We are particularly well-suited to provide arbitrage rebate computation services to the Authority because of our existing knowledge of the transactions, possession of related documents, and ability to formulate tax and methodological strategies in-house that will minimize the rebate liability of the Authority and its constituent borrowers to the fullest extent permitted by Federal tax law and regulations.

An executive summary of our Arbitrage Services is set forth below for your consideration:

- ***Extensive Arbitrage Experience:*** We have provided Arbitrage Services to public finance clients since 1982, when the arbitrage rebate requirements first became applicable to certain tax-exempt bonds. Our in-house arbitrage compliance group, the Financial Analysis & Services Group ("FAS"), is a part of our tax department. FAS employs professionals with finance, mathematics, statistics and engineering backgrounds. FAS professionals work closely with attorneys in our tax department. This close working relationship enables us to competently and efficiently undertake complex arbitrage analyses.
- ***Comprehensive Reports with a Hawkins Tax Opinion:*** Our reports are comprehensive, clear and concise. They include the methodology employed, major assumptions and conclusions, supporting schedules and, most importantly, a tax opinion signed by one of our partners.

- ***In-Depth Tax and Legal Expertise:*** We have the largest tax department in the nation dedicated to tax-exempt financings and are thoroughly versed in Federal tax requirements. We have ten tax attorneys, who provide advice on public finance tax law to state and local governmental entities and non-profit organizations throughout the nation. The tax attorneys who work with FAS have degrees and prior work experience in finance and engineering, in addition to tax law. This is one of many key attributes that distinguishes us from other rebate consultants.

- ***In-Depth Tax Audit Experience:*** We have substantial expertise in representing and advising issuers and conduit borrowers in IRS audits, examinations and inquiries. The size and formidable reputation of our tax department, together with the analytical experience and expertise of FAS, have proven to be a powerful combination in facilitating the IRS audit process.

- ***Arbitrage Mitigation and Advice:*** As part of our Arbitrage Services, we consider various elective and computational options and investment strategies which may be available to reduce rebate and yield restriction liabilities. We will ensure that our clients receive the best possible arbitrage advice.

- ***Value-Added Approach:*** We take a value-added approach in providing Arbitrage Services. Providing value means, among other things, minimizing costs, making arbitrage rebate and yield restriction compliance as administratively easy as possible for our clients, completing projects on time and minimizing the rebate and yield restriction liabilities of our clients to the extent permitted by the Federal tax law and regulations.

- ***Resources to Undertake Engagement:*** Our staffing resources and capacity are uniquely equipped to undertake and complete this engagement for the Authority in a timely and efficient manner. In addition to FAS and the tax and bond partners directly assigned to these matters, the full resources of the firm will be available if and when needed.

- ***Competitive Fees:*** One of our strengths is our track record for providing high quality Arbitrage Services at cost-effective rates. Having both tax and quantitative expertise and capabilities in-house has enabled us to develop our own programs which verify tax compliance matters relating to arbitrage, rebate and private activity. The quality and depth of our services are reflected in our competitive fees. Our fees are designed to ensure customer satisfaction.

- ***Big Player:*** We have real offices in six states and the District of Columbia and not "virtual" offices like some of our competitors. Our firm serves as bond counsel on public finance transactions totaling in excess of tens of billions of dollars and 300-400 bond financings each and every year. Since 1996, Hawkins has been consistently ranked by Thomson Reuters as one of the top two bond counsel firms in the nation. This hands-on experience, coupled with our broad bond law and tax law expertise, enables FAS to provide Arbitrage Services of the highest quality.

At your request, we would be pleased to visit and interview with the Authority to better present our qualifications and to allow the Authority's staff to meet the key members of our proposed arbitrage team.

If you require additional information or desire clarification of any part of the proposal, please contact Takashi Iwata, Managing Director of FAS, at (212) 820-9432 or email him at tiwata@hawkins.com or contact me at (212) 820-9410 or kwong@hawkins.com. It would be our privilege to assist the Authority in its Arbitrage Services efforts.

Sincerely,

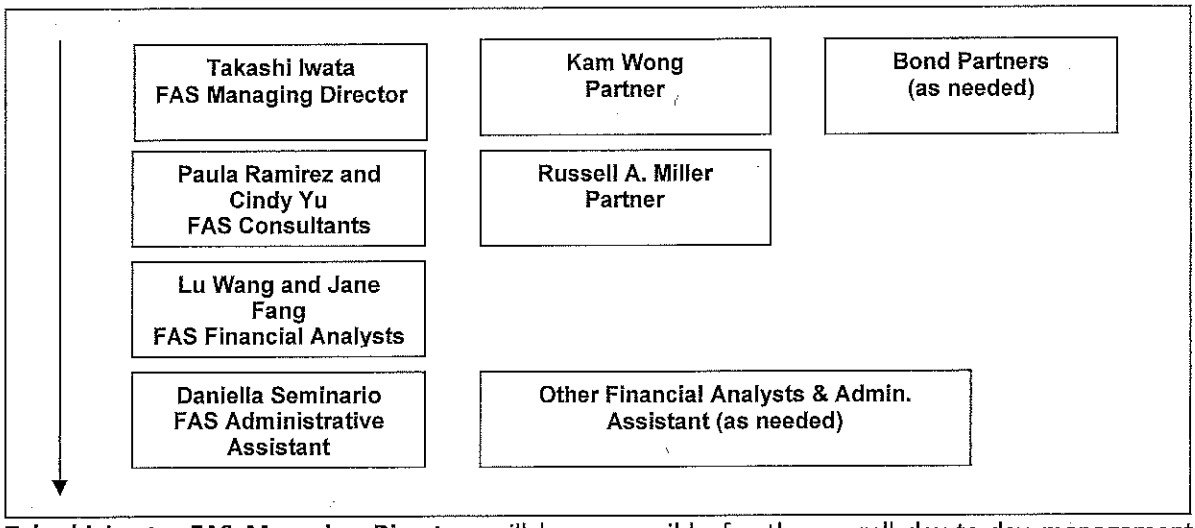
Kam Wong,
Partner

1. PLEASE PROVIDE 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(S) WHO WILL HAVE PRIMARY RESPONSIBILITY FOR THE ENGAGEMENT. PROVIDE BRIEF RESUMES INCLUDING RELEVANT EXPERIENCE FOR THOSE INDIVIDUALS.

We will establish a dedicated arbitrage team from our group of consultants and analysts in FAS, partners and employees of the firm for this engagement. The following table and organizational chart identifies the core arbitrage team members and other partners and employees of the firm available to FAS. All of our arbitrage compliance services will be performed in our New York City office at 7 World Trade Center, 250 Greenwich Street, New York, NY 10007. Certain tax lawyer review may be performed at our San Francisco office. Additional FAS consultants and FAS financial analysts will be added as needed.

Name	Title/Location	Phone Number	E-mail
Takashi Iwata	FAS Managing Director (NYC office)	(212) 820-9432	tiwata@hawkins.com
Paula Ramirez	FAS Managing Consultant (NYC Office)	(212) 820-9392	pramirez@hawkins.com
Cindy Yu	FAS Consultant (NYC Office)	(212) 820-9312	xyu@hawkins.com
Lu Wang	FAS Financial Analyst (NYC Office)	(212) 820-9510	lwang@hawkins.com
Jane Fang	FAS Financial Analyst (NYC Office)	(212) 820-9325	zfang@hawkins.com
Daniella Seminario	FAS Administrative Assistant (NYC Office)	(212) 820-9347	dseminario@hawkins.com
Kam Wong	Partner (NYC Office)	(212) 820-9410	kwong@hawkins.com
Russell A. Miller	Partner (San Francisco Office)	(415) 486-4202	rmiller@hawkins.com

ARBITRAGE TEAM ORGANIZATIONAL CHART
Illustrating Lines of Authority and Responsibility



Takashi Iwata, FAS Managing Director, will be responsible for the overall day-to-day management of services to be provided to the Authority and will serve as the team leader and primary contact person for the Authority for this engagement. Mr. Iwata will mobilize the arbitrage team to carry out the engagement in a timely and efficient manner and will coordinate all activities to ensure there is complete integration of bond law, tax law and financial analysis. Mr. Iwata will personally review all arbitrage rebate and yield restriction compliance reports.

Paula Ramirez, FAS Managing Consultant and Cindy Yu, FAS Consultant, will be responsible for reviewing draft arbitrage rebate and yield restriction compliance reports prepared by Mr. Wang and Ms. Fang. They will review all reports for conformance with the applicable tax laws and consider any available optional

elections, investment valuations and computational methods to minimize arbitrage rebate and yield restriction liabilities.

Lu Wang and Jane Fang, FAS Financial Analysts, will prepare draft arbitrage rebate and yield restriction reports. They will collect and review appropriate documentation, calculate the bond yield, determine proceeds subject to rebate and/or yield restriction, prepare cash flows, calculate arbitrage rebate and yield restriction liabilities, apply spending exceptions where applicable, and prepare a draft arbitrage rebate and yield restriction compliance report, including a tax opinion. They will also be responsible for alerting the Authority to future computation dates.

Kam Wong and Russell A. Miller, Partners, will be responsible for all tax matters relating to this engagement. Working closely with Mr. Iwata, they will participate directly in the resolution of all tax issues, and provide a final review of all arbitrage rebate and yield restriction compliance reports, and a partner will sign the tax opinion that accompanies each arbitrage rebate and yield restriction compliance report.

Daniella Seminario, FAS Administrative Assistant, and Other Support Staff may perform a variety of duties such as maintaining the FAS transaction database and filing system, preparing IRS Forms, data entry, assisting with the preparation of final documents and proofreading.

Please see below for the resumes of each core arbitrage team member:

Takashi Iwata, FAS Managing Director. Rutgers, the State University of New Jersey (B.A. in Mathematics and Statistics). Mr. Iwata also holds a Preparer Tax Identification Number (PTIN): P01487327 to sign Federal tax forms. Prior to joining Hawkins, Mr. Iwata worked as an actuary with a Big Four accounting firm where he developed a strong foundation in financial analysis and a high level of proficiency in spreadsheet and database applications. Mr. Iwata has been an essential part of FAS for over 22 years and was promoted to Director of the group in 2003 and Managing Director in 2018. He has worked on a wide variety of arbitrage rebate and yield restriction matters, including refundings with transferred proceeds, defeasances, penalty in lieu of rebate, pooled financings, parity analysis, universal cap analysis, common fund analysis and investment analysis. He has worked on thousands of arbitrage rebate and yield restriction compliance reports for cities, counties, states, housing authorities, corporations, agencies and school districts.

Additionally, Mr. Iwata has served as a panelist at various conferences on arbitrage rebate and yield restriction matters (e.g., New York State Government Finance Officers Association, Association of Environmental Authorities, California Debt and Investment Advisory Commission and Arbitrage Conferences for Oregon, New York and New Jersey issuers). Mr. Iwata was a guest speaker at the 2019 Bond School held in New York City. He is a member of the Urban Leadership Fellows Program of the Municipal Forum of New York and the Municipal Bond Club of New York.

Level of Staff Training: Over 1,000 hours of in-house training from the tax attorneys. Reviewed and calculated over 22,000 arbitrage compliance reports in the past 22 years.

Projects: New Jersey Educational Facilities Authority, Rutgers University, NJ, New Jersey Turnpike Authority, New Jersey Economic Development Authority, New Jersey Health Care Facilities Financing Authority, State of New Jersey, Somerset Raritan Valley Sewerage Authority, Stony Brook Regional Sewerage Authority, Pequannock Lincoln Park & Fairfield Authority, Pequannock River Basin Authority, Massachusetts Educational Finance Authority, Millbrook Central School District, NY, Patchogue-Medford UF School District, NY, Lakeland Central School District, NY, Commack Union Free School District, NY, Great Neck Unified School District, NY, Los Angeles Unified School District, CA, Long Beach Unified School District, CA, Palmdale School District, CA, Santa Barbara Unified School District, CA, Orcutt Union School District, CA, Palos Verde Peninsula UFS District, CA, Goleta Union

School District, CA, Glendale Unified School District, CA and Compton Unified School District, CA.

Paula Ramirez, FAS Managing Consultant. University of Rosario (B.A. in Economics and Finance), University of Connecticut (M.B.A.) and Municipal Bond School (certificate). Prior to joining Hawkins, Ms. Ramirez worked as a market risk analyst, where she obtained knowledge in investment valuation and VBA. As a financial analyst at Hawkins, Ms. Ramirez has worked on arbitrage rebate and yield restriction calculations, bond yield calculations, transferred proceeds analyses, and amortization schedules.

Level of Staff Training: Over 400 hours of in-house training from the tax attorneys. Reviewed and calculated over 5,000 arbitrage compliance reports.

Projects: New Jersey Educational Facilities Authority, State of New Jersey, New Jersey Turnpike Authority, New Jersey Health Care Facilities Financing Authority, County of Essex, NJ, Stony Brook Regional Sewerage Authority, Los Angeles Unified School District, CA, Long Beach Unified School District, CA, Massachusetts Educational Finance Authority, District of Columbia, City of Philadelphia, PA, City of New York, NY, City of Yonkers, NY, City of San Diego, CA, City of Lakeport, CA, City of Ripon, CA, State of Wisconsin, State of Oregon, State of California, County of Fresno, CA, Richland County, SC, County of Westchester, NY and Metropolitan Government of Nashville and Davidson County.

Cindy Yu, FAS Consultant. Rutgers, the State University of New Jersey (M.S. in Financial Statistics and Risk Management) and Municipal Bond School (certificate). Cindy Yu developed a strong foundation in financial analysis and data management at Rutgers University. Prior to joining Hawkins, Ms. Yu developed hedge bond models in excel at her previous employment and obtained knowledge in bonds, securities and derivatives. As a financial analyst at Hawkins, Ms. Yu has worked on arbitrage rebate and yield restriction calculations, universal cap analysis, amortization schedules, transferred proceeds analysis, parity fund allocation analysis and bond yield calculations.

Level of Staff Training: Over 250 hours of in-house training from the tax attorneys. Reviewed and calculated over 3,000 arbitrage compliance reports.

Projects: New Jersey Educational Facilities Authority, New Jersey Turnpike Authority, Los Angeles Unified School District, CA, Long Beach Unified School District, CA, Manhattan Beach Unified School District, CA, Massachusetts Educational Finance Authority, District of Columbia, City of Philadelphia, PA, City of San Diego, CA, City of New York, City of Yonkers, NY, City of Eureka, CA, City of San Jose, CA, City of Glendora, CA, City of Duncan, OK, Richland County, SC, Pima County, AZ, County of Maui, HI, County of Westchester, NY, County of Erie, NY, Metropolitan Government of Nashville-Davidson County, State of New Jersey, State of Connecticut, State of Wisconsin and State of Oregon.

Lu Wang, FAS Financial Analyst. California State University, Northridge (B.S. in Mathematics) and Columbia University (M.A. in Statistics). Mr. Wang acquired quantitative modeling and financial analysis skills at Columbia University, as well as working knowledge of Excel/VBA, R and Python from research project experience. Mr. Wang has worked on arbitrage rebate and yield restriction calculations, universal cap analysis, amortization schedules, transferred proceeds analysis, common fund allocation analysis and bond yield calculations.

Level of Staff Training: Over 150 hours of in-house training from the tax attorneys. Reviewed and calculated over 1,000 arbitrage compliance reports.

Projects: New Jersey Educational Facilities Authority, Rutgers University, NJ, State of New Jersey, New Jersey Turnpike Authority, Los Angeles Unified School District, CA, Massachusetts Educational Finance Authority, District of Columbia, City of New York, City of Philadelphia, PA, City of San Diego, CA, City of Tulare, CA, County of Westchester, NY, County of Essex, NJ, County of Erie, NY, State of Connecticut, State of Oregon and New York State Thruway Authority.

Jane Fang, FAS Financial Analyst. State University of New York at Buffalo (M.S. in Quantitative Finance). Ms. Fang is a creative, dedicated, and efficient financial analyst with solid accounting and fundamental analytical experience. Her master courses provided her with the knowledge of fixed income, derivatives, financial modeling, investment management, merger and acquisition and financial statements analysis. Prior to Hawkins, Ms. Fang worked as a private equity analyst in Search Fund Accelerator, an investment intern at United Overseas Bank, and an external audit intern at Ernst & Young, developing her skillsets in financial performance analysis, portfolio management, market research, and excel proficiency. Ms. Fang has worked on arbitrage rebate and yield restriction calculations, universal cap analysis, amortization schedules, transferred proceeds analysis, parity fund allocation analysis and bond yield calculations.

Level of Staff Training: Over 150 hours of in-house training from the tax attorneys. Reviewed and calculated over 1,000 arbitrage compliance reports.

Projects: New Jersey Educational Facilities Authority, State of New Jersey, New Jersey Turnpike Authority, Los Angeles Unified School District, CA, Long Beach Unified School District, CA, Massachusetts Educational Finance Authority, District of Columbia, Virginia Resources Authority, City of Philadelphia, PA, City of New York, City of Yonkers, NY, County of Westchester, County of Essex, County of Maui, State of Connecticut, Metropolitan Water District of Southern California and Arkansas Development Finance Authority.

Daniella Seminario, FAS Administrative Assistant. State University of New York at Albany (B.A. in Art Studies). During her undergraduate years, Ms. Seminario interned with the New York State Office of General Services, where she developed strong proofreading and organizational skills. During her time at Hawkins, Ms. Seminario has maintained the FAS transaction database and filing system, assisted with the preparation of final documents and proofreading, and assisted the FAS team with tracking upcoming computation dates. Additionally, she has worked with Mr. Iwata in developing new business for FAS.

Kam Wong, Partner. Preparatory and Graduate Education — Rensselaer Polytechnic Institute (B.S. and M.S. in Electrical Engineering), and Baylor University (M.B.A.); Legal Education — Baylor University (J.D.) Ms. Wong worked as an engineer and a strategic corporate planner prior to and while in law school. Ms. Wong became a partner of Hawkins, Delafield & Wood in 1992 when the law firm at which she was a partner combined with Hawkins. Ms. Wong has served as bond counsel, underwriters' counsel and special tax counsel on financings throughout the nation, including financings for general governmental purpose, electric power, water and sewer systems, single-family housing mortgage loans and multi-family residential rental housing, health care and higher educational facilities, air and ground transportation and solid waste. Because of her unique educational background and work experience, Ms. Wong provides the necessary integration between bond law, tax law and finance that is critical in bringing a complex bond financing to a timely and successful conclusion. She has participated in many of the nation's largest and most complex tax-exempt financings. She also is the partner in charge of the firm's Financial Analysis and Services Group which provides rebate compliance and related financial services. Ms. Wong is a member of the firm's Technology Committee. Ms. Wong is a member in good standing of the New York State Bar and the National Association of Bond Lawyers.

Russell A. Miller, Partner. Preparatory Education—University of Southern California (B.S.), Legal Education—University of Santa Clara (J.D.) and New York University (LL.M., Taxation). Mr. Miller joined the firm in year 2000 as a tax partner. Mr. Miller is nationally recognized for his expertise in the Federal income tax issues applicable to tax-exempt bonds, such as private activity, health care, revenue, working capital, special tax, certificates of participation, and pooled financings. He has been involved extensively with refinancings, arbitrage and rebate matters. Mr. Miller has over thirty years of experience in all aspects of the tax consequences of municipal finance transactions, including the financing of water and wastewater utilities, traditional municipal projects, solid waste, transportation infrastructure, economic development and redevelopment projects and projects for which states, municipalities and their agencies and authorities issue special obligation revenue bonds (such as student loans, industrial development and single-family and multi-family housing). Mr. Miller is a member of the California and the New York State bars, the American Bar Association and its Tax-Exempt Financing Committee, and the National Association of Bond Lawyers and is a frequent speaker at public finance conferences for the National Association of Bond Lawyers and others.

2. A DESCRIPTION OF YOUR ORGANIZATION'S CAPABILITIES, QUALIFICATIONS, AND EXPERIENCE WITH PERFORMING ARBITRAGE COMPLIANCE SERVICES FOR GOVERNMENTAL ISSUERS OF MUNICIPAL SECURITIES WITH COMPLEX PROGRAMS INCLUDING, BUT NOT LIMITED TO, VARIABLE RATE DEBT ISSUES, SWAP TRANSACTIONS, TRANSFERRED PROCEEDS, HEDGES, OTHER DERIVATIVE STRUCTURES, COMMINGLED FUNDS, AND POOLED TRANSACTIONS.

Hawkins Delafield & Wood LLP ("Hawkins") is a limited liability partnership and has been a nationally recognized bond counsel firm for over 132 years of its 165-year history. The firm has the largest public finance practice in the country, with more attorneys engaged in the full time practice of public finance law than any other law firm in the country, and is consistently ranked by Thomson Reuters among the top public finance firms nationally. The firm maintains offices in Newark, New Jersey; New York City, New York; Washington, D.C.; Hartford, Connecticut San Francisco, California; Los Angeles, California; Sacramento, California; Ann Arbor, Michigan and Portland, Oregon. Hawkins currently has 88 employees and 76 lawyers, for a total of 164, engaged exclusively or principally in public finance practice, including ten public finance tax attorneys.

The firm's Arbitrage Services are provided through a separate in-house arbitrage compliance group, the Financial Analysis & Services Group, or "FAS," staffed by professionals with finance, mathematics, statistics and engineering backgrounds. FAS consists of two partners, one FAS managing director, two FAS consultants, five FAS financial analysts, two FAS administrative assistants and FAS intern for the summer, for a total of thirteen. FAS devotes 100 percent of its time to providing arbitrage rebate and yield restriction services and financial structuring services.

Hawkins has provided Arbitrage Services to public finance clients for over 36 years. The senior members of FAS have, on average, over 30 years of experience in providing Arbitrage Services, as shown in the table below.

Name	Title	Years of Experience
Takashi Iwata	FAS Managing Director	22+
Russell Miller	Partner	32+
Kam Wong	Partner	37+

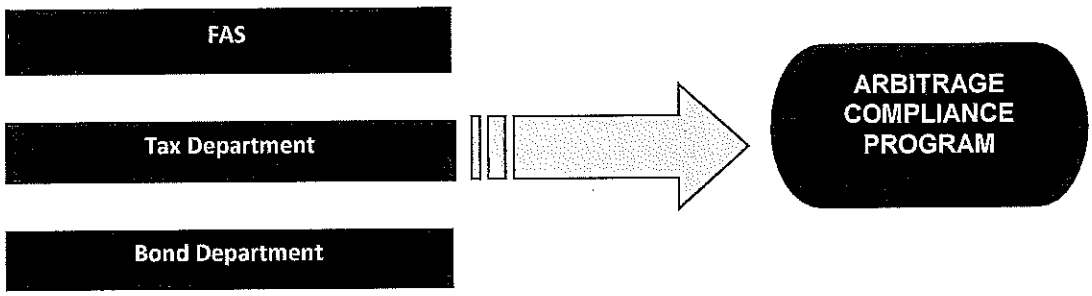
We have rendered arbitrage rebate compliance services for all types of transactions and have addressed virtually all tax and methodology issues relating to rebate. As part of our arbitrage rebate compliance services, we consider various elective and computational options available under the tax regulations in an effort to reduce the rebate liability of the client. We are at the "top of the learning curve" on developing solutions to arbitrage related issues, while many other firms have yet to address or even identify them. Our

comprehensive services (e.g., preparation of IRS forms and advice on maintenance of proper records) are designed to minimize the administrative burden on clients. Our services can be tailored to the specific needs of clients. Our services include the following:

- Arbitrage rebate analysis
- Yield restriction analysis
- Private use calculations
- Arbitrage consultation on new issue structures
- Projected arbitrage rebate and yield restriction liabilities
- IRS examination, audit and refund assistance
- Penalty in-lieu-of rebate analyses
- Review of in-house arbitrage rebate calculations
- Refund claims for arbitrage rebate overpayments
- Preparation of the IRS Form 990 (Schedule K)
- Review of structured investment products and hedges
- Review record retention policies

One of our key strengths in providing Arbitrage Services, and what sets us apart from other providers, is the integration of financial analysis, tax law and bond law expertise. Due to the differences in the ways financings are structured for different issuers and programs and the consequent effects these differences have on tax compliance, such integration has been a cornerstone of our practice since the inception of FAS.

Hawkins is able to efficiently mobilize the professionals in FAS and the attorneys in our Tax and Bond Departments, as illustrated below, to provide an integration of financial analysis, tax law and bond law expertise.



Financial and Analytical Expertise. FAS professionals are extensively trained to perform the financial analyses required in preparing arbitrage compliance reports. Such training includes general public finance principles, tax-exempt and tax-advantaged bond provisions of Federal income tax law and regulations, fixed-income investments, and complex financial modeling. Although this level of expertise is not required in every arbitrage rebate and/or yield restriction matter, it enables FAS to undertake the most complex and technically challenging analyses with little difficulty. This is evidenced by the fact that clients often ask FAS to participate in both arbitrage and non-arbitrage related transactions that have complex cash flow modeling or other analytical challenges. FAS team members are hired on a highly competitive and selective basis. We believe that only individuals with strong mathematical and analytical foundations can provide the attention to detail required for reliable arbitrage rebate and yield restriction calculations. Each FAS professional has gained arbitrage rebate and yield restriction compliance experience through specialized in-house training that includes arbitrage rules and regulations, financial modeling, fixed and variable income investments and bond financing mechanics. Having the benefit of working with some of the most experienced tax and bond attorneys in the industry, FAS professionals have developed a broad and thorough understanding of tax-exempt bonds and arbitrage rebate and yield restriction compliance requirements.

The clients of FAS range from large state issuers with multiple issues and aggregate par amounts of more than $2 billion, to small towns and school districts with single issues and par amounts under $10 million. FAS clients are located in over 37 states, from Maine to Hawaii and from the Virgin Islands to Alaska.

FAS has been providing arbitrage rebate and yield restriction compliance services to universities, colleges and school districts since 1998. Examples of some of our recent clients similar to the Authority are shown below.

- Los Angeles Unified School District
- Long Beach Unified School District
- Santa Barbara Unified School District, CA
- Palos Verde Peninsula U. School District, CA
- Patchogue-Medford UF School District, NY
- Goleta Union School District, CA
- Compton Unified School District, CA
- Tarrytown Unified School District, NY
- Rutgers University, NJ
- Columbia University, NY
- Georgetown University, DC
- Kean University, NJ
- Rowan University, NJ
- Rider University, NJ
- Seton Hall University, NJ
- Palmdale School District, CA
- Orcutt Union School District, CA
- Millbrook Central School District, NY
- Lakeland Central School District, NY
- Glendale Unified School District, CA
- Commack Union Free School District, NY
- Great Neck Unified School District, NY
- Point Loma Nazarene University, CA
- John F. Kennedy University, CA
- City University of New York, NY
- The Richard Stockton College of NJ
- The College of New Jersey
- Bowdoin College, NH
- Saint Anselm College, NH
- University of Virgin Islands, VI

FAS has performed and verified over 1,000 annually and over 22,000 in total arbitrage rebate and yield restriction calculations for virtually every type of debt financing including:

- General obligation
- 501(c)(3)
- Governmental
- Healthcare
- Economic development
- Multi-family housing
- Single-family housing
- State revolving fund
- Student loan
- Transportation
- Power and energy
- Water and sewer

FAS staff has experience with virtually all structures, calculations, and debt instruments including:

- re-computation of bond yield
- commercial paper
- bond bank
- hedges such as swaps, caps, and collars
- GICs and forward rate agreements
- refundings and transferred proceeds
- purpose investment yield
- yield restricted funds
- penalty in lieu of rebate election
- fixed and variable rate bonds
- pools including recycled loans
- tax and revenue anticipation notes
- letter of credit and surety bond fees
- commingled funds
- universal cap
- program investment yield
- spend-down exceptions
- working capital financings

FAS has the technical proficiency to provide Arbitrage Services of the quality the Authority deserves. The ability to carefully analyze the application of different tax regulations, elections, and methodologies is one of our fortes. We take pride in providing clear and concise advice to our clients to enable them to make informed choices for reducing rebate and yield restriction liabilities and maximizing retainable earnings. Listed below are some of the elections and methods that should be considered in determining the rebate and yield restriction liabilities.

- **Variable rate and Auction Rate issues:** Hawkins has extensive experience in providing arbitrage services with respect to variable rate bonds. With over 5,000 variable rate calculations completed over the past five years, our firm is thoroughly familiar with the various methodologies for calculating the rebate and yield restriction liabilities for variable rate issues. For example, one optional election that may be applicable to variable rate bonds is an election to apply "yield periods." In short, the yield period election allows an issuer to compute the arbitrage yield (i.e., its retainable investment yield) over several contiguous periods of time, versus the default five-year period. This generally results in a more favorable matching of investment yield to arbitrage yield which can translate into substantial reductions in arbitrage rebate liability. While this calculation is computationally intensive, FAS has been able to achieve savings for clients in excess of $1,000,000 for a single bond issue under certain circumstances by employing this election.

- **Swap Transactions:** FAS is active and is experienced in providing tax and rebate analysis on tax-exempt financial products such as interest rate swaps, caps, and forward refundings. FAS is thoroughly familiar with the rebate and yield restriction consequences of simple integrated and super integrated swaps based on LIBOR, SIFMA or cost of funds, basis risks and other risks that affect yields and has developed various financial models for such projects. Our tax partners have participated in the development and tax analysis associated with some of the largest and most complex municipal interest rate swap transactions to date, involving billions of dollars. In fact, one of our former tax partners, who has returned to the U.S. Treasury department, was one of the principal authors of the arbitrage "hedging" rules which permit issuers to take certain hedges to modify the risk of interest rate changes (e.g., interest rate swaps) into account in computing the yield on tax-exempt bonds for arbitrage purposes.

- **Transferred Proceeds Analysis:** In the case of current and advance refundings, the analyses of transferred proceeds may be performed in determining the rebate liability and yield restriction liability. A transferred proceeds analysis is required whenever proceeds of refunding bonds are used to discharge principal of the refunded bonds. In such case, unspent proceeds of the refunded bonds cease to be treated as proceeds of the refunded bonds and become transferred proceeds of the refunding bonds. The arbitrage regulations prescribe specific methods for determining the amount of such transferred proceeds, all of which would affect the amount of rebate and/or yield restriction liability for a bond issue.

- **Commingled Fund:** The regulations provide several methods for allocating investments to bond proceeds, including specific tracing, pro rata, first-in, first-out, etc. The determination of which method to use with respect to a particular fund depends on the type and yield of the investments, the yield of the various bond issues and the investment strategy of the client. While there is no "right" answer, an optimal solution can generally be developed after consultation with the client.

- **Pooled Transactions:** We are the law firm with the most experience in pooled financings, having served as bond counsel or underwriters' counsel for over $15 billion of such financings in the last decade. We are also the rebate compliance consultant with the most experience and expertise in this area. We have provided arbitrage compliance services to, among other clients, New York State Environmental Facilities Corporation, the Virginia Resource Authority, the State of Wisconsin, the State of Oregon, California Infrastructure Economic Development Bank, and the California Statewide Communities Development Authority, all of whom issue pooled bonds to provide financial assistance to state and local governmental borrowers. Rebate and yield restriction compliance for pooled bonds requires analyses on both the issuer and borrower levels and encompasses multiple tax issues and financial analyses such as, those including transferred proceeds, replacement proceeds, universal cap, allocations, valuations, etc. We are thoroughly familiar with all tax issues and financial analyses relating to pooled financings, particularly those for state revolving funds with leveraged debt service reserve funds and subsidized borrower loans.

- **Spending Exceptions to Rebate:** There are several sets of exceptions. The first is known as the small issuer exception. The second set of exceptions is the spending exceptions. These are known as the 6-month, the 18-month and the 24-month spending exceptions. There are specific requirements for qualifying for each of these exceptions. If the qualifying requirements are met and the required schedules for the expenditure of certain proceeds of the bonds are also met, then the bonds, with certain limited exceptions, are exempt from the rebate requirements. The third set of exceptions is known as the "bona fide debt service fund exceptions." If the qualifying requirements are met, certain debt service funds of the issuer are exempt from the rebate requirements. The applicable spending exceptions will be described in our arbitrage compliance report for each bond issue prepared for UOSA. The arbitrage compliance report will clearly explain whether the State met a rebate spending exception.
- **Selection of Bond Year:** An issuer has the option to select an ending date for a bond year under the tax regulations. Once selected, however, the issuer generally may not change the selected bond year. The selection of a bond year is particularly important for new money, variable rate bonds. An issuer can significantly reduce its rebate and yield restriction liability for the initial five year period by selecting and combining bond years for such period.
- **Present Value and Fair Market Value:** The regulations provide two methods for valuing investments at the end of a computation period: present value and fair market value. It is generally in the client's best interest to use the valuation method that results in the lower rebate liability. However, an issuer may not switch the valuation method once it has selected one.

Tax Law and IRS Audit Expertise. Our tax department currently has eight tax partners (with combined experience of over 200 years), two tax associates and a paralegal. It is one of the largest, if not the largest, public finance tax departments in the country and is recognized as a leader in the industry. The tax partners have established reputations and are well-respected by issuers, conduit borrowers, investment banking clients, and bond and tax attorneys, as well as Federal officials. They are frequently requested to participate in tax panels and in seminars throughout the country with respect to arbitrage rebate and yield restriction compliance, private use compliance, post issuance compliance and other tax matters. They are or have been active participants in the tax sections of the National Association of Bond Lawyers, the American Bar Association, and the New York State Bar Association, to name a few.

Hawkins' experience in handling IRS audits, examinations and inquiries is a significant reason many issuers retain us to provide Arbitrage Services. Hawkins has devoted significant resources to developing procedures for handling IRS audits, examinations and inquiries and providing advice to clients in the event of an IRS audit, examination or inquiry. In addition, our tax partners work frequently with IRS agents on arbitrage related matters and have represented and advised issuers on a large number of bond audits, examinations and inquiries by the IRS.

Because we serve as bond counsel on 300 to 400 bond financings every year, we are involved in representing clients on many IRS cases each and every year. Many of these cases were favorably closed with the receipt of "no-change" letters from the IRS. A few of these cases, involving failures by the issuers to pay the rebate and/or yield restriction liability amount on time, or in which the amount paid was insufficient, were settled with payments by the issuers.

Bond Expertise. As a leader in the public finance industry, Hawkins represents bond issuers, conduit borrowers, investment banks, credit enhancers, lenders and other participants in the markets. The firm has provided bond counsel, underwriters' counsel, disclosure counsel, bank counsel and special tax counsel services for virtually every type of public financing. Hawkins maintains in-depth resources to address any statutory law and bond resolution issues that may arise in arbitrage related matters. Such experience and expertise are beneficial when addressing questions that may arise during the course of an arbitrage rebate and yield restriction compliance engagement.

3. A DESCRIPTION OF ANY AFFILIATION OR RELATIONSHIP WITH QUALIFIED TAX ATTORNEYS WHO MAY PROVIDE AN OPINION OF TAX COUNSEL. PROVIDE BRIEF RESUMES INCLUDING RELEVANT EXPERIENCE FOR THOSE INDIVIDUALS.

As a full-service public finance law firm, we maintain in-house a fully staffed public finance tax department. As mentioned above, our firm is one of the largest, if not the largest, public finance tax departments in the country with 10 public finance tax attorneys. FAS is a part of the tax department. Having a large in-house tax department is one of our major strengths.

As noted above, the tax partners and of-counsel have established reputations and are well-respected by issuers, conduit borrowers, investment banking clients, and bond and tax attorneys, as well as Federal officials. They are frequently requested to participate in tax panels and in seminars throughout the country.

Kam Wong, the partner in charge of FAS, is one of few public finance attorneys with a background in engineering, finance and law. She is an expert in combining tax law and financial modeling that are critical to creating analyses that carry out the intent of the tax law and regulations. She has conducted numerous presentations and workshops for issuers and investment banking clients on the tax-exempt provisions of the Internal Revenue Code, Federal tax law and regulations.

Tax law issues are often the most difficult elements of any tax-exempt financing and Hawkins has long been a leader in municipal tax law expertise and experience, including Section 148(f) of the Code. Because the arbitrage rebate and yield restriction regulations are a subset of municipal tax law, Hawkins is ideally suited to assist issuers and other clients in this area. Hawkins maintains a proactive practice regarding arbitrage rebate and yield restriction and assists issuers and other clients during both the developmental and post-issuance phases of a transaction to minimize and monitor arbitrage rebate and yield restriction liabilities.

The attorneys of the firm regularly participate in the Treasury regulation process by providing both advance comments for suggested regulations and formal written comments on proposed regulations. Hawkins participated in the GFOA Treasury Advisory Panel which provided to the Treasury written suggestions relating to rebate rules. Hawkins has provided extensive written comments to the arbitrage regulations and expects to continue to comment on new regulations when they are proposed. The tax department also periodically prepares analyses of new regulatory and statutory developments as they relate to tax-exempt bonds.

The size and expertise of our tax department enable us to be current not only in all tax law changes but also in the outlook of the IRS on various matters. Consequently, we have been able to provide early warnings or other advice to our clients so that they may act accordingly and thus reduce the impact to them.

There is no extra cost for legal advice with respect to the arbitrage compliance report and such legal advice is provided within the firm. Any extraordinary legal advice (e.g., IRS audit) will be negotiated separately with the Authority.

4. A REPRESENTATIVE LIST OF AT LEAST FIVE (5) CLIENTS SERVICED BY THE REFERENCED SERVICING LOCATION AND A DESCRIPTION OF THE SERVICES PROVIDED. PLEASE PROVIDE A CONTACT NAME AND PHONE NUMBER FOR EACH LISTED CLIENT.

The following are the names, addresses and contact information of six of our clients.

Massachusetts Educational Financing Authority: We have been providing arbitrage compliance services for the Massachusetts Educational Financing Authority since 2000. MEFA offers community education programs, college savings plans and low-cost financing options. MEFA issued approximately $4.2 billion of bonds and has assisted hundreds of thousands of families in financing a college education. Many of the authority's bond issues have transferred proceeds. Transferred proceeds analysis is required whenever proceeds of refunding bonds are used to discharge principal of the refunded bonds. In such case, unspent

proceeds of the refunded bonds cease to be treated as proceeds of the refunded bonds and become transferred proceeds of the refunding bonds. The tax regulations prescribe specific methods for determining the amount of such transferred proceeds. The arbitrage rebate and yield restriction computation models we develop take all such matters into account for the authority.

Name/Title	Location	Phone Number
Ms. Sarah Callander Director of Financial Operations	60 State Street, Suite 900, Boston, MA 02109	Phone: (617) 224-4836

Rutgers, the State University of New Jersey. We have been providing arbitrage compliance services for Rutgers University since 2003. The university issues bonds to finance the costs of various capital projects for sites and buildings located at the New Brunswick, Newark and Camden campuses of the university. In certain cases, the proceeds of the bonds for the projects are not spent within the 3-year temporary period which triggers a yield restriction calculation. The Internal Revenue Code imposes a general requirement that proceeds and deemed proceeds of tax-exempt bonds not be invested at more than the yield on the bonds. The Internal Revenue Code also provides several limited exceptions to this general rule. If an issuer qualifies for any of these exceptions, proceeds and deemed proceeds can be invested at more than the bond yield (i.e., make arbitrage) but, as described above, any arbitrage must be rebated to the federal government unless the university qualifies for one of the exceptions to rebate (as described above). These exceptions to yield restriction include the various temporary period exceptions and the reasonably required debt service reserve. For example, proceeds used for capital projects may qualify for a 3-year temporary period during which the university can make arbitrage (subject to rebate). However, once the temporary period has expired, the university must restrict the investment of unspent proceeds to not more than the bond yield.

Name/Title	Location	Phone Number
Mr. Jeffrey Manalo Director of Debt Management & Capital Finance	33 Knightsbridge Road, Floor 2, West Wing Piscataway, NJ 08854	Phone: (848) 997-8189

New Jersey Turnpike Authority. We have been providing arbitrage rebate and yield restriction compliance services for the New Jersey Turnpike Authority since 2000. We currently provide these services for the Turnpike's outstanding Revenue Bonds. To ensure compliance with the Treasury Regulations, we perform some fairly complex analyses, such as allocating transferred proceeds between the bonds. The need for this allocation arises when a new obligation refinances an outstanding prior obligation. A portion of the remaining proceeds of the prior obligation must be allocated to the new obligation each time a portion of the prior obligation is redeemed. Two other types of analyses we perform to ensure compliance for these bonds are: (i) "uncommingling" allocations, which arise when bond proceeds are held in the same fund as other proceeds of the issuer, and (ii) optimization of the arbitrage yield for variable rate obligations. Such optimization is used to minimize the rebate and yield restriction liability. We have saved the authority hundreds of thousands of dollars when we applied this optimization.

Name/Title	Location	Phone Number
Ms. Donna M. Manuelli Chief Financial Officer	581 Main Street Woodbridge, NJ 07095	Phone: (732) 750-5300 x8130

The City of New York. We have been providing arbitrage compliance services for The City of New York since 2001. For many of the City's bond issues, the proceeds used for new money projects are spent within the applicable benchmarks for the spending exceptions to rebate. In most cases, the City applied the spending exceptions to rebate and it reduced the amount of the rebate liability owed to the Internal Revenue Service. There are several sets of exceptions. The first is known as the small issuer exception. An issuer with general taxing powers who issues not more than $5 million of bonds in a calendar year to finance local governmental purposes is exempt from the rebate requirement. The $5 million is increased to $10 million for educational facilities. The second set of exceptions is the spending exceptions. These are known as the 6-month spending exception, the 18-month spending exception and the 24-month spending exception. There are specific requirements for qualifying for each of these exceptions. If the qualifying requirements are met and the required schedules for the expenditure of certain proceeds of the bonds are also met, then the bonds, with certain limited exceptions, are exempt from the rebate requirement. The third set of exceptions is known as the "bona fide debt service fund exception." If the qualifying requirements of this exception are met, certain debt service funds of the issuer are exempt from the rebate requirements. This engagement is currently active.

Name/Title	Location	Phone Number
Mr. Michael Stern Executive Director of Debt Management and Counsel for Finance	NYC Office of the Comptroller One Centre Street, Room 517 New York, NY 10007	Phone: (212) 669-2320

Metropolitan Government of Nashville-Davidson County, Tennessee. Since 2001, we have provided Arbitrage Services for all of The Metropolitan Government of Nashville-Davidson County's bond issues, which include various new money and refunding issues. We noted and advised the client that the cash flows for investments and expenditures for several of the bond issues as shown in the reports prepared by the prior rebate consultant were inconsistent. These cash flows were cleansed and used in new reports we prepared for the client. Several of the client's bond issues included escrows funded with bond proceeds from the refunding issue as well as the refunded issue. These mixed escrows require adjustments to the transferred proceeds calculation for all applicable funds. Our knowledge of the tax law and our analytical expertise enable us to perform the necessary allocations to determine the correct rebate and yield restriction liabilities for such bond issues.

Name/Title	Location	Phone Number
Ms. Heidi Hoeffner Finance Administrator	700 2nd Ave. S., Suite 205 Nashville, TN 37219-6300	Phone: (615) 862-6708

State of Connecticut: We have provided arbitrage compliance services to the State of Connecticut on more than 140 separate bond issues under several programs and indentures including those for Connecticut's General Obligation Bonds, Special Tax Obligation Bonds (senior and subordinate), Special Assessment Unemployment Bonds and University of Connecticut Bonds (general revenues and special revenues). Of particular relevance are Connecticut's Special Tax Obligation Bonds. These are transportation bonds that are secured pursuant to a single senior parity resolution and a single subordinate parity resolution. A number of difficult tax challenges, including those related to transferred proceeds and commingled funds, arise from such structure and the use of proceeds of such bond issues. To deal with these challenges, we have created special financial models specifically tailored to these bonds in order to accurately and optimally comply with the Federal tax law and regulations. In addition, we have developed financial models

for several indentures with variable rate bonds, commercial paper, proceeds-spent-last allocations and universal cap applications.

Name/Title	Location	Phone Number
Ms. Sheree Mailhot Debt Management Specialist	Office of the State Treasurer 55 Elm Street Hartford, CT 06106	Phone: (860) 702-3035

5. EVIDENCE OF SATISFACTORY PROFESSIONAL ERRORS AND OMISSIONS LIABILITY INSURANCE COVERAGE WITH LIMITS OF AT LEAST $5 MILLION.

Attorneys' Liability Assurance Society, Inc. Policy ALA1893; Limits: $60,000,000 per occurrence and $120,000,000 in the aggregate; Retention: $500,000 per claim, $1,000,000 aggregate with a $100,000 maintenance retention. The contact person is: Ms. Anne M. Mahoney, Assistant Director of Underwriting at Attorneys' Liability Assurance Society, Inc. Phone number is (312) 697-6970, fax number is (312) 697-6901 and email address is ammahoney@alas.com.

6. EVIDENCE OF THE ORGANIZATION'S SOUND FINANCIAL CONDITION (E.G. A COPY OF THE MOST RECENT AUDITED FINANCIAL STATEMENTS).

As a private limited liability partnership, Hawkins does not disclose its financial statements. As a nationally recognized firm that has been in continuous existence since 1854, Hawkins has demonstrated its financial stability for more than 164 years and continues to have substantial partnership equity. The firm confirms that its financial and professional resources are more than sufficient to provide the Arbitrage Services for the Authority.

7. A COPY OF THE ORGANIZATION'S PROPOSED ENGAGEMENT LETTER. PLEASE NOTE THAT (A) THE ENGAGEMENT LETTER MUST INCLUDE BY REFERENCE, ALL TERMS AND CONDITIONS INCLUDED IN THIS REQUEST FOR PROPOSAL (THE "RFP"), (B) THE AUTHORITY IS NOT PERMITTED TO PROVIDE INDEMNIFICATION IN ANY FORM, AND (C) ANY AGREEMENT MUST BE SUBJECT TO THE LAWS OF THE STATE OF NEW JERSEY.

Please see **Tab B** for the Sample Engagement Letter.

8. A COPY OF SAMPLE REPORTS ANTICIPATED TO BE ISSUED FOR THIS ENGAGEMENT, INCLUDING BOND YIELD CALCULATION WITH A SWAP, TRANSFERRED PROCEEDS ANALYSIS, COMMINGLED FUNDS ANALYSIS AND ANY REPORT WITH AN ASSOCIATED INVESTMENT AGREEMENT. REPORTS MUST INCLUDE ASSUMPTIONS AND METHODOLOGY.

Please see **Tab C** for Sample Report 1 which includes the bond yield calculation with a swap, transferred proceeds analysis and commingled funds analysis and **Tab D** for Sample Report 2 which includes the bond yield calculation, commingled funds analysis and an investment agreement.

9. A COPY OF THE OPINION LETTERS WHICH WOULD ACCOMPANY EACH REPORT – OPINIONS TO INCLUDE ONE CERTIFYING THE MATHEMATICAL CORRECTNESS OF THE CALCULATIONS, ACCOMPANIED BY AN OPINION OF TAX COUNSEL REGARDING COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS.

The opinion letter is included in the sample arbitrage compliance reports. Please see **Tab C** and **Tab D**.

10. A BRIEF DESCRIPTION OF THE SOFTWARE USED BY YOUR FIRM AND THE FIRM'S ABILITY TO RECEIVE DATA AND DISSEMINATE REPORTS ELECTRONICALLY.

Software: Hawkins maintains up-to-date software models and programs with the capability to perform necessary arbitrage and bond related calculations for transactions of all types and levels of complexity. Microsoft Excel and SQL are the basic applications used to perform and track arbitrage calculations. Such

applications have been extensively modified by in-house algorithms and Visual Basic for Applications (VBA) to encompass the entire range of calculations that are necessary for tax-exempt bond financings and arbitrage compliance, including bond yield calculations (fixed and variable, single and composite issues, with qualified guarantee fees and hedging transactions), present and future value analyses, bond and investment valuations, universal cap analyses, transferred proceeds analyses, and refunding and bond structuring analyses. All models and programs are developed and updated to accommodate changes in Federal income tax law and tax regulations under tax partner and bond partner supervision. Each model and program has been thoroughly and continually tested for accuracy, consistency and conformity with the Federal income tax law and tax regulations and other applicable laws. The firm's tax partners have a thorough knowledge of how the tax regulations are intended to work and are confident that the use of these models and programs by the firm's financial analysts will eliminate any potential for structural errors in determining the accrued arbitrage rebate and yield restriction liabilities.

FAS has developed procedures which systematize, to the extent possible, the workflow required in providing arbitrage compliance services. In order to provide the greatest degree of efficiency and accuracy, FAS has put in place a series of quantitative checks and procedures to assure that the arbitrage rebate and yield restriction work performed is of the highest quality and is in compliance with Federal tax laws and regulations. Every one of the firm's rebate reports and supporting calculations is carefully reviewed by a FAS Consultant, a FAS Director and then examined by one of the firm's tax partners prior to its formal release to the client.

Electronic Data and Reports: Hawkins is able to receive data electronically in various formats, including .csv, .doc, .txt, .pdf, .xls, and other standard formats of electronic documents through email. FAS would prefer to receive data in Excel, if possible.

11. DESCRIBE YOUR FIRM'S PHYSICAL PRESENCE IN THE STATE OF NEW JERSEY, INCLUDING NUMBER OF OFFICES, NUMBER OF EMPLOYEES AND THE TYPE OF BUSINESS ACTIVITY CONDUCTED IN THE STATE.

Hawkins Delafield & Wood LLP maintains a bona fide office (as such term is defined in R. 1:21-1(a), Rules of General Application Governing the Courts of the State of New Jersey) at One Gateway Center, Newark, New Jersey. Our Newark, New Jersey office has ten full-time public finance attorneys, to our knowledge making our office among the largest public finance groups in the State of New Jersey. The New Jersey office has six partners, three associates and one counsel.

Our firm's public finance practice goes back over 100 years both nationally and in New Jersey, and includes numerous financings for New Jersey counties, municipalities, school districts, state authorities and other issuers. Hawkins Delafield & Wood LLP was responsible for drafting much of the enabling legislation for the State's general obligation bond financings, its Local Bond Law, its local school district financing laws, the New Jersey Economic Development Authority Act, the New Jersey Turnpike Authority Act of 1948, the New Jersey Highway Authority Act, the New Jersey Expressway Authority Act, the South Jersey Port Corporation Act, the Sewerage Authorities Law, the Municipal and County Utilities Authorities Law, the Parking Authority Law and the Tobacco Settlement Financing Corporation Act. Under authority of such laws, Hawkins Delafield & Wood LLP has issued approving legal opinions as to many hundreds of millions of dollars of bonds and notes for the purposes permitted by such laws.

FAS has provided arbitrage services to the New Jersey Educational Facilities Authority, the New Jersey Turnpike Authority, the New Jersey Economic Development Authority, the New Jersey Health Care Facilities Financing Authority, the State of New Jersey, the Somerset Raritan Valley Sewerage Authority, the Stony Brook Regional Sewerage Authority, the Pequannock Lincoln Park & Fairfield Authority, the Pequannock River Basin Authority, Rutgers University and the Ocean County Utilities Authority.

During the course of the firm's history, Hawkins Delafield & Wood LLP served as bond counsel to the State of New Jersey, the New Jersey Turnpike Authority, the New Jersey Highway Authority, the New Jersey Expressway Authority (the predecessor to the South Jersey Transportation Authority), Rutgers - The State University of New Jersey, the New Jersey Housing and Mortgage Finance Agency, the New Jersey Health Care Facilities Financing Authority, the New Jersey Educational Facilities Authority and the New Jersey Economic Development Authority. In 2002, Hawkins Delafield & Wood LLP served as co-bond counsel to the State's newly created Tobacco Settlement Financing Corporation in connection with the issuance of $1.8 billion of tobacco settlement asset-backed bonds. In 2000, we served as bond counsel to the New Jersey Turnpike Authority in connection with a $1.86 billion refunding, restructuring and new money bond issue. In 1999, the firm served as bond counsel to the State of New Jersey in connection with the issuance of $428 million taxable and tax-exempt refunding bonds. In addition, the firm periodically advises the State on complex questions arising under bond documents and tax laws. We are currently representing Burlington County and Monmouth County in solid waste management matters, and we serve as one of Essex County's, Bergen County's and Morris County's bond counsel firms. We recently served as bond counsel to the New Jersey Educational Facilities Authority, Rutgers - The State University of New Jersey, the Somerset Raritan Valley Sewerage Authority, the Rockaway Valley Regional Sewerage Authority, the Cape May County Municipal Utilities Authority, the Camden County Improvement Authority, the Monmouth County Improvement Authority, the North Jersey District Water Supply Commission and the Passaic Valley Sewerage Commissioners. In addition, we acted as bond counsel to the New Jersey Economic Development Authority for a transaction involving the assignment of loans from The Port Authority of New York and New Jersey. We also served as bond counsel to the New Jersey Economic Development Authority for the transaction which provided the financing for MSNBC and for several recent conduit bond issues.

The firm has also continued to serve as underwriters' counsel on financings for numerous state and local issuers in New Jersey, including the New Jersey Housing and Mortgage Finance Agency, the New Jersey Health Care Facilities Financing Authority, the New Jersey Economic Development Authority, the New Jersey Educational Facilities Authority, the Essex County Improvement Authority, the Irvington Housing Finance Corporation, the Union County Utilities Authority, the Burlington County Bridge Commission, the North Jersey District Water Supply Commission, the Bergen County Improvement Authority, the Jersey City Municipal Utilities Authority, the North Hudson Sewerage Authority and the Mercer County Improvement Authority, and we have recently represented many banks as trustee's counsel in connection with New Jersey bond issues. We served as counsel to the underwriters in 1997 in connection with the issuance by the New Jersey Economic Development Authority of its $2.8 billion State Pension Funding Bonds and in 1998 in connection with the issuance by the New Jersey Economic Development Authority of bonds to finance a portion of the Jersey Gardens project. In addition, we served as counsel to the liquidity banks in connection with the issuance in 1997, 1998, 1999, 2000 and 2001 by the State of New Jersey of its Commercial Paper Tax and Revenue Anticipation Notes.

12. PLEASE DESCRIBE THE PARTICIPATION OF WOMEN AND MINORITIES IN YOUR FIRM. INDICATE THE PERCENTAGE OF YOUR FIRM THAT IS OWNED BY WOMEN AND/OR MINORITIES.

Although Hawkins is not owned by women and/or minorities, the firm has adopted and published an Equal Employment Opportunity Policy Statement which provides that:

"It is the policy of Hawkins Delafield & Wood LLP to provide equal employment opportunity to all qualified persons without regard to race, creed, color, national origin, sex, age, handicap, marital status, sexual orientation or affectional preference. Furthermore, the Firm will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, handicap, marital status, sexual orientation or affectional preference, in any of the terms or conditions of employment. This

includes, but is not limited to, hiring, promotion, transfer, demotion, compensation, recruitment, layoff or termination."

In furtherance of this policy we have adopted an Affirmative Action Plan which provides that it is the goal of the firm to have a balanced work place which contains minority group members and women in a proportion reflective of their presence in the available, qualified workforce. The firm's hiring committee actively recruits qualified minority students for participation in our summer associates programs. In addition, the firm attempts to utilize qualified minority-owned or women-owned subcontractors, vendors and suppliers, as appropriate. The firm also notifies all subcontractors, vendors and suppliers in writing of its equal employment/affirmative action policy and requests appropriate supportive action on their part.

13. PLEASE PROVIDE ANY ADDITIONAL INFORMATION OR DOCUMENTATION THAT YOU FEEL WILL ASSIST THE AUTHORITY IN EVALUATING YOUR ORGANIZATION AND ITS ABILITY TO SERVICE THE AUTHORITY.

In providing Arbitrage Services, we propose to use the systematic approach below to satisfy all requirements of the Scope of Services as described in Section 4.0 of the RFP. This approach encompasses all technical and legal matters to ensure that all arbitrage issues of the Authority are addressed and incorporated in the analyses.

1. ***Develop an arbitrage rebate monitoring system for all bond issues of the Authority:*** We will ensure continuous management of the program throughout the entire term of the contract. This monitoring system will include collecting appropriate documentation, reviewing documents and inputting relevant data from each bond issue into our computerized arbitrage rebate database. This database will alert us to approaching computation dates and will be able to produce various reports that summarize information regarding liabilities, prior rebate/penalty payments, and other useful information. The monitoring system will be regularly updated to ensure that information is compiled and reports are generated to ensure compliance with IRS mandated time lines. We will maintain a close working relationship with the Authority by informing the Authority of future arbitrage computations.

2. ***Collect all necessary documentation and investment data:*** FAS will request the documents, including prior rebate reports and historical investment and expenditure information, for each bond issue from the Authority and/or the trustee for the funds and accounts subject to the arbitrage rebate and yield restriction requirements. We will then review and determine whether each bond issue is subject to the arbitrage rebate and/or yield restriction requirements. FAS will review the work performed by the prior rebate consultant, if any, to verify the integrity and accuracy of the data and computations. In the past, we have saved hundreds of thousands of dollars by re-computing the rebate and/or yield restriction liabilities for our clients. The members of FAS have never had any issues interacting with issuers, borrowers, prior rebate consultants, trustees and other contractors in obtaining data required for calculations.

3. ***Review documentation for special elections and eligibility for rebate exceptions:*** After we review all of the documents for each of the issues, we will determine if any of the arbitrage rebate exceptions are applicable and available for each bond issue. Rebate spending exceptions include the 6-Month Spending Exception, 18-Month Spending Exception, 24-Month Spending Exception, $100,000 Debt Service Fund Earnings Exception, and $2,500,000 Annual Debt Service Exception. We will also determine if such available exceptions actually reduce the arbitrage rebate liability.

4. ***Verify debt service, original issue discount or premium and sources and uses, and calculate the arbitrage yield:*** We will verify the debt service of each bond issue and the original issue discount or premium associated with each such issue. Additionally, we will prepare the sources and uses of funds for each issue and compute the arbitrage yield, which will include the following: dated date, issue date, maturity dates, interest payment dates, bond coupons, redemption dates and initial public offering prices (or yields). We will also determine whether any yield adjustments resulting from "deep discount bonds" or "premium bonds" are required. The above information will be included in each of the arbitrage compliance reports.

5. ***Review and analyze the portfolio of investments and the funds and accounts in which the investments are held:*** We will review and analyze the portfolio of investments in which gross proceeds of each bond issue are invested and reinvested, including the amount and type of each investment (*e.g.,* U.S. Treasury securities, bank certificates and deposits, guaranteed investment contracts, repurchase agreements, or other instruments), the purchase and sale dates, the purchase and sale prices, the coupon rates, the maturity dates, the interest payment dates, the investment earnings, and the funds and accounts in which such investments are held. We will discuss with the Authority or the trustee any discrepancies and any inconsistencies in the data. All such funds and accounts will be listed in our arbitrage compliance report.

6. Calculate the cumulative rebate and yield restriction liabilities, taking into account gross proceeds that are or have become subject to yield restriction requirements and all credit and debits required or permitted by the tax regulations: We will input the bond and investment information into our customized arbitrage calculation model which has been extensively modified by in-house algorithms to encompass the entire range of calculations that are necessary or incidental to tax-exempt bond financings and arbitrage compliance, including bond yield calculations (fixed and variable, single and composite issues, with qualified guarantee fees and hedging transactions), present and future value analyses, bond and investment valuations, universal cap analyses, transferred proceeds analyses, and refunding and bond structuring analyses. We will determine whether gross proceeds of each bond issue are subject to the general rule of yield restriction. We will also analyze and determine, using the future value methodology prescribed by the Treasury Regulations, the amount of arbitrage rebate and yield restriction liabilities with respect to each bond issue for each IRS filing date and as of the final maturity or redemption of such bond issue, taking into account adjustments required or permitted by the Federal tax law and regulations, including computation date credits for each bond year.

7. Deliver a comprehensive report detailing the arbitrage rebate and yield restriction calculations, the rebate liability and any yield restriction issues, as well as a legal tax opinion regarding the calculations for a bond issue, which shall provide, among other things, that such calculations were performed in compliance with the Federal tax law and regulations: We will prepare and provide to the Authority a detailed annual and final arbitrage rebate and yield restriction compliance report with respect to each bond issue. Each arbitrage rebate and yield restriction compliance report will include the amounts of arbitrage rebate and yield restriction liabilities and summarize therein the methodologies and assumptions and results of the arbitrage rebate and yield restriction calculations, with all relevant calculation schedules and input information attached thereto. Each of our arbitrage compliance reports includes our legal tax opinion to the effect that the methodology used in computing the rebate and the yield restriction liability is in conformance with Federal tax law.

8. ***Prepare and provide for signature and date a completed Form 8038-T for filing with the IRS:*** We will prepare and provide to the Authority detailed instructions with respect to the filing of the IRS Form 8038-T with the Internal Revenue Service for each bond issue or, at the direction of the Authority, make such filing on behalf of the Authority.

All of the above Arbitrage Services will be rendered or performed diligently to permit the Authority to meet all deadlines for the filing of necessary forms with, and the submittal of any check for payment of the arbitrage rebate, yield restriction, or penalty amounts to, the IRS. Additionally, we will write in our arbitrage compliance reports that there are no more calculations needed if there are no more gross proceeds subject to the rebate and yield restriction requirements.

Our work will not end with assisting the Authority to make timely rebate or yield restriction payments. FAS will also monitor for, provide the Authority notification of, and assist the Authority with, potential opportunities to obtain a refund in the event of a rebate or yield restriction overpayment.

We will also assist the Authority in the event of an audit, examination, or inquiry made by the IRS, or any other Federal or state governmental or regulatory bodies, regarding rebate and/or yield restriction

calculations. Such assistance includes advice regarding the Authority's rights, duties and available options, as well as the furnishing of rebate information and calculations to the inquiring authority, explanation of the methodology and assumptions used in preparing the arbitrage rebate and/or yield restriction computations and determining the rebate and/or yield reduction amount, and related technical and numerical matters.

Finally, FAS has provided training sessions and made presentations on arbitrage rebate and yield restriction to many of its clients nationwide and will, at the Authority's request, provide training sessions and make presentations to the Authority tailored to the specific needs of the Authority. Our sessions cover the overview of the arbitrage rebate and yield restriction rules and regulations, calculations of the rebate and yield restriction liabilities, the spending exceptions to the rebate requirements, the arbitrage rebate and yield reduction payment due dates, the on-going reporting requirements and record retention.

14. PLEASE INDICATE THE LOCATION WHERE THE SERVICES WILL BE PERFORMED.

All of our arbitrage compliance services will be performed in our New York City office at 7 World Trade Center, 250 Greenwich Street, New York, NY 10007. Certain tax lawyer review may be performed at our San Francisco office.

15. PLEASE PROVIDE A COPY OF YOUR FIRM'S CURRENT NEW JERSEY BUSINESS REGISTRATION CERTIFICATION (OR INTERIM REGISTRATION).

Please see **Tab E** (Required Documents) for a copy of our New Jersey Business Registration Certificate.

16. PROPOSED FEES: SUBMIT A COMPREHENSIVE ITEMIZED LIST OF SERVICES AND THE RESPECTIVE COSTS INCLUDING THE HOURLY RATE CHARGED FOR ADHOC CONSULTING SERVICES 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 VENDOR SELECTED TO PROVIDE SERVICES.

Please see **Tab E** (Required Documents) for the Fee Proposal.

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.

There have been no existing or threatened litigation, regulatory investigations, liens, or claims involving Hawkins partners.

18. IDENTIFY WHETHER YOUR FIRM'S OR ANY EMPLOYEE'S ABILITY TO PRACTICE HAVE BEEN SUSPENDED OR REVOKED BY ANY FEDERAL, STATE OR LOCAL GOVERNMENT OR AGENCY THEREOF. IF SO, PROVIDE THE DETAILS LEADING TO THE SUSPENSION, THE DURATION OF THE SUSPENSION AND THE DATES THE SUSPENSION BEGAN AND THE DATE OF REINSTATEMENT.

No partners have been suspended or revoked by any federal, state or local government or agency.

19. CONFLICTS OF INTEREST: DESCRIBE ANY ACTUAL OR POTENTIAL CONFLICTS OF INTEREST THAT MIGHT ARISE IF YOUR FIRM IS SELECTED TO SERVE AS ARBITRAGE COMPLIANCE PROVIDER TO THE AUTHORITY TAKING INTO CONSIDERATION BOTH THE AUTHORITY AND ITS COLLEGE AND UNIVERSITY CLIENTS.

We believe that there are no potential conflicts of interest with the performance of this service.

20. 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.

Please see **Tab E** for Required Documents.

SAMPLE ENGAGEMENT LETTER

(212) 820-9410

July 31, 2019

Mr. Brian Sootkoos
Director of Finance
New Jersey Educational Facilities Authority
103 College Road East, Second Floor
Princeton, NJ 08540-6612

Re: New Jersey Educational Facilities Authority

Arbitrage Rebate and Yield Restriction Compliance Services

Dear Mr. Sootkoos:

This letter sets forth the terms and conditions of the engagement of Hawkins Delafield & Wood LLP ("Hawkins") by the New Jersey Educational Facilities Authority (the "Authority") to provide legal advice regarding arbitrage rebate and yield restriction compliance with respect to the bond issues designated by the Authority (the "Bond Issues"). The advice involves applying applicable tax rules contained in Section 148(f) of the Internal Revenue Code of 1986 (the "Code") and regulations of the United States Department of the Treasury (the "Regulations"). In providing such advice, Hawkins may render, as appropriate, some or all of the services listed under the Request for Proposal for Arbitrage Compliance Services. Other related services may be provided by Hawkins at the request of the Authority pursuant to a separate fee arrangement.

The Authority will undertake to provide or cause to be provided to Hawkins such data and information as requested by Hawkins from time to time to enable Hawkins to render advice prior to each date on which calculations are to be performed (each, a "Calculation Date") with respect to arbitrage rebate and yield restriction compliance. The Authority will notify Hawkins of any early redemption or refunding of any of the bonds of the Bond Issues, and of any derivative products such as swaps or hedges that relate to the Bond Issues within 15 days of the relevant transaction date. Hawkins will not disclose to any third party person any data or information provided to Hawkins or developed pursuant to this engagement without the prior written consent of the Authority.

The fees payable to Hawkins for providing rebate and yield restriction advice for the Bond Issues are due and payable in the amounts and at the times as set forth in the Proposal for Arbitrage Compliance Services prepared by Hawkins. Hawkins will begin gathering and cataloguing of necessary documentation, initial review of documents, and setting up of new transactions on Hawkins' accounting, records, and arbitrage rebate database systems upon receipt of this signed engagement letter.

The Authority or Hawkins may terminate this engagement by written notice to the other party, such termination to be effective immediately; provided that, if Hawkins terminates this engagement prior to delivering any rebate or penalty advice and if the Authority terminates this engagement other than as of the date of delivery of any rebate or yield restriction calculation and opinion with respect to a Calculation Date, the Authority shall pay a termination fee as determined by both parties, but not in excess of the fee that would be payable for services actually performed with respect to the next succeeding Calculation Date. Hawkins may not assign its rights and obligations under this engagement, whether in whole or in part, without the prior written consent of the Authority.

The Authority waives any and all conflicts-of-interest that may have arisen or may arise hereafter from this engagement or from any attorney-client relationship Hawkins may have had, may have currently, or may have in the future, with other parties involved in some manner with the Bond Issues or the Authority.

If this engagement letter is agreeable to you, please arrange to have an authorized officer sign two copies, retain one signed copy for the Authority's record and return one signed copy to Mr. Takashi Iwata.

Very truly yours,

Hawkins Delafield &Wood LLP

By: _____
Kam Wong
Partner

Accepted this _____day of _____, 2019:

New Jersey Educational Facilities Authority

By: _____

Title: _____

SAMPLE ARBITRAGE REBATE AND YIELD RESTRICTION COMPLIANCE REPORT 1

$74,100,000
ANY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS,
ANY UNIVERSITY ISSUE
$49,760,000 2008 SERIES D
$24,340,000 2008 SERIES E

ARBITRAGE REBATE AND YIELD RESTRICTION COMPLIANCE REPORT FOR THE PERIOD JUNE 30, 2013 THROUGH JUNE 30, 2018

Hawkins
DELAFIELD & WOOD LLP

Financial Analysis & Services Group

7 WORLD TRADE CENTER
250 GREENWICH STREET
NEW YORK, NY 10007-2442
PHONE: 212-820-9400
FAX: 212-514-8425
WEBSITE: WWW.HAWKINS.COM

JULY 31, 2019

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July 31, 2019

Ms. Bond Issuer
Treasurer
Any County
123 Main Street
Any City, Any State 012345

$74,100,000
New Jersey Educational Facilities Authority
Revenue Refunding Bonds,
Any University Issue
$49,760,000 2008 Series D
$24,340,000 2008 Series E

Arbitrage Rebate and Yield Restriction
Compliance Report for the Period
June 30, 2013 through June 30, 2018

Dear Mr. Issuer:

At the request of the Any Educational Facilities Authority (the "Authority"), we have prepared the accompanying report (the "Report") regarding the accrued arbitrage rebate liability (the "Rebate Liability") and the accrued yield restriction liability (the "Yield Restriction Liability") of the Authority with respect to the investment of gross proceeds of the above-referenced obligations (referred to separately as the "2008D Bonds" and the "2008E Bonds" and collectively as the "Bonds") in nonpurpose investments for the above-referenced period (the "Computation Period"). The calculations in the Report have been prepared under the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"), and the United States Treasury Regulations effective as of July 1, 1993, as amended (the "1993 Regulations").

The findings are summarized in Schedule A1 of the Report. The methodology and assumptions used in determining the Rebate Liability and the Yield Restriction Liability are summarized in Exhibit One of the Report.

We have reviewed the following documents and records:

- records provided by The Bank of New York Mellon (the "Trustee"), detailing the investment and expenditure of gross proceeds of the Bonds, including the actual earnings received on such investments, and the actual or deemed prices received for such investments upon disposition;
- records provided by the Trustee regarding the principal and interest payments on the Bonds;
- records provided by Allied Irish Bank and TD Bank regarding the letter of credit fees with respect to the Bonds;
- data provided by the Swap Provider (as defined below) regarding the swap payments and receipts with respect to the Bonds;
- the portions of the Official Statements detailing the terms and redemption provisions of the Bonds;
- the portions of the Remarketing Memorandum detailing the terms and redemption provisions of the 2008D Bonds;
- the Irrevocable Direct Pay Letter of Credit, dated as of November 16, 2010, issued by TD Bank, with respect to the 2008D Bonds (the "TD Letter of Credit");
- the Tax Certificate of the New Jersey Educational Facilities Authority as to Arbitrage and Compliance with Provisions of Section 103(a) of the Internal Revenue Code of 1986, as Amended, including the exhibits thereto, with respect to the Bonds (the "Tax Certificate");
- the Tax Certificate as to Arbitrage and as to Compliance with Provisions of Section 103(A) of the Internal Revenue Code of 1986, as Amended, including the exhibits thereto (the "2005C Tax Certificate"), with respect to the 2005C Bonds (as defined in Exhibit One);
- the Arbitrage and Tax Certificate of the Authority, including the exhibits thereto (the "2015C Tax Certificate"), with respect to the 2015C Bonds (as defined in Exhibit One);
- the Arbitrage and Tax Certificate of the Authority, including the exhibits thereto (the "2017D Tax Certificate" and collectively with the 2015C Tax Certificate, the "Refunding Tax Certificates"), with respect to the 2017D Bonds (as defined in Exhibit One);
- the Verification Report, prepared by Causey Demgen & Moore Inc., dated December 11, 2008, with respect to the Bonds (the "2008 Verification Report");
- the Verification Agent Report, prepared by Mercadien, P.C., dated July 14, 2015, with respect to the 2015C Bonds (the "2015 Verification Report");
- the Verification Agent Report, prepared by AMTEC, dated June 29, 2017, with respect to the 2017D Bonds (the "2017 Verification Report");
- the Interest Rate Swap Confirmation, dated August 17, 2005, between Citibank N.A., New York (the "Swap Provider") and Seton Hall University (the "University"), with respect to the 2005C Bonds (the "2005C Swap Confirmation");
- the Interest Rate Swap Confirmation, dated May 18, 2006, between the Swap Provider and the University, with respect to the 2006A Bonds (the "2006A Swap Confirmation");
- the Termination Agreement, dated June 21, 2017, between the Swap Provider and the University, with respect to the Bonds (the "Swap Termination Agreement");
- the opinion of Bond Counsel (as defined below) described in the Remarketing Memorandum, dated November 9, 2010, that the substitution of the TD Letter of Credit for the AIB Letter of Credit, as defined in the Remarketing Memorandum, and the adoption of the amended and restated resolutions do not adversely affect the exclusion from gross income of the interest on the Bonds for Federal income tax purposes;

- the Arbitrage Rebate and Yield Restriction Compliance Report for the 2005C Bonds, prepared by Hawkins, Delafield & Wood LLP, dated February 13, 2009, for the period April 18, 2005 through January 8, 2009 (the "2005C Final Compliance Report");
- the Interim Arbitrage Rebate Analysis for the 2006A Bonds (as defined in Exhibit One), prepared by Bond Logistix LLC, dated August 29, 2007 for the period June 1, 2006 through June 30, 2007 (the "2006A Prior Rebate Report); and
- the Arbitrage Rebate and Yield Restriction Compliance Report for the Bonds, prepared by Hawkins Delafield & Wood LLP, dated July 16, 2013, for the period December 11, 2008 through June 30, 2013 (the "Fifth Year Compliance Report").

With the consent of the Authority, we have relied on, without independent verification, the information that is contained in the above-referenced documents, records and data and the advice that was provided by the Authority, the Trustee, the Swap Provider and Wilentz, Goldman & Spitzer, P.A., Woodbridge, New Jersey ("Bond Counsel") with respect to such information for the purposes of calculating the Rebate Liability and the Yield Restriction Liability. We express no opinion as to the completeness, accuracy or suitability of such information for such purposes. Except as stated herein with respect to rebate and yield restriction matters relating to the Bonds, we express no opinion as to the exclusion of the interest on the Bonds from gross income for purposes of Federal income taxation nor with respect to any arbitrage rebate or yield restriction compliance of any other tax-exempt obligations that have been refunded by the Bonds or that have refunded the Bonds.

Based on the advice of Bond Counsel with respect to the remarketing of the 2008D Bonds on November 16, 2010 and based on the Remarketing Memorandum, the 2008D Bonds are not treated as "reissued" for Federal income tax purposes when they were remarketed.

Based on and subject to the foregoing, it is our opinion that the methodology used in computing the Rebate Liability and the Yield Restriction Liability is in conformance with the Code and the 1993 Regulations.

The terms of our engagement are such that we have no obligation to update the Report because of events occurring, or data or information coming to our attention, subsequent to the date of the Report.

We are furnishing the Report to the Authority solely for its benefit and the benefit of the University and the Trustee. The Report is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person without our prior written consent.

Very truly yours,

Hawkins Delafield & Wood LLP

1. Purpose of the Bonds: As stated in the Tax Certificate, the 2008D Bonds were issued for the purpose of providing funds which were used by the University to: (i) currently refund $28,287,500 portion of the Authority's outstanding $57,750,000 Revenue Bonds, Seton Hall University Issue, 2005 Series C (the "2005C Bonds"); (ii) currently refund the outstanding $20,200,000 of the Authority's Revenue Refunding Bonds, Seton Hall University Issue, 2006 Series A (the "2006A Bonds" and collectively with the 2005C Bonds, the "Prior Bonds"); and (iii) pay certain costs of issuing the 2008D Bonds.

   As stated in the Tax Certificate, the 2008E Bonds were issued for the purpose of providing funds which were used by the University to: (i) currently refund the $21,737,500 portion of the outstanding 2005C Bonds; (ii) fund a debt service reserve fund; and (iii) pay certain costs of issuing the 2008E Bonds.

   The portion of the Prior Bonds refunded by the Bonds is called the "Refunded Bonds." Capitalized terms have the meanings ascribed thereto in the Tax Certificate.

2. Defeasances and Early Redemptions: As stated in Section 2.1. of the 2015C Tax Certificate, the outstanding 2008E Bonds were advance refunded and redeemed by the Authority's $22,205,000 Revenue Refunding Bonds, Seton Hall University Issue, 2015 Series C (the "2015C Bonds"). As a result, the 2008E Bonds will be redeemed in their entirety on July 1, 2019. As stated in Section 2.1. of the 2017D Tax Certificate, the outstanding 2008D Bonds were currently refunded and redeemed by the Authority's $39,520,000 Revenue Refunding Bonds, Seton Hall University Issue, 2017 Series D (the "2017D Bonds" and collectively with the 2015C Bonds, the "Refunding Bonds"). As a result, the 2008D Bonds was redeemed in their entirety on June 29, 2017.

3. Bond Year: Consistent with the Fifth Year Compliance Report, each Bond Year ends on June 30 or on the final redemption date of the Bonds.

4. Prior Rebate or Yield Reduction Payments: The Authority has advised that no rebate or yield reduction payment has been made to the United States Treasury Department with respect to the Bonds.

5. One Issue: Pursuant to Section 4.G of the Tax Certificate, the 2008D Bonds and the 2008E Bonds are treated as a single issue for purposes of Section 148 of the Code.

6. Fair Market Value: Each investment purchased or sold is assumed: (i) to be at fair market value, (ii) except as specified herein, not to include any brokerage or other acquisition fees, and (iii) to be an arm's-length transaction which did not reduce the Rebate Liability or the Yield Restriction Liability with respect to the Bonds.

7. Broker's Commissions and Sweep Fees: Broker's commissions, sweep fees, or similar fees paid in connection with any guaranteed investment contracts or similar investments purchased with gross proceeds of the Bonds that are treated as administrative expenses are not taken into account in determining the yield on such investments.

8. Yield Determination: Except as specified herein, all yields are computed on the basis of a 30/360 day year, compounded semiannually. Present values and future values are computed on the basis of a 30/360 day year with semiannual compounding.

9. Bond Yield:
   (a) The 2008D Bonds were issued as variable rate bonds and the 2008E Bonds were issued as fixed rate bonds. The 2008D Bonds were redeemed in their entirety on June 29, 2017. Pursuant to 1993 Regulations Section 1.148-4(d), the Bonds are treated as a variable yield issue from the issue date of the Bonds to June 30, 2018 (the "Variable Period"), and are treated as a fixed yield issue thereafter through the final maturity date of the Bonds (the "Fixed Period"). During the Variable Period, the Bonds are treated as a variable yield issue under 1993 Regulations Section 1.148-1(b) because the yield on such issue was not fixed and determinable as of the issue date using the assumptions and rules provided in 1993 Regulations Section 1.148 4(b). The yield on the Bonds during the Variable Period is calculated pursuant to 1993 Regulations Section 1.148-4(c). 1993 Regulations Section 1.148-3(e)(1)(ii) permits, after the first required payment date, the yield on the Bonds to be determined consistently either at the end of each Bond Year or at the end of each fifth Bond Year. The yield on the Bonds is computed as a single yield for the Computation Period (see Appendix II). Optimization of the Bond Yield to minimize the Rebate Liability and the Yield Restriction Liability was not performed as such liabilities are zero.
   (b) As stated in Section 4.N of the Tax Certificate, the University has previously entered into the 2005 Swap Agreement and the 2006 Swap Agreement which constitute Qualified Hedges for the 2005C Bonds and the 2006A Bonds (the "Prior Swaps"), respectively, and such Prior Swaps were deemed terminated on December 11, 2008 with deemed termination payments in the amounts of $5,618,813.58 for the 2005C Bonds and $2,297,003.32 for the 2006A Bonds. As stated in the definition of "Yield" in Section 1 of the Tax Certificate, the deemed termination payments with respect to the Prior Swaps are treated as payments on the Bonds and are taken into account in determining the yield on the Bonds and payments and receipts under the 2008D Swaps with respect to the 2008D Bonds are taken into account in determining the yield on the Bonds effective July 2, 2009. As further stated in Section 4.N of the Tax Certificate, the Swap Agreements were re-identified to be Qualified Hedges for the 2008D Bonds effective July 2, 2009 (the "2008D Swaps"). As described in Section 4.N of the Tax Certificate, the on-market portions of the 2008D Swaps are treated as "qualified hedges" under 1993 Regulation Section 1.148-4(h) and the on-market payments made and received pursuant to the 2008D Swaps are taken into account in determining the yield on the Bonds. Pursuant to Sections (B)(3) and (B)(4) of Schedule C to the Tax Certificate, the fees paid by the Swap Provider to the swap advisor with respect to the 2008D Swaps are not included in the on-market fixed rate payments of the 2008D Swaps. As stated in the Swap Termination Agreement, the 2008D Swaps were terminated on June 29, 2017 and the University made a termination payment in the amount of $4,872,000 to the Swap Provider. The Tax Certificate executed in connection with the issuance of the 2017D Bonds is silent on the treatment of such termination payment.

(c) The Authority has advised that no other qualified hedge (as defined in the 1993 Regulations) has been entered into with respect to the Bonds. Accordingly, no other qualified hedge payments and receipts are taken into account in determining the yield on the Bonds.
(d) The issue price of the Bonds is based on the initial public offering prices and/or yields set forth in the Official Statements.
(e) As stated in Section 4.M of the Tax Certificate, the fees paid for the Letter of Credit are treated as "qualified guarantee" fees under 1993 Regulations Section 1.148-4(f) and based on the advice of the Authority, such fees are taken into account in determining the yield on the Bonds.

10. Funds and Accounts: Gross proceeds of the Bonds may be or have been held in the following funds and accounts as described in the Tax Certificate, the 2005C Tax Certificate and the Refunding Tax Certificate or shown in the records and data we have reviewed. Each fund or account subject to the rebate and/or the yield restriction requirements is known as a Gross Proceeds Fund. Certain Gross Proceeds Funds that qualify as a bona fide debt service fund pursuant to 1993 Regulations Section 1.148-1(b) are known collectively as part of the Bona Fide Debt Service Fund:

(a) 2005C & 2006A Redemption Account: *Gross Proceeds Fund (no investment activity during the Computation Period)*
(b) 2005C Rebate Fund: *Gross Proceeds Fund (no investment activity during the Computation Period)*
(c) 2008D Project Fund: *Gross Proceeds Fund (no investment activity during the Computation Period)*
(d) 2008D Costs of Issuance Fund: *Gross Proceeds Fund (no investment activity during the Computation Period)*
(e) 2008E Project Fund: *Gross Proceeds Fund (no investment activity during the Computation Period)*
(f) 2008E Costs of Issuance Fund: *Gross Proceeds Fund (no investment activity during the Computation Period)*
(g) 2015 Escrow Fund: *Gross Proceeds Fund*
(h) 2008E Debt Service Reserve Fund: *Gross Proceeds Fund*
(i) Debt Service Funds: *Part of the Bona Fide Debt Service Fund*
    i. Interest Accounts: *Each, part of the Bona Fide Debt Service Fund (to the extent used to pay debt service on the Bonds) and Gross Proceeds Fund (to the extent proceeds of the bonds deposited therein)*
    ii. Principal Accounts: *Each, part of the Bona Fide Debt Service Fund*
(j) 2008E Project Mort Account: *Contains no gross proceeds*
(k) 2008E REN REP Funds: *Contains no gross proceeds*
(l) 2008D Remarketing Account: *Contains no gross proceeds*
(m) 2008D Purchase Account: *Contains no gross proceeds*

The Debt Service Funds, including the Interest Accounts (to the extent used to pay debt service on the Bonds) and the Principal Accounts therein, are collectively called the "Debt Service Funds and Accounts."

Except for the foregoing funds and accounts, it is assumed that gross proceeds of the Bonds are not held during the Computation Period in any other funds and accounts of the Authority, the University or their respective agents.

11. Bona Fide Debt Service Fund: Pursuant to Section 148(f)(4) of the Code and 1993 Regulations Section 1.148-7, the Bona Fide Debt Service Fund is not taken into account in determining the Rebate Liability: (a) for Bond Years in which the Bona Fide Debt Service Fund does not have earnings greater than $100,000; or (b) if gross proceeds of the Bonds are expended for the governmental purposes for which the Bonds are issued in the amounts and within the periods applicable to the 6-month, 18-month or 24-month rebate spend-down exception to the extent any such exception is applicable to the Bonds. For Bond Years for which the Debt Service Funds and Accounts are determined not to qualify as a Bona Fide Debt Service Fund, such funds and accounts are taken into account in determining the Yield Restriction Liability. Based on the Trustee's records, the Debt Service Funds and Accounts qualify as a Bona Fide Debt Service Fund and the earnings in the Bona Fide Debt Service Fund do not exceed $100,000 in each Bond Year during the Computation Period; therefore, such funds and accounts are not taken into account in determining the Rebate Liability and the Yield Restriction Liability.

12. 2008E Debt Service Reserve Fund: As stated in Section 4.E. of the Tax Certificate, the amount of proceeds on deposit in the 2008E Debt Service Reserve Fund shall not exceed the lesser of: (i) 10% of the sale proceeds allocable to the 2008E Bonds, (ii) the maximum annual debt service on the 2008E Bonds, and (iii) 125% of the average annual debt service on the 2008E Bonds. Under the Code and the 1993 Regulations: (a) the amount of gross proceeds of the 2008E Bonds held in the 2008E Debt Service Reserve Fund that does not exceed the sum of the reasonably required reserve amount and the minor portion amount (collectively, the "Unrestricted Portion") is not subject to yield restriction but is subject to rebate; and (b) the amount in excess of the Unrestricted Portion (the "Yield Restricted Portion") is subject to yield restriction. For the purposes of the Report, the 2008E Debt Service Reserve Fund consists of: (i) the 2008E Debt Service Reserve Fund - Unrestricted Portion; and (ii) the 2008E Debt Service Reserve Fund - Yield Restricted Portion. Based on the Trustee's records, the amount of proceeds held in the 2008E Debt Service Reserve Fund does not exceed the Unrestricted Portion for any period longer than one year during the Computation Period. Based on the foregoing, the amount of proceeds of the 2008E Bonds held in the 2008E Debt Service Reserve Fund is not subject to yield restriction during the Computation Period.

13. Expenditures: All amounts withdrawn from the Gross Proceeds Funds are assumed to be expended for the purposes of the Bonds on the day they are withdrawn and such expenditures are assumed to involve a current outlay of cash for a governmental purpose of the Bonds.

14. Transferred Proceeds: Pursuant to 1993 Regulations Section 1.148-9, proceeds of the Refunded Bonds become transferred proceeds of the Bonds and cease to be proceeds of the Refunded Bonds on each date that proceeds of the Bonds are used to pay principal of the Refunded Bonds (i.e., the transfer dates). Subject to the spending exceptions to the rebate requirement, such proceeds become subject to rebate or yield restriction with respect to the Bonds as of the transfer dates. As of the issue date of the Bonds, unexpended proceeds of the

2005C Bonds were held in the 2005C Project Fund, the Broker Dealer Account, the 2005C Rebate Fund and the 2008E Project Fund. A portion of such proceeds became transferred proceeds of the Bonds on January 8, 2009, the first and only transfer date. See the Fifth Year Compliance Report for the transferred proceeds analysis. The Authority has advised that all proceeds of the 2006A Bonds were expended as of the issue date of the Bonds and hence, did not become transferred proceeds of the 2006A Bonds.

Pursuant to 1993 Regulations Section 1.148-9, proceeds of the 2008E Bonds become transferred proceeds of the Refunding Bonds and cease to be proceeds of the 2008E Bonds on each date that proceeds of the Refunding Bonds are used to pay principal of the 2008E Bonds (i.e., the transfer dates). Subject to the spending exceptions to the rebate requirement, such transferred proceeds become subject to rebate or yield restriction with respect to the Refunding Bonds as of the transfer dates. Contrary to Section 3.13. of the 2015C Tax Certificate and as shown in the Trustee's records, unexpended proceeds of the 2008E Bonds were held in the 2008E Debt Service Reserve Fund of the 2008E Bonds and such proceeds were transferred to the 2015 Escrow Fund as of the issue date of the 2015C Bonds. Portions of such unexpended proceeds became and will become transferred proceeds of the Refunding Bonds beginning on July 1, 2016 and ending on July 1, 2019. See Schedule E1 for transferred proceeds analysis. As stated in Section 3.12 of the 2017D Tax Certificate and as shown in the Trustee's records, all proceeds of the 2008D Bonds were expended as of the issue date of the 2017D Bonds; and, hence, such proceeds did not become transferred proceeds of the 2017D Bonds.

15. Common Funds: Proceeds of the Bonds and other funds of the Authority deposited in the 2008D Interest Account are allocated to investments and interest earnings by applying a pro-rata allocation methodology, and to expenditures by applying a direct trace methodology (see Schedule C2). The interest earnings are allocated among such investments based on the average balance of each investment as of each interest payment date.

    Proceeds of the Refunding Bonds and the proceeds of the Bonds held in the 2008E Debt Service Reserve Fund deposited in the 2015 Escrow Fund are allocated to investments, expenditures and interest earnings by applying a pro-rata allocation methodology based on initial deposits (see Schedule D3).

16. Spending Exceptions to the Rebate Requirement: No spending exceptions to the rebate requirement are applicable for the Computation Period. Spending exceptions to the rebate requirement for the first five year computation period are discussed in the Fifth Year Compliance Report.

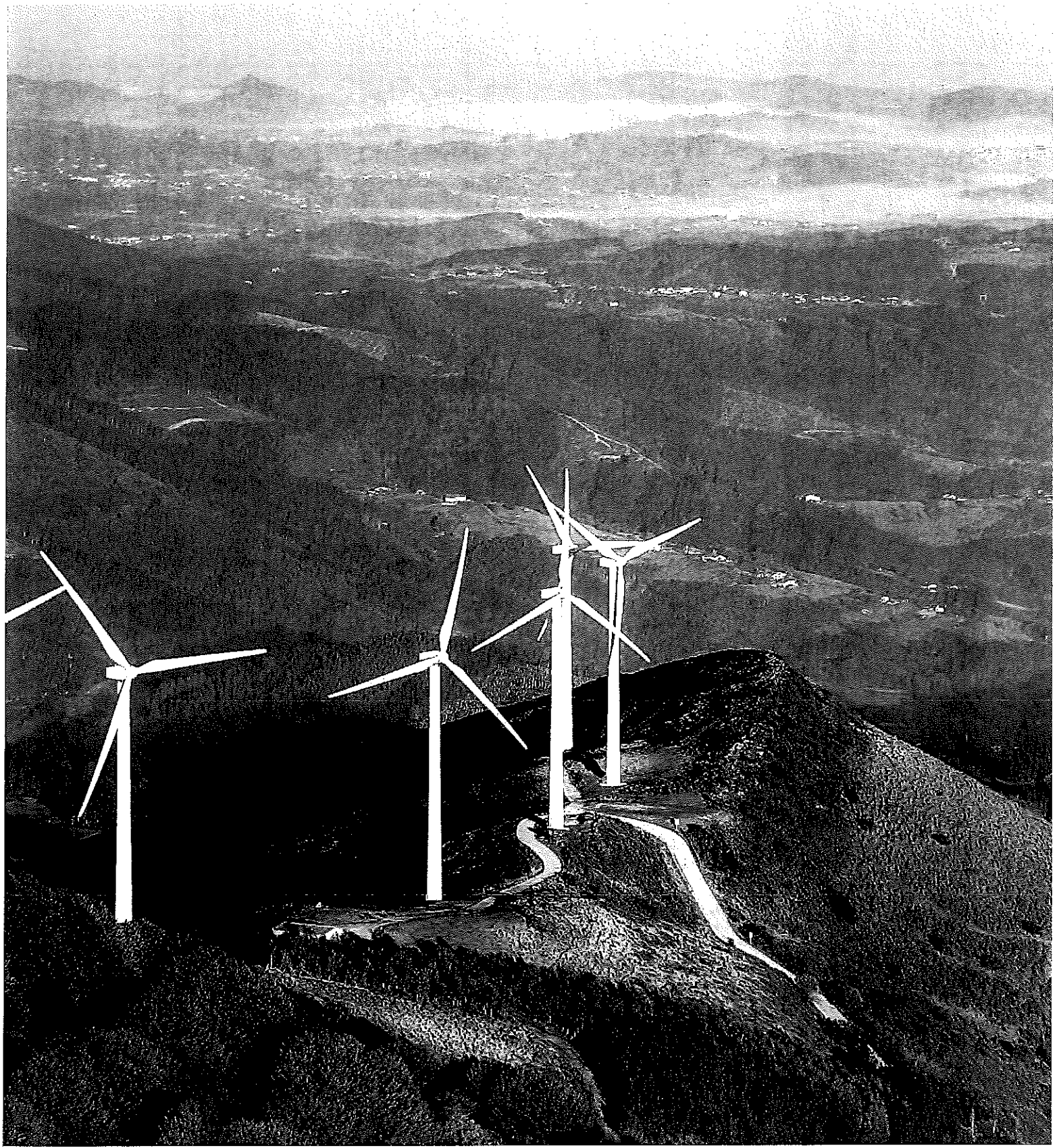
17. Election into September 26, 2007 Proposed Regulations: The Authority has advised that it has elected to apply Section 1.148-3(d)(4) of the Proposed Regulations published on September 26, 2007 with respect to the computation date credit amount.

1. As set forth in Schedule A1 of th, no positive Rebate Liability or Yield Restriction Liability accrued as of June 30, 2018; therefore, no payment is required to be made to the United States Treasury Department.

2. Except for proceeds of the Bonds held in the 2015 Escrow Fund which are invested at less than the Bond Yield, all proceeds of the Bonds have been allocated to expenditures as of February 4, 2016. No Rebate and Yield Restriction Liability should accrue after June 30, 2018 unless: (a) there is a change with respect to the investment of gross proceeds of the Bonds; or (b) gross proceeds of the Bonds subject to rebate or yield restriction under the Code and the 1993 Regulations hereafter arise (e.g., insurance and condemnation proceeds, etc.).

BLX

PERSPECTIVE • EXPERIENCE • PROCESS



BLX Group LLC

RESPONSE TO REQUEST FOR PROPOSALS FOR ARBITRAGE COMPLIANCE SERVICES

New Jersey Educational Facilities Authority

August 2, 2019

PROJECT MANAGER

Robin Schlimgen
Managing Director
T 480.539.4084
E rschlimgen@blxgroup.com

BLX Group LLC
1910 S Stapley Drive, Suite 115
Mesa, AZ 85204
Ph 480 539 0912 Fx 480 539 4266
www.blxgroup.com

August 2, 2019

New Jersey Educational Facilities Authority
103 College Road East, Second Floor
Princeton, NJ 08540
Attention: Brian Sootkoos

Re: Request for Proposal for Arbitrage Compliance Services

Ladies and Gentlemen:

On behalf of BLX Group LLC ("BLX"), I am pleased to submit the attached proposal in response to the New Jersey Educational Facilities Authority's (the "Authority") Arbitrage Rebate Compliance RFP. ***Having provided the requested services to the Authority since 1996, we believe that our familiarity with the Authority's service needs makes us uniquely qualified to understand the technical complexities of the Authority's debt profile and strict reporting specifications.*** BLX draws upon deep expertise supporting municipal offerings with decades of client service experience paired with advanced processes, methodologies and technology.

Since its inception 30 years ago, BLX has been a subsidiary of Orrick, Herrington & Sutcliffe LLP ("Orrick"). Orrick has been providing quality municipal finance legal services for over one hundred years, has ranked first nationally as bond counsel for most of the last two decades, and encompasses the largest and most experienced public finance tax group of its kind. BLX consultants work with Orrick tax and bond attorneys to ensure that the legal aspects of each analysis have been appropriately addressed.

We understand the scope of the proposed engagement and are highly qualified to perform the arbitrage rebate services the Authority is seeking. BLX will provide such services in accordance with both federal tax law requirements and best practices. Our qualifications are supported by three important elements foundational to delivering certainty, resourcefulness, and timely reporting to our clients:

(1) Perspective

- The in-depth knowledge and experience of our professionals, along with the exceptional variety and scope of our engagements, give our team unsurpassed expertise and a unique perspective.
- Our working relationship with Orrick enables us to monitor the continual changes in the municipal finance environment, to understand their potential impact on our clients, to develop strategies that protect and advance each client's interests, and ultimately to identify the single best technical approach to any particular analysis. Our reports are delivered with an Orrick legal opinion that attests that the calculations are prepared in accordance with the Treasury Regulations.

(2) Experience

- Our senior professionals have been with the firm for many years and have decades of experience handling a broad range of engagements for a wide variety of clients. There are few situations, client needs, regulatory complexities or legal situations that we have not previously encountered and successfully handled.
- Our degreed and educated staff provide responsive and reliable customer service as well as on-site training. Our clients know the BLX professionals they rely upon will be part of their team for years to come.
- Our team members are familiar with the legal and regulatory constraints within which our clients must operate. We understand the needs and expectations of officials at the IRS and other regulatory agencies.

(3) Process

- We utilize vetted and efficient data collection methods and resources.
- We have instituted policies and procedures to ensure that all analyses reflect the most recent version of the Treasury Regulations as well as all beneficial elections available thereunder.
- Our processes include multiple levels of rigorous internal reviews and checks and balances to ensure accuracy and to confirm that possible alternatives are identified and compared.

Partnering with BLX and taking advantage of our strong tax and analytical skill set and competitive pricing is the best choice for a successful, yet cost-effective engagement. I will continue to serve as your relationship manager and primary point of contact. In that role, I will be responsible for leading an open dialogue within BLX and with the Authority. I am excited about the prospect of our continued working together and look forward to addressing any questions you may have. I can be reached at **480.539.4084** or via e-mail at **rschlimgen@blxgroup.com**.

Very truly yours,
BLX Group LLC

Robin L. Schlimgen

Robin Schlimgen
Managing Director

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F. SAMPLE REPORTS
G. REQUIRED DOCUMENTS AND FORMS

1. ASSIGNED PROFESSIONALS

Please provide 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(s) who will have primary responsibility for the engagement. Provide brief resumes including relevant experience for those individuals.

The core team that BLX will assign to the Authority's engagement consists of BLX's most experienced and appropriately skilled professionals. All core team members will be available on a full-time basis as needed. Robin Schlimgen will serve as Project Manager and will address the Authority's day-to-day concerns and/or needs.

Project Manager and Primary Contact
Robin Schlimgen, Managing Director
BLX Group LLC
1910 S. Stapley Drive, Suite 115, Mesa, AZ 85204
PH (480) 539-4084 / FX (480) 539-4266
rschlimgen@blxgroup.com

Project Manager: Robin Schlimgen, Managing Director of BLX, serves as Project Manager for many of BLX's larger arbitrage rebate engagements and will continue to serve as Project Manager for this proposed engagement. Ms. Schlimgen will address any day-to-day concerns and/or needs of the Authority and will coordinate efforts with other team members. She will also assist with analytical strategy and report design and review. Ms. Schlimgen is one of BLX's most senior professionals and has a broad range of public finance experience, which combined with her project management expertise, has consistently resulted in successful transactions and great client satisfaction. In addition, Ms. Schlimgen has worked closely with members of the Authority with our current engagement and is extremely knowledgeable of its debt program and idiosyncrasies. She will be fully committed to delivering BLX's industry-leading services to you and your team and is available 7 days a week via phone or e-mail. Furthermore, she routinely conducts and is available for complimentary site visits as needed. She last visited the Authority in September 2018 and provided an arbitrage training session.

Legal Analysis: Richard Chirls, Tax Partner at Orrick, will provide the legal analysis which is an integral part of our services. While we will expand on this point later in the proposal, it is worth observing here that Mr. Chirls is not simply a sole-practitioner attorney like that available to other compliance firms; he represents and is supported by the entire Orrick Tax Group, which has handled more volume than that of any competing group over the last two decades.

Personnel/Title	*Role*	*Office Location*	*Tenure at BLX/ORRICK*	*Industry Experience*
Robin Schlimgen Managing Director	Project Manager Strategy/Report Review	Phoenix	12 years	28 years
Alan Bond Managing Director	Strategy/Local Liaison Report Review	New York	22 years	26 years
Sandee Stallings COO/Managing Director	Strategy Report Review	Dallas	20 years	30 years
Caleb Lansky Managing Director	Report Production	New York	12 years	12 years
Laura Gausden Associate Director	Report Production	Phoenix	12 years	15 years
Jessing King Associate Director	Report Production	Dallas	12 years	12 years
Richard Wright Senior Consultant	Report Production	Phoenix	4 years	4 years
Richard Chirls Partner, Orrick	Legal Analysis	New York	30+ years	30+ years

Resumes of BLX Project Team Members



Robin Schlimgen

Managing Director

PHOENIX
T: (480) 539-4084
E: rschlimgen@blxgroup.com

INDUSTRY EXPERIENCE
28 Years

TENURE AT BLX
12 Years

EDUCATION
University of Arizona
BS Finance & Real Estate, 1990
cum laude
Karl Eller
Entrepreneurship Participant

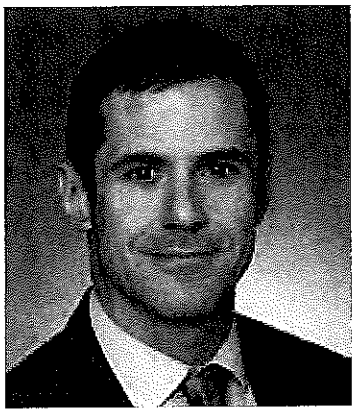
MEMBERSHIPS
AGFOA and WFOA

Robin is a Managing Director and head of BLX's Phoenix office (which opened in the Spring of 2007). She is a 28-year veteran of arbitrage compliance services.

Robin gained the majority of her experience while working in the arbitrage rebate services group at Ernst and Young where she served as Senior Manager in charge of the Arizona practice for 16 years. During her tenure at Ernst and Young, she was responsible for the office and project management of the Arizona rebate practice.

Her experience at BLX includes the preparation of hundreds of complex arbitrage rebate reports, and the coordination of workflow to ensure the timely preparation of calculations. She conducts technical reviews for a wide variety of financings, and trains new arbitrage consultants. She has also spoken to several regional associations about arbitrage rebate and yield restriction regulations.

Robin has gained considerable experience with the various complexities of student loan financings, variable rate issues, and yield period optimization. She is attuned to the unique structure and complexities of universities as well as a variety of other issuers. Robin personally serves as project manager for many of BLX's largest clients, including the New York City Municipal Water Finance Authority, Bay Area Toll Authority, Orange County, New Jersey Higher Education Assistance Authority, and New Jersey Infrastructure Bank.



Alan Bond

Managing Director

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INDUSTRY EXPERIENCE
26 Years

TENURE AT BLX
22 Years

EDUCATION
Southern Methodist University
BA in Finance, 1990

FINRA LICENSE
Series 65 Investment Advisor Rep
(2001 to Present)

Alan serves as Managing Director of BLX's New York office. In addition to overseeing the day-to-day activities of the BLX professionals located in New York, Alan is responsible for BLX's most recent practice area, Post-Issuance Tax Compliance. He has been a featured panelist at numerous conferences across the United States discussing the importance of post-issuance tax compliance reporting requirements for 501(c)(3) nonprofit organizations. Alan has personally served as project manager for many of BLX's largest clients, including the States of New York and Connecticut, the cities of Chicago and Cleveland, as well as municipal agencies such as the Missouri Higher Education Loan Authority, the New York State Urban Development Corporation, and the Empire State Development Corporation. He will serve and will be available as local liaison for the Authority.

Alan joined BLX in 1997. Prior to that, he was an Assistant Vice President with the Public Finance Department of Rauscher Pierce Refsnes, Inc. (now RBC Capital Markets) in Dallas, Texas, providing arbitrage rebate services to many large issuers in the Southwest from 1993 to 1997.



Sandee Stallings

Chief Operating Officer / Managing Director

DALLAS
T: (214) 989-2701
E: sstallings@blxgroup.com

INDUSTRY EXPERIENCE
30 Years

TENURE AT BLX
20 Years

EDUCATION
Nebraska Wesleyan University
BS in Business Administration, Finance, 1986

FINRA LICENSES
Series 50 Municipal Advisor Rep (August 2017 to Present)
Series 63 Uniform Securities Rep (2004 to Present)
Series 65 Investment Advisor Rep (1996 to Present)
Series 7 General Securities Rep (1990 to 2015)

MEMBERSHIPS
GTOT, NABL, and GFOA
Texas Women in Public Finance

Sandee is BLX's Chief Operating Officer. A senior member of BLX's management team with 30 years of public finance experience, she heads BLX's Compliance Services, which encompasses Arbitrage Rebate and Yield Restriction Compliance, Post-Issuance Compliance, Secondary Market Disclosure, and Program Administration Services. Sandee is responsible for all aspects of project management, client services, work quality and the overall operations of our compliance and consulting services nationwide. She oversees production in the Los Angeles, Phoenix, Dallas, Tampa, and New York offices.

In addition to her management responsibilities, Sandee is an industry leader in monitoring compliance of tax-exempt financings for all types of issuers of municipal bonds. Her expertise, which includes the highly complicated areas of student loan and housing bond structures, is enhanced by her close working relationship with Orrick Tax Partners.

She joined BLX's predecessor organization, the Financial Services Group of Orrick, in 1999 when it acquired the Arbitrage Rebate Consulting Group of Dain Rauscher Incorporated (Dain). From 1994 through 1999, as Vice President and Manager, she was responsible for the oversight of the Dain Group. For the five years between 1989 and 1994, she directed the daily functions of the Arbitrage Rebate Services Group at First Southwest Company and was instrumental in the establishment of that practice.

From 1986 to 1989, Sandee was associated with the Federal Reserve Bank of Dallas and the Federal Reserve Board in Washington, D.C. where she performed audits of bank holding companies and Federal Reserve branches, respectively.



Caleb Lansky

Managing Director

NEW YORK
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INDUSTRY EXPERIENCE
12 Years

TENURE AT BLX
12 Years

EDUCATION
Syracuse University
BA in Psychology,
Minor in Economics, 2003
New York University
MS in Finance & Dev., 2006

Caleb joined BLX in January 2007 and serves as Managing Director of the New York office. He began his BLX career specializing in the preparation of complex arbitrage rebate analyses and providing tailored debt advisory services and calculations to state and local governments and 501(c)(3) nonprofit organizations.

Currently, Caleb is responsible for co-managing BLX's Post-Issuance Compliance practice group. He also serves as project manager for BLX's largest post-issuance compliance clients, including the Art Institute of Chicago, California Institute of Technology, and Pacific Retirement Services. He has played a key role in constructing the analytical and quantitative models used by the Post-Issuance Compliance group and led the development of BLX SKAN™, a web-based service from BLX designed to assist nonprofit organizations in navigating the complexities of the new Schedule K of IRS Form 990.

Laura Gausden

Associate Director

PHOENIX
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EDUCATION
University of Utah
BS in Economics, 2002

INDUSTRY EXPERIENCE
15 Years

TENURE AT BLX
12 Years

Laura joined BLX's Phoenix office in the Spring of 2007. As an Associate Director, she is responsible for completing arbitrage rebate calculations for a wide variety of clients and bond issues, including the Authority. She also prepares and analyzes the data required to perform arbitrage rebate calculations. Her experience includes performing complex rebate calculations, many of which involve variable rate bond issues with SWAP agreements, commingled fund allocations, spending exception tests, and yield restriction analyses. She is also in charge of training new staff for the Phoenix office.

Representative List of Experience: Arizona Agribusiness & Equine Center, Inc. (AZ), CentraState Healthcare System (NJ), Chabot-Las Positas Community College District (CA), City of Brea (CA), City of Carson (CA), Clark County Regional Flood Control District (NV), Cochise County Community College District (AZ), Corporation for Independent Living (CT), Eskaton Properties, Incorporated (CA), Geisinger Health System (PA), Gilbert Public Schools (AZ), Gonzaga University (WA), Hawaii Pacific University (HI), Hobart and William Smith Colleges (NY), Holy Name Hospital (NJ), MedStar Health (MD), Middlesex County Improvement Authority (NJ), Midwestern University (IL), National Development Council (WA), **New Jersey Educational Facilities Authority (NJ)**, New Jersey Higher Education Student Assistance Authority (NJ), New Jersey Infrastructure Bank (NJ), New York City Municipal Water Finance Authority (NY), Oregon Coast Community College District (OR), Pinal County (AZ), Queen Creek Unified School District No. 95 of Maricopa County (AZ), San Diego County Water Authority (CA), San Francisco Bay Area Toll Authority (CA), San Mateo County Community College District (CA), Santa Clara County (CA), St. Ann's Home for the Aged (NJ), State of Connecticut (CT), The Ohio State University (OH), Town of Oro Valley (AZ), Whitworth University (WA), Willamette University (OR), Youngstown State University (OH)

Jessica King

Associate Director

DALLAS
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EDUCATION
Baylor University
BBA in Finance and Management, 2007

INDUSTRY EXPERIENCE
12 Years

TENURE AT BLX
12 Years

Jessica joined BLX in May 2007. Her responsibilities include preparing arbitrage rebate, yield restriction, and acquired purpose investment analyses. Since joining BLX, Jessica has prepared more than 2,200 arbitrage calculations for various issuers. Many of the bond issues she works on require complex analytical work such as variable rate yield calculations, interest rate swaps, parity/pooled reserve fund allocations, debt service fund analyses, interest earnings analyses, and the uncommingling of multiple funds.

In addition to her background in arbitrage rebate and yield restriction compliance, Jessica has recently expanded her focus by assisting our Post Issuance Compliance Services Group in New York. Her responsibilities for that group range from the preparation of Schedule K Forms (i.e., attachments to Form 990) to the measurement of private use over the term of tax-exempt bonds for 501(c)(3) organizations and municipalities to ensure compliance with the full spectrum of their post-issuance requirements.

Representative List of Experience: Albuquerque Municipal School District #12 (NM), Atlantic Housing Partners (FL), Baptist Health Care (FL), CED Construction, Inc. (FL), Central New Mexico Community College (NM), City and County of San Francisco (CA), City of Cleveland (OH), City of Slaton (TX), City of Taft (CA), Dignity Health (CA), Edcouch-Elsa Independent School District (TX), Florida Housing Finance Corporation (FL), Huntington Park Public Financing Authority (CA), Irvine Unified School District (CA), Ithaca College (NY), Jenks Public Schools (OK), Lake Travis Independent School District (TX), LAXFUEL Corporation (CA), Midlothian Independent School District (TX), Montgomery County (TX), Nevada Hand (NV), New Jersey Housing and Mortgage Finance Agency (NJ), Ohio Housing Finance Agency (OH), Opportunity Village Foundation (NV), Phoenix Union High School District No. 210 of Maricopa County (AZ), Rady Children's Hospital San Diego (CA), San Francisco Municipal Transportation Agency (CA), San Francisco Port Commission (CA), Tahlequah Public Schools (OK), Texas Department of Housing & Community Affairs (TX), Texas Department of Transportation (TX), Tomball Independent School District (TX), Urban Housing Communities (CA)

Richard Wright

Senior Consultant

PHOENIX
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INDUSTRY EXPERIENCE
4 Years

TENURE AT BLX
4 Years

EDUCATION
Texas Christian University
BS in Finance, 1997

Richard Wright joined BLX's Phoenix office in 2015. As a Senior Consultant, he is responsible for the production of arbitrage rebate calculations for government and corporate clients, including several issuers with complex parity reserve funds. He also prepares and analyzes the data required to perform arbitrage rebate calculations. His experience includes performing complex rebate calculations, many of which involve variable rate bond issues, commingled fund allocations, spending exception tests, and yield restriction analyses.

Representative List of Experience: Amphitheater Unified School District No. 10 (AZ), Arizona Western College (AZ), Chabot-Las Positas Community College District (CA), City of Brea (CA), City of Buckeye (AZ), City of Carson (CA), City of Schenectady (NY), Clark County Regional Flood Control District (NV), Cochise County Community College District (AZ), Covanta Holding Corporation (NJ), Geisinger Health System (PA), Gonzaga University (WA), Hawaii Pacific University (HI), Hobart and William Smith Colleges (NY), King County (WA), MedStar Health (MD), Middlesex County Improvement Authority (NJ), Midwestern University IL), National Development Council (WA), New Jersey City University (NJ), **New Jersey Educational Facilities Authority (NJ)**, New Jersey Higher Education Student Assistance Authority (NJ), Orange County (CA), Oregon Department of Administrative Services (OR), Pinal County (AZ), San Diego County Water Authority (CA), State of Utah (UT), The United Methodist Homes of New Jersey (NJ), Town of Oro Valley (AZ), University of Arizona (AZ), University of Washington (WA), Youngstown State University (OH)



Richard Chirls
Partner, Orrick

NEW YORK
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INDUSTRY EXPERIENCE
30+ Years

TENURE AT ORRICK
30+ Years

EDUCATION
University of Pennsylvania
B.S., cum laude, 1973
University of Pennsylvania Law School
J.D., 1976
New York University School of Law
LL.M., Taxation, 1979

MEMBERSHIPS
National Association of Bond Lawyers,
President (1990 – 1991) & Chair, annual tax seminar
NABL Bernard P. Friel Medal for distinguished serv. PF (2008)
American Bar Association, Section of Taxation,
Tax Exempt Finance
Committee, Chair (1989 – 1991)
NYS Bar Association, Tax Section,
Tax Exempt Finance Committee, Chair (1984 – 1986)
Congressman Beryl Anthony's Comm. on Public Finance

Richard Chirls, a New York tax partner, focuses his practice on the tax aspects of public finance transactions. He has served as the head of Orrick's nationally recognized Public Finance Tax Group.

With over 30 years of experience, Richard is widely recognized as one of the nation's foremost authorities, having broad experience with tax exempt financings and related transactions involving governmental and not-for-profit entities. His expertise and stature in the public finance community was recognized by the National Association of Bond Lawyers' highest award for his career of distinguished service in public finance.

Richard focuses on new products, including the development of new and creative financing techniques for governments, non-profits and investment bankers. He regularly works on transactions throughout the country. However, in his home office in New York City, he leads the relationship with the Port Authority of New York and New Jersey, serving as counsel on well over 100 transactions over a period of more than 20 years and has headed the tax work in connection with every financing of a cultural facility relating to museums and performing arts in New York City over this same period. Richard has worked on the tax aspects of several of the largest and most complex public private partnership (P3) transactions in recent years. He frequently acts as special tax counsel to issuers and underwriters of municipal finance issues.

Richard also conducts the defense to IRS challenges to the tax-exempt status of municipal bonds. He was the lead tax attorney among the joint defense group of 17 investment banking firms that settled the original IRS/SEC/DOJ "yield burning" allegations and subsequently has represented investment banking firms and issuers in connection with investigations involving alleged "yield burning" and "bid-rigging" and other violations of arbitrage restrictions. His work on IRS investigations of tax exempt bonds has covered a broad range of situations, including small issue IDBs, excess private use of governmental and not-for-profit projects, arbitrage driven structures, excess unexpended bond proceeds and the status of community development districts as political subdivisions. The results of these investigations have ranged from the prompt and favorable closing of examinations to complex settlements involving multiple transaction participants and federal regulatory agencies. He has experience with the IRS Voluntary Closing Agreement Program (VCAP) and the resolution of investigations through technical advice from the IRS Office of Chief Counsel and the IRS Office of Appeals. Richard's booklet "An Introduction to IRS Audits of Tax-Exempt Bonds" is a popular resource of information for the public finance community.

Richard's practice also involves significant experience with post-issuance tax law compliance such as arbitrage rebate and yield restriction requirements and rebate refund claims (together saving issuer clients many millions of dollars of arbitrage costs), as well as private use monitoring and relief.

2. FIRM OVERVIEW

A description of your organization's capabilities, qualifications, and experience with performing arbitrage compliance services for governmental issuers of municipal securities with complex programs including, but not limited to, variable rate debt issues, swap transactions, transferred proceeds, hedges, other derivative structures, commingled funds, and pooled transactions.

EXECUTIVE SUMMARY

BLX's overarching objectives in any engagement are to provide certainty and attentive client service. We are distinguished in our ability to meet this goal via three core principles:

(i) a broad **perspective** grounded in the regulatory domain and acquired by working in concert with Orrick's Public Finance Tax Group and developing industry standards on the proper application of arbitrage rebate regulations for nearly three decades. BLX can address circumstances requiring methodological discretion and provide confidence that the ultimate approach has been verified by the nation's leading tax experts.

(ii) a rigorous **procedural and technical approach** ensuring that all analyses are accurate and providing a superior client experience. We address a broad range of municipal and client requirements by utilizing an arsenal of methodologies and by hosting educational forums. Our advanced online platforms and processes are designed in-house by a team of software engineers working in concert with our industry experts to minimize risk and to cost-efficiently prepare analyses while maintaining consultative flexibility. We adhere to strict IRS and client deadlines and provide complimentary access to a secure online portal.

We also offer onsite training and host an annual post-issuance compliance conference to deliver an enriching client experience. We provided onsite training for the Authority in September 2018.

(iii) a responsive **degreed and experienced staff** dedicated to delivering analyses within the established deadlines. As one of the country's largest providers of arbitrage rebate compliance services, BLX has 34 full-time professionals, strategically located in five fully-staffed offices nationwide. BLX personnel assigned to this engagement would be in our Phoenix, New York, and Dallas Offices. Their long tenure, coupled with the transparency of BLX's reports, will ensure the fluid sharing of information and provide continuity in the event of staff turnover at the Authority.

BLX is a value-added partner with the requisite credentials to manage the Authority's compliance requirements. We have encountered and successfully tackled a similar scope of work in literally thousands of arbitrage compliance engagements.

CAPABILITIES

BLX is a go-to strategic partner for your post-issuance compliance requirements.

(i) **We staff 34 full time consultants**, strategically located nationwide. We are headquartered in Los Angeles and have fully-staffed offices in Dallas, New York, Phoenix, and Tampa. BLX is thereby uniquely positioned to meet your scheduled requirements and respond quickly to requests for additional support.

(ii) **Our large-scale production is seamless.** BLX prepares about 3,400 arbitrage rebate reports annually. We have in place the resources to address the Authority's current and future needs with no interruption to our procedures or strain on our consultants.

(iii) **Our rigorous system of built-in checks and balances** ensures compliance with laws governing arbitrage rebate and also ensures that the Authority receives the best arbitrage consulting services available.

(iv) ***We continually invest in technology*** to enhance our clients' experience: ***(a)*** *Our internal tracking software* notifies the members of the proposed team well in advance of scheduled computation dates, allowing us to maintain a smooth work-flow and react promptly to unforeseen circumstances. Consequently, we have the capacity to consistently exceed the Authority's expectations with regard to timely and accurate reporting. ***(b)*** We advocate transparency and provide *complimentary access to the BLXPortal*, a secure service that allows our clients to access detailed information about their rebate

engagements, view rebate reports, review scheduled computations, and upload bond documents and investment records. *(c)* BLX Digital, our team of 3 full-time software engineers, partners with our 34 consultants to deliver accurate and efficiently produced reports.

(v) **Since we served as one of the Authority's most recent arbitrage consultants**, we have the information for the various bond issues in our office, the matters are already set up in our database, and we are uniquely aware of the various complexities surrounding your various bond issues.

Given our capabilities, BLX will thereby be able to continue to dedicate resources to the Authority immediately upon engagement.

EXPERIENCE DIFFERENTIATORS

The Authority's desired scope of services aligns with BLX's corporate philosophy and procedures. Our aptitude at handling the unique characteristics of Authority bonds comes from a strong foundation of successful engagements with issuers similar to the Authority. ***Having worked with the Authority as one of their arbitrage compliance consultants since 1996, we have a more comprehensive understanding of the Authority's issues than any other arbitrage rebate firm. In the course of our engagement we have performed over 1,300 arbitrage rebate analyses and legal opinions for more than 200 of the Authority's bond issues. In the last five years, BLX has completed an annual average of 30 reports within the Authority's strict timeline without compromising quality and has provided frequent advice and guidance to members of the Authority, both during the period the reports are being completed and throughout the rest of the year.*** Our unique differentiators provide peace of mind and certainty.

(i) Our clients benefit greatly from BLX being **a wholly-owned subsidiary of Orrick with unlimited access to tax expertise**. Being a subsidiary of a law firm, BLX holds itself accountable to the highest standards of the Treasury Department's Circular No. 230 which governs tax practitioners. Orrick tax partners are on the front lines closing bond deals, providing legal guidance, receiving updated educational information, working with the IRS on various tax matters, and attending and presenting at seminars across the nation. BLX receives regulatory updates from the Orrick tax partners and routinely consults with them on technical complexities. We have access to these additional resources at no charge to the Authority.

(ii) **Senior BLX consultants average more than 20 years of experience** in arbitrage compliance and public finance. Their tenure enabled them to become experts and thoroughly master the post-issuance compliance domain surrounding debt offerings. This expertise allows us to accommodate even the most unusual and complex circumstances and to apply beneficial analytical alternatives when available. BLX consultants are recruited from strong educational and occupational backgrounds and undergo rigorous financial, technical, and regulatory training by nationally recognized experts.

(iii) **BLX is a national authority and leader on post-issuance compliance education** We host annual post-issuance compliance workshops, conduct onsite training for numerous clients, and we routinely provide conference presentations. We also host webinars to keep clients apprised of regulatory developments and best practices on a variety of topics, ranging from continuing disclosure to private use and post-issuance compliance. In addition to gaining valuable insight and staying up-to-date through Orrick, our staff includes an associate member of the National Association of Bond Lawyers who disseminates timely regulatory updates.

(iv) Under Orrick's careful guidance, BLX consultants have accumulated **extensive experience interfacing with IRS agents** and are familiar with their operating procedures. The IRS and other federal agencies have greatly increased their scrutiny of all tax aspects of state and local government bonds. In addition to responding to random audits, BLX consultants have processed and retrieved over $66 million in refund claims for their clients. Some of these claims materialized due to changes in the interest rate environment while others stem from BLX consultants optimizing the analysis of a prior consultant who failed to identify the lowest legally permissible rebate liability.

In light of the IRS's increased enforcement efforts, we strongly believe that BLX's depth of financial expertise, combined with our pulse on regulatory matters and direct exposure with the IRS, provides the highest level of comfort available.

EXPERIENCE

BLX Group is registered with the Securities and Exchange Commission (SEC) and Municipal Securities Rulemaking Board (MSRB) as a municipal advisor. Since our inception 30 years ago, we have grown to become the largest provider of arbitrage rebate consulting services in the country.

Our ability to consistently engage and maintain clients through geographic reach, depth of resources, and breadth of experience are all strong indicators that BLX has succeeded at providing the highest quality technical and client services available in the industry. Our familiarity with a variety of debt profiles and service needs has been accumulated through this rich and diverse experience. The proficiency we have acquired through our enduring tenure, along with the technical knowledge of our seasoned staff, make BLX distinctly qualified to fulfill the Authority's scope of work cost-effectively without sacrificing quality.

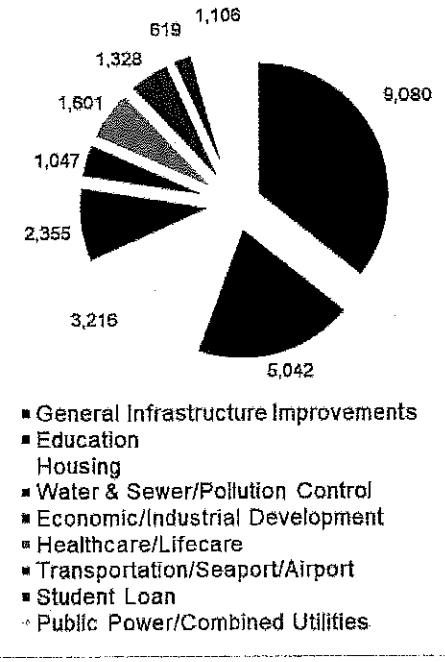
We maintain long-standing engagements with many of the nation's largest and most sophisticated issuers. Our technical, financial and regulatory expertise is evidenced by the fact that we are often asked to assist investment banking, financial advisory, consulting, and law firms with complex structurings and problem-solving, especially in the realm of correctly applying federal tax law and arbitrage requirements. This level of technical proficiency far surpasses what is required for many arbitrage analyses, but enables BLX to handle complex analyses and to provide issuers with a high degree of comfort that all analyses are accurate.

BLX's arbitrage rebate practice represents the full spectrum of issue types and technical complexities. As illustrated in Table 1, we have worked on thousands of analyses involving commingled funds, transferred proceeds, and variable rate debt (with or without hedges). These are some of the most challenging analyses; they require a thorough understanding of the legal, economic, and technical aspects of arbitrage computations. Furthermore, and as shown in Chart 1, our practice is seasoned and fortified by the breadth of public and private industry segments we have serviced; we have clients in sectors ranging from education, healthcare, and general infrastructure, to housing, student loan, and public power. This rich and diverse experience enables us to immediately recognize debt and investment features, spend less time figuring out the issue's structure, and spend more time optimizing the analysis of any given bond issue.

Table 1: Experience Highlights

	# of Issues	Par ($trillion)
Overall	**25,383**	$2.013
Fixed	21,617	$1.680
Variable	3,777	$0.333
Refunding Issues	**9,840**	$1.030
Commingled Funds	**9,554**	$0.866

Chart 1: Issues Engaged by Industry Segment



In addition, our procedural approach, our process of checks and balances, and our quick access to Orrick's expert legal resources give us a distinct advantage not only in recognizing and appropriately addressing structures with which we have prior experience, but also in isolating the single best approach for structures for which no precedent exists. Our expertise allows us to accommodate even the most unusual and complex circumstances, and to apply beneficial analytical alternatives when available.

TECHNICAL RESOURCES AND PROFICIENCY

BLX's strength and longevity are derived from our extensive technical resources, proficiency, and the oversight provided by Orrick. As you will notice from our firm organizational chart included as *Appendix A*, BLX has 12 Managing Directors, each bringing tremendous intellectual resources and talent to our firm. A firm does not amass and retain that amount of quantitative talent without an environment of challenging work, diligence and mutual respect. This work environment differentiates us and provides peace of mind and certainty for our clients in the following ways:

Efficient Operations: As demonstrated below, BLX deploys its resources such that each is dedicated to the component of a given rebate calculation that makes that resource most efficient. Our professionals spend less time on information collection and data entry, and more time analyzing and applying regulatory knowledge to uncover the approach that produces the best result for their clients. Accordingly, our professionals gain more exposure and acquire expertise you can rely on in a wide variety of scenarios.

Allocation of BLX Resources	***Document & Statement Compilation***	***Data Entry***	***Financial Modeling***	***Technical Modeling***	***Regulatory Review***
Orrick Tax and Bond Partners					•
BLX Associate & Managing Directors			•	•	•
BLX Senior & Managing Consultant		•	•	•	
BLX Consultant	•	•	•		
BLX Support Staff	•				

Attentive Service: We prioritize the perspectives and sensitivities of each client. Having provided arbitrage consulting services to tax-exempt issuers in every U.S. State and Territory, we are poised to provide you with recommendations, guidance, and support that is right for your organization. Our team is committed to addressing your service needs every step of the way.

Advanced Technology: We use proprietary spreadsheet-based templates rather than commercial software because of the flexibility they afford our clients. A pre-designed system is limited to built-in methodologies. We recognize that the best answer is often produced from an approach that is rarely used. Our flexible technological platform is in place to give you the certainty that contingencies can be vetted out. We have invested substantially in technology to enhance our clients' experience: ***(a)*** *Our internal tracking software* notifies the members of the proposed team well in advance of scheduled computation dates, allowing us to maintain a smooth work-flow and react promptly to unforeseen circumstances. Consequently, we have the capacity to consistently exceed the Authority's expectations with regard to timely and accurate reporting. ***(b)*** We advocate transparency and provide complimentary access to the BLXPortal, a secure web-based service that allows our clients to access detailed information about their rebate engagements, view rebate reports, review scheduled computations, and upload bond documents and investment records. A quick view of some of the detailed bond issue information available on the BLXPortal is shown in *Appendix B.*

SCOPE OF SERVICES

To continue to ensure the certainty of your results, our procedures entail a multiplicity of reviews by increasingly experienced consultants, each of whom approaches the analysis with a distinct and fresh viewpoint. The entire process is then validated with a legal review by Orrick's expert tax lawyers. The procedures put in place to meet your scope of services, and deliver findings you can count on, are outlined below. Methodological examples applicable to your debt profile are included in next page.

PHASE I	**DISCOVERY**
Data Collection	Identify the most efficient and cost-effective sources and compile legal documents and investment records not already in our possession.
New Matter	Open virtual files and track a unique matter for each of your bond transactions in our database. Our tickler system ensures that reports are delivered on time and that pertinent details can be accessed by the BLX professionals involved in the production, review, and delivery of your analyses.
Validation	Confirm issue is subject to the rebate and/or yield restriction requirements via a thorough review of available tax documents.
Assignment	Assign transaction to a consultant based upon issue type, complexity, and similarity to prior experience. Determine whether it is legally required or advisable to undertake a given analysis in conjunction with one or more related issues.
PHASE II	**MODELING**
Strategy	Working with a senior BLX professional and/or Orrick tax partner, consultant reviews legal documents to uncover any unusual or unique elements impacting initial analytical direction. Together, they review your documents and circumstances to identify proceeds subject to rebate and/or yield restriction and determine which methodologies and elective exceptions are best suited for you.
Execution	Consultant calculates the arbitrage yield, identifies and separately accounts for all proceeds (e.g., transferred proceeds and commingled funds), determines the value of unexpended proceeds, applies the arbitrage yield to your net non-purpose investments cash flow to determine its future value, and generates your rebate and yield restriction liabilities.
PHASE III	**VALIDATION**
Senior Review	Drafts are reviewed by a BLX director. Alternative allocation and valuation approaches are discussed, agreed upon, and executed. The director determines if elective regulatory provisions will improve your results.
Tax Review	Throughout the validation process, the consultant works with one or more Orrick tax partners to ascertain that applicable rules and regulations were followed, and to ensure that a complete tax analysis has been performed.
Verification	Consultant incorporates any modifications to the methodology, and senior BLX professional verifies the accuracy of the final analysis.
PHASE IV	**DISBURSEMENT**
Final Report	A final report is assembled and delivered to you within 30 days of the computation date. It includes a summary of methodologies, assumptions, and conclusions, a legal opinion attesting that your analysis was prepared in accordance with applicable federal tax law, and any necessary filing materials (including IRS Form 8038-T and payment explanations).
Tickler Update	Update the relevant elements of our database tracking system to automatically notify our team in advance of the next anticipated computation date.
Portal Access	Once a report is issued, it is tagged as a portal document. You can view the report through our online portal access and peruse through a summary of your outstanding issues (including last and next computation dates, next IRS filing date, and most recent rebate and yield restriction liabilities).
Confirmation	We will ensure you are in possession of the report, that the service has been executed to your satisfaction, and answer any questions about the analysis.

EXPERIENCE WITH PERFORMING ARBITRAGE COMPLIANCE SERVICES FOR ISSUERS WITH COMPLEX PROGRAMS - APPLYING METHODOLOGICAL DISCRETION

To deliver optimum results, BLX carefully evaluates beneficial elections and alternate allocation and valuation methods at both the bond and program levels. We integrate the results of individual analyses into an overarching and consistently applied strategy to not only ensure the certainty of our findings but to support an exemplary post-issuance program. The following examples illustrate how utilizing methodological discretion benefits our clients.

Commingled Funds: Commingled funds arise when proceeds subject to rebate are commingled with other types of monies (e.g., proceeds eligible for an exception, proceeds of another tax-exempt issue, or non-bond proceeds). An "allocation analysis" is undertaken to allocate investments and expenditures to each type of monies. Various consistently applied approaches are allowed under the regulations. BLX carefully weighs in the parameters of a given bond issue and program to identify which permissible methodology yields the optimal economic result.

> ***How?*** BLX has performed multiple allocation analyses for a transportation authority in the state of New York that have resulted in cumulative rebate payment savings of over $3.5 million.

Transferred Proceeds: Transferred proceeds arise in connection with refunding and refunded bonds and can significantly complicate the process of identifying gross proceeds of a particular bond issue. Transferred proceeds can involve multiple bond issues originally subject to different versions of the regulations. Our legal and technical expertise enable us to flesh out the intricacies and differences between successive versions of the regulations and to pinpoint when to make beneficial elections.

> ***How?*** We have performed transferred proceeds analyses for virtually every issuer type and tax-exempt debt instrument. BLX prepared rebate analyses with transferred proceeds associated with multiple refunding bonds, as well as proceeds commingled in a large parity reserve fund on behalf of a large international airport. These turn-key allocation and optimization analyses enabled the issuer to recover rebate payments totaling over $3.2 million from the IRS.

Market vs. Present Value of Securities: The regulations allow several methods of valuing securities held as of a computation date, transferred proceeds date, or other applicable allocation date. Because rebate analyses are based on non-purpose payments and receipts through computation and transferred proceeds dates, securities held as of such dates must be valued to represent a receipt or disposition of principal and accrued interest. The regulations allow such valuations to be at either market value, present/accreted value, or plain par - valued at 100 if purchased at a "de minimis" discount or premium. The selection can have a tremendous impact on the bottom line rebate liability. BLX evaluates the merits of these three valuation methods on a case-by-case basis.

> ***How?*** BLX performed an allocation and valuation analysis for a large electric authority in Georgia that resulted in approximately $2.5 million in arbitrage rebate payment savings. In addition, we analyzed the investment holdings of a large California school district and performed an allocation analysis which eliminated a $695,000 rebate liability.

Variable Rate Bonds, Qualified Guarantees, and Derivatives: Variable rate bond yield calculations are more complex than fixed rate analyses; instead of determining the yield over the life of the issue using the expected debt service, the yield is determined using actual payments for a specific time period. The flexibility to use different combinations of yield periods in determining bond yields allows us to optimize your rebate liability by comparing the bond yield and the investment yield for "slices" of the computation period. In addition, qualified guarantees and derivatives (such as interest rate swaps and caps) add another layer of complexity. We are experienced in the review of the associated closing documents to validate the inclusion of qualified guarantee fees and qualified hedge transactions. While we boast an active derivative advisory practice and are well versed in the proper amortization of upfront qualified guarantee and hedge termination

fees, BLX professionals work closely with Orrick tax attorneys to ensure that the treatment of each letter of credit and derivative is based on solid legal reasoning and analysis.

How? BLX has saved our clients millions of dollars as a result of variable rate bond yield optimization. The bond yield is an important benchmark, and we recognize that it's in your best interest for us to capture all eligible outlays in determining it.

Universal Cap Provisions: The Universal Cap provisions state that, starting (at the latest) with the end of the first bond year that follows the second anniversary, the balance of proceeds allocated to a bond issue for arbitrage rebate purposes must not exceed the value of the outstanding bonds. A legally accurate and economically optimal application of the Universal Cap provisions is one of the most important areas requiring methodological discretion in order to achieve the most favorable result.

How? BLX obtained a $1.2 million arbitrage rebate refund from the IRS for a large city in Washington. The bond issues in question utilized a common reserve structure, and a prior rebate provider had missed a requirement to apply the universal cap provision which had a beneficial impact for the city. BLX consultants worked closely with IRS representatives, undertook the complex and lengthy re-allocation analysis, arrived at a final result $1.2 million lower than amounts previously paid, and subsequently obtained the refunds for the issuer.

Pooled Transactions: In the case of pooled bond issues or parity issues with a common reserve fund, we believe that BLX's methodological approach gives us a distinct advantage in tailoring our analyses to meet the requirements specific to a given analysis. BLX uses specially modified Microsoft Excel spreadsheet templates to perform arbitrage rebate analyses. Including the Authority itself, BLX has experience with a number of issuers that issue pooled bonds.

How? BLX has assisted numerous clients with complex reserve fund allocations involving both equity and bond proceeds further complicated by transferred proceeds allocations. Additionally, we have managed issues with more than 150 includable investment accounts.

3. AFFILIATION WITH TAX ATTORNEYS

A description of any affiliation or relationship with qualified tax attorneys who may provide an opinion of tax counsel. Provide brief resumes including relevant experience for those individuals.

BLX works closely with tax and bond attorneys at Orrick, our parent company, to ensure the legal aspects of your analyses are appropriately addressed. Our services include the necessary transparency to document your tax position:

Global Perspective: Orrick handles roughly 500 bond counsel transactions per year, which represents more than 12% of the U.S. market share. BLX's body of knowledge is shaped by routine interactions with Orrick's innovative public finance and non-profit attorneys. This exposure enables us to gain a broad perspective on regulatory trends and best practices for your post-issuance compliance program. We understand tax law applications and make impactful decisions based upon the synergy gained by working with 20 diverse Orrick public finance practitioners (including 11 partners).

Legal / Professional Opinion: Arbitrage analyses are complex enough, and the results delivered from competing firms vary enough, that a professional opinion matters. BLX delivers each analysis with an Orrick legal opinion attesting that it conforms to the appropriate Treasury Regulations. The Orrick legal opinion carries with it the credentials of an institution that has provided quality legal services to municipal issuers and borrowers for almost 100 years. The Orrick opinion, supported by its underlying knowledge base, has far more weight under scrutiny than that of a sole practitioner or certified public accountant.

Legal Developments: The effects of important changes to Treasury Regulations and proposed legislation impacting tax-exempt finance are debated and openly discussed in e-mail threads that include the entire Orrick public finance group, of which BLX is a part. Therefore, BLX is often aware of regulations being considered and the positions bond and tax counsels are likely to take on prospective changes. Furthermore, Sandee Stallings is an associate member of the National Association of Bond Lawyers and receives notices of all regulatory updates as they occur. BLX has a strong commitment to tracking legal developments at the federal level to ensure our practice areas are up to date on all municipal compliance requirements.

IRS Audits: During IRS audits, we believe the Authority should be relieved that we are not an independent firm or have bond counsel on "retainer" but rather feel confident that BLX's depth of financial expertise and Orrick's legal expertise provides issuers with the highest level of comfort available. We are confident that BLX's direct experience with the IRS and its audit agents on arbitrage-related matters greatly surpasses that of any other firm.

Tax Law Changes: We see tax law changes as potential opportunities to provide additional benefit to our clients. Although most changes in tax law are applicable prospectively, many are retroactively available by election. Our approach is to first carefully analyze the changes in tax law and then develop a transaction profile for issues that are or may be affected from an arbitrage or yield restriction perspective. For example, when the 1993 Regulations were introduced we developed a list of the pros and cons of electing into the 1993 Regulations. By utilizing this check list, we were able to efficiently identify candidates that might benefit from electing into the 1993 Regulations and notified our clients accordingly.

BLX works closely with Orrick to provide all of the legal resources necessary to fulfil this engagement. Under Orrick's careful guidance, BLX consultants have accumulated extensive experience interfacing with IRS agents and are familiar with their regulatory interpretations. Our collaborative team is fully versed in Sections 103 and 148 of the Internal Revenue Code and related Treasury Regulations - the relevant sections of the Code pertaining to arbitrage rebate and yield restriction compliance. Carefully sorting through the different rules set forth in prior versions of the Tax Regulations and making the proper permitted beneficial elections can reduce rebate liabilities by hundreds of thousands of dollars. A legal review is important to reach an optimal result that is fully compliant with the Treasury Regulations in a variety of complex areas such as commingled funds, transferred proceeds, and universal cap.

BLX readily recognizes opportunities and routinely takes advantage of alternative methodologies when it can be ascertained that present value savings will be achieved. The table to the right summarizes some of the methodologies BLX has applied, and the approximate cumulative savings achieved as a result.

Methodology	*Savings*
Allocation and Valuation Analyses	$16 Million
Variable Rate Optimizations	$9 Million
Various Elections	$6 Million
Rebate Refund Requests Successfully Retrieved	$66 Million

4. REFERENCES

A representative list of at least five (5) clients serviced by the referenced servicing location and a description of the services provided. Please provide a contact name and phone number for each listed client.

Company	New Jersey Higher Education Student Assistance Authority, NJ
Contact	Arthur Quaranta, Controller
Phone/E-mail	(609) 588-3300 / Arthur_Quaranta@hesaa.org
Project Highlights	BLX has provided arbitrage rebate and acquired purpose investment services for the Authority's fixed and variable rate issuances, since 2007. From 2002 to 2007, Ms. Schlimgen worked with the Authority while employed by Ernst & Young LLP. These complex calculations include many swaps with various swap terminations. Orrick has also assisted the Authority with an IRS audit.

Company	Middlesex County Improvement Authority, NJ
Contact	Lory Cattano, Chief Financial Officer
Phone/E-mail	(609) 655-5141 / lory.cattano@mciauth.com
Project Highlights	BLX was engaged in 2009 to provide arbitrage rebate calculations for the Authority's various bond issues, including pooled issues. From 1999 to 2007, Ms. Schlimgen worked with the Authority while employed by Ernst & Young LLP.

Company	University of Washington, WA
Contact	Chris Malins, Senior Associate Treasurer
Phone/E-mail	(206) 616-1103 / seamline@u.washington.edu
Project Highlights	BLX has provided arbitrage rebate services to the University since 2007 for all of their outstanding bond issues. From 2000 to 2007, Ms. Schlimgen worked with the University while employed by Ernst & Young LLP. BLX was able to significantly reduce an IRS rebate payment owed by the University by selecting an earlier bond year.

Company	University of Arizona, AZ
Contact	Marie Langlais
Phone/E-mail	(520) 626-7338 / mlanglais@email.arizona.edu
Project Highlights	BLX has provided arbitrage rebate services to the University since 2006. We have provided these services for all the University's various bond issues. We have provided arbitrage training to the University's staff.

Company	Bay Area Toll Authority, CA
Contact	Catherine Cam, Associate Financial Analyst
Phone/E-mail	(510) 817-5882 / ccam@mtc.ca.gov
Project Highlights	BLX has provided arbitrage rebate services to BATA since 2002. BATA is a very high volume issuer and their calculations include complex swap transactions and terminations along with a commingled reserve fund. The reserve fund has both a bond proceeds and an equity component.

HIGHER EDUCATION EXPERIENCE

Since BLX's inception, we have been providing issuers of higher education tax-exempt debt with in-depth, transparent, and easy to follow reports regarding their rebate and yield restriction liabilities and acquired purpose investment liabilities. BLX consultants are well versed with these types of issuances and their complexities, such as multiple project funds, parity (commingled) reserve funds and their required allocation, debt service fund analyses, application of rebate exceptions to borrowers, variable rate bond yield calculations, conversions of variable rate bonds to fixed rate, as well as refundings and their related transferred proceeds. In some cases, we also provide universal cap analyses. BLX has worked with over **140** public and private universities and colleges, board of regents and higher education authorities and has prepared more than **4,400** arbitrage analyses and legal opinions for **1,050** bond issues.

To demonstrate our experience working with higher education institutions across the country, provided below is a representative listing of higher education engagements. Most of the calculations for these issuers require at least one, if not more of the complex analyses described above.

Representative List of Higher Education Engagement

Alcorn State University (MS)
Arizona Western College (AZ)
Bard College (NY)
Boise State University (ID)
California State University (CA)
Carnegie Mellon University (PA)
Catholic University of America (DC)
Central New Mexico Community College (NM)
Chabot-Las Positas Community College District (CA)
Chapman University (CA)
Citrus College (CA)
Claremont McKenna College (CA)
Clemson University (SC)
Coastal Carolina University (SC)
Cochise County Community College District (AZ)
College of Charleston (SC)
College of the Desert (CA)
Columbia College Chicago (IL)
Contra Costa Community College District (CA)
DePaul University (IL)
Emerson College (MA)
Florida State University Schools (FL)
Fordham University (NY)
Gonzaga University (WA)
Harvey Mudd College (CA)
Hawaii Pacific University (HI)
Hobart and William Smith Colleges (NY)
Ithaca College (NY)
Loyola Marymount University (CA)
Midlands Technical College (SC)
Midwestern University (IL)
New Jersey Educational Facilities Authority (NJ)
New Jersey Higher Ed. Student Assist Authority (NJ)
New Mexico State University (NM)
Occidental College (CA)
Oregon Coast Community College District (OR)
Oregon Health and Science University (OR)
Regents of the University of California (CA)
Saint Mary's University (TX)
San Diego Community College District (CA)
San Mateo County Community College District (CA)
Santa Clara University (CA)
Santa Monica College (CA)
South Carolina State University (SC)
Stanford University(CA)
Syracuse University (NY)
Texas State University System (TX)
The Ohio State University (OH)
University of Arizona (AZ)
University of Dayton (OH)
University of San Diego (CA)
University of South Carolina (SC)
University of Southern California (CA)
University of the Pacific (CA)
University of Washington (WA)
Whitworth University (WA)
Willamette University (OR)
Winthrop University (SC)
Youngstown State University (OH)

5. EVIDENCE OF PROFESSIONAL LIABILITY INSURANCE COVERAGE

Evidence of satisfactory professional errors and omissions liability insurance coverage with limits of at least $5 million.

Provided as *Appendix C* is evidence of our Professional Liability insurance coverage.

6. FINANCIAL CONDITION

Evidence of the organization's sound financial condition (e.g. a copy of the most recent audited financial statements).

Provided as *Appendix D* is a statement of our financial condition.

7. PROPOSED ENGAGEMENT LETTER

A copy of the organization's proposed engagement letter. Please Note that (a) the engagement letter must include by reference, all terms and conditions included in this Request For Proposal (the "RFP"), (b) the Authority is not permitted to provide indemnification in any form, and (c) any agreement must be subject to the laws of the State of New Jersey.

Please see *Appendix E* for a copy of BLX's standard form of engagement.

8. SAMPLE REPORTS

A copy of sample reports anticipated to be issued for this engagement, including bond yield calculation with a swap, transferred proceeds analysis, commingled funds analysis and any report with an associated investment agreement. Reports must include assumptions and methodology.

Please see *Appendix F* for copies of BLX's sample reports which reflect the work to be issued under any future engagement.

9. OPINION LETTER

A copy of the opinion letters which would accompany each report – opinions to include one certifying the mathematical correctness of the calculations, accompanied by an opinion of tax counsel regarding compliance with applicable laws and regulations.

Please see *Appendix F* for a copies of the opinion letters issued by BLX (Tab 1 of the sample analyses) and by Orrick (Tab 2 of the sample analyses) which accompany each report.

10. SOFTWARE CAPABILITY

A brief description of the software used by your firm and the firm's ability to receive data and disseminate reports electronically.

Software: BLX uses proprietary spreadsheet-based templates to perform its arbitrage rebate analyses, preferring the flexibility such specially modified spreadsheets provide. During an extensive training program, each of our consultants is trained to build bond sizing, escrow sufficiency verification, and arbitrage rebate financial models "from scratch," starting with a blank spreadsheet. This means that all of our consultants have intimate knowledge of spreadsheet usage, the mechanics of yield calculation, transferred proceeds analyses, and commingled funds analyses. Consequently, BLX consultants are capable of developing novel financial models, creating schedules as necessary to optimally address the requirements of a particular analysis.

By contrast, most competing consulting firms have invested in some sort of arbitrage rebate calculation software. In the cases we are aware of, the individual that programmed the software is not a full-time employee of the firm utilizing the software. Since the variety of complexities that may arise in the process

of performing calculations for refundings and pooled bonds is unpredictable, it is unclear how a single software application could possibly account for all such circumstances, or, how it could possibly be economical to have the software engineer constantly update the code to make the necessary accommodations.

BLX applications operate on a LAN/WAN network structure with a Windows 2010 operating system. Real-time data losses are mitigated by a redundant disk array server structure. Daily backups of all BLX files are sent off-site to a secure facility for archive and recovery purposes.

Ability to receive data and disseminate reports electronically: As one of the Authority's current arbitrage rebate compliance providers, BLX currently retrieves trustee data electronically from the Authority's trust banks, reducing the administrative burden on both the trustee and BLX and therefore increasing efficiency.

11. NEW JERSEY PRESENCE

Describe your firm's physical presence in the State of New Jersey, including number of offices, number of employees and the type of business activity conducted in the State.

While BLX does not maintain an office in New Jersey, it has built relationships with clients and issuers in the State through its New York, Dallas and Phoenix-based personnel. Our New York office provides relatively local proximity and responsiveness to our New Jersey clients, and BLX professionals can be on-site when necessary and/or appropriate on short notice. BLX's experience in New Jersey includes providing regulatory compliance services to numerous New Jersey tax-exempt issuers since 1995. Provided below is a partial listing our current engagements in the State of New Jersey: CentraState Healthcare System, Covanta Holding Corporation, Elizabeth Development Company, Friends Retirement Concepts, Inc. Arbor Glen of Bridgewater, Holy Name Hospital, Job Haines Home, Middlesex County Improvement Authority, Morris Hall/St. Lawrence, Inc., New Jersey City University, New Jersey Educational Facilities Authority, New Jersey Higher Education Student Assistance Authority, New Jersey Housing and Mortgage Finance Agency, New Jersey Infrastructure Bank, New Jersey Transit Corporation, Princeton Montessori Society, Rider University, St. Ann's Home for the Aged, Tenafly Board of Education, The Delbarton School, The United Methodist Homes of New Jersey, Tobacco Settlement Financing Corporation, and Union County Improvement Authority.

12. PARTICIPATION OF WOMEN AND MINORITIES AT BLX

Please describe the participation of women and minorities in your firm. Indicate the percentage of your firm that is owned by women and/or minorities.

BLX currently employs 45 individuals, 28 are women and minorities. Of these 28 individuals, 13 are managing and associate directors, 6 are consultants, and 9 are administrative support.

13. ADDITIONAL CONSIDERATION

Please provide any additional information or documentation that you feel will assist the Authority in evaluating your organization and its ability to service the Authority.

BLX's unique combination of relevant experience, resources, and expertise allows us not only to provide the Authority with the highest quality of service, but to do so most efficiently and effectively. BLX will ensure that all aspects of Treasury's arbitrage rebate and yield restriction regulations have been appropriately applied both to calculations performed by BLX, as well as to calculations performed by the Authority and reviewed by BLX. Standard to our service approach is the assurance that all calculations and reviews will be performed in a timely and efficient manner and will incorporate supporting schedules, notes and assumptions. Additionally, upon the Authority's request and in order to assist the Authority in tracking its portfolio of outstanding debt, BLX will provide the Authority with a tailored summary report detailing pertinent data (including required computation dates and current rebate liability) in connection with all issues for which BLX is engaged. Further, BLX consultants are available to the Authority staff on a full-time basis to review calculations, and to provide general advice and/or guidance when needed.

IRS Refund Requests: Having successfully assisted the Authority in the recovery more than **$666,175** in rebate overpayments, and over **$66** million in rebate overpayments for more than **200** separate claims, BLX has the requisite expertise, experience and procedures in place to assist its issuer and borrower clients with the intricacies of the arbitrage rebate refund process.

As is the case of the other services BLX provides to the public finance community, BLX's rebate refund request services are designed to minimize the administrative burden placed on its clients. For that reason, BLX typically assumes power of attorney for the obligated party during the refund request process. This can minimize, or eliminate additional legal and consulting fees and reduce the time to process the request by eliminating redundant "cross-talk" between the obligor, the IRS, BLX, and Orrick.

The Authority cannot retain a consultant with more IRS refund experience, or with the financial and legal resources that BLX and Orrick bring to the Authority. IRS agents are familiar with BLX's report format and supporting schedules which helps speed the refund recovery process significantly. As a result of the combination of these factors, BLX may be able to expedite the refund process, minimizing the opportunity cost of unrecovered and uninvested rebate overpayments.

Additional areas in which BLX has special expertise and can be of assistance are listed below:

- Continuing Disclosure Reporting
- Defeasance Analyses
- Economic Life Calculations
- Escrow Structuring and Restructuring
- Private Use Analyses
- Swap Advisory Services

Post Issuance Compliance: BLX is uniquely situated to provide a wide range of post issuance services. BLX, working together with Orrick's Public Finance and Tax Group, is well positioned to provide the Authority with the highest level of services regarding the various private-use limitations and other relevant post issuance obligations applicable to tax-exempt bonds. These services include:

- Reviewing whether impermissible private-use may occur as a result of use of bond financed facilities under management or service contracts, leases, research contracts, output contracts, change in use and any other agreements for comparable special entitlements that result in private-use of the financed property;
- With respect to conduit borrowers that are Section 501(c)(3) organizations, assistance in completing the new IRS Form Schedule K ("Supplemental Information on Tax-Exempt Bonds"), which must be filed annually with the IRS;

- Providing annual reports regarding private-use and related post issuance tax matters;
- Developing and Reviewing of post issuance policies and checklists;
- Offering Schedule K assistance services through online proprietary BLXSKAN software; and
- Providing full or half day educational seminars or teleconferences on post issuance tax compliance.

Education: BLX has provided value added rebate training to the Authority in the past, as recently as September 2018, and would like to continue and improve upon this practice as part of the prospective engagement. We take an individualized approach to providing arbitrage rebate consulting services. Open communication allows us to achieve a clear understanding of the unique characteristics, circumstances, and objectives of each client. Issuer education is an important aspect of our arbitrage consulting services.

Every year, BLX consultants are invited to speak at national and local conferences, and by individual firms specializing in public finance that desire more education for their clients. Topics range from arbitrage rebate, post-issuance compliance, investing bond proceeds, to current market conditions and other related topics. Additionally, BLX provides issuers with our own annual public finance workshops in different regions of the country. These one-day workshops are aimed at keeping attendees apprised of recent developments in the area of public finance, while providing an opportunity to earn CPE credits and network with fellow issuers. Orrick Tax Counsel also plays an active role in these workshops. On November 2019, we will conduct our sixth annual conference for nonprofit borrowers and conduit issuers.

14. PROPOSED LOCATION

Please indicate the location where the services will be performed.

The proposed services to the Authority will be performed in the United States, specifically in BLX's Arizona, New York, and Dallas offices staffed with 20 public finance professionals. Furthermore, BLX has more than 10 additional consultants from other BLX offices available to the Authority, as needed.

15. NEW JERSEY BUSINESS REGISTRATION CERTIFICATION

Please provide a copy of your firm's current New Jersey business registration certification (or interim registration).

Please see *Appendix G* for a copy of BLX's New Jersey business registration certificate.

16. PROPOSED FEES

Submit a comprehensive itemized list of services and the respective costs including the hourly rate charged for adhoc consulting services 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 vendor selected to provide services.

When comparing the fees listed below to those of other firms, the Authority should keep in mind that BLX does not attach additional fees for the legal consultation provided by Orrick's expert tax counsel in the preparation of rebate analyses. Other firms lacking this resource might require billing the Authority hourly for such resources in the event that any complexities arise with regard to a specific analysis, making their proposed cost appear artificially low. On the other hand, a firm that foregoes enlisting the services of expert tax counsel in order to avoid charging the Authority for such services runs the very real risk of causing the Authority to make unnecessary rebate payments to the IRS, or causing the Authority to be out of compliance with the applicable Treasury Regulations.

Please consider the following when you compare our fees to those of other respondents:

- We understand the complexities that arise in the Authority's varying issue types;
- Most respondents are not accustomed to or anticipating the complex nature of the Authority's bond issues and might bid significantly less;
- Given the anticipated complexities, another provider may not complete each report as efficiently and as accurately as BLX;
- Each BLX report is bolstered by an Orrick legal opinion;
- BLX has delivered reports in a very timely manner while listening to the Authority's needs and meeting their demands; and
- Examples of calculation complexities include:
  - (i) Uncommingling project funds and large pooled funds (including properly reallocating investment agreement and money market income across pool participants as trustee statements often do not reflect the proper application of such interest);
  - (ii) Completing yield optimization calculations for variable rate issues;
  - (iii) Properly allocating hedge and qualified fee payments;
  - (iv) Reallocating expenditures between two or more bond issues; and
  - (v) Properly allocating transferred proceeds between multiple bond issues.

Base Fees:	
Engagement Fee (one-time fee, per issue)	WAIVED
Annual Report Fee (first year report)	$1,400
Annual Report Fee (update of any prior report)	$1,250
Opinion Letter (No Rebate Due)	$700
Additional Fees:	
Pooled Issues	
0 to 25 accounts	$0
Each additional 25 accounts or fraction thereof	$150
Transferred Proceeds Analysis	$250

BLX's proposed fee schedule will remain in effect for the duration of the initial and any elective contracting periods. Such fees would also apply to any future bond issuances of the Authority not covered in the RFP.

Also provided in Appendix G is a completed Exhibit A (Fee Proposal to NJEFA).

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.

Identify whether your firm's or any employee's ability to practice have been suspended or revoked by any federal, state or local government or agency thereof. If so, provide the details leading to the suspension, the duration of the suspension and the dates the suspension began and the date of reinstatement.

Neither BLX nor its owners, principals or employees are involved in any pending, concluded or threatened litigation and/or investigations, administrative proceedings or federal or state investigations or audits, subpoenas or other information requests which might materially affect our ability to serve the Authority.

18. CONFLICTS OF INTEREST

Describe any actual or potential conflicts of interest that might arise if your firm is selected to serve as Arbitrage Compliance Provider to the Authority taking into consideration both the Authority and its college and university clients.

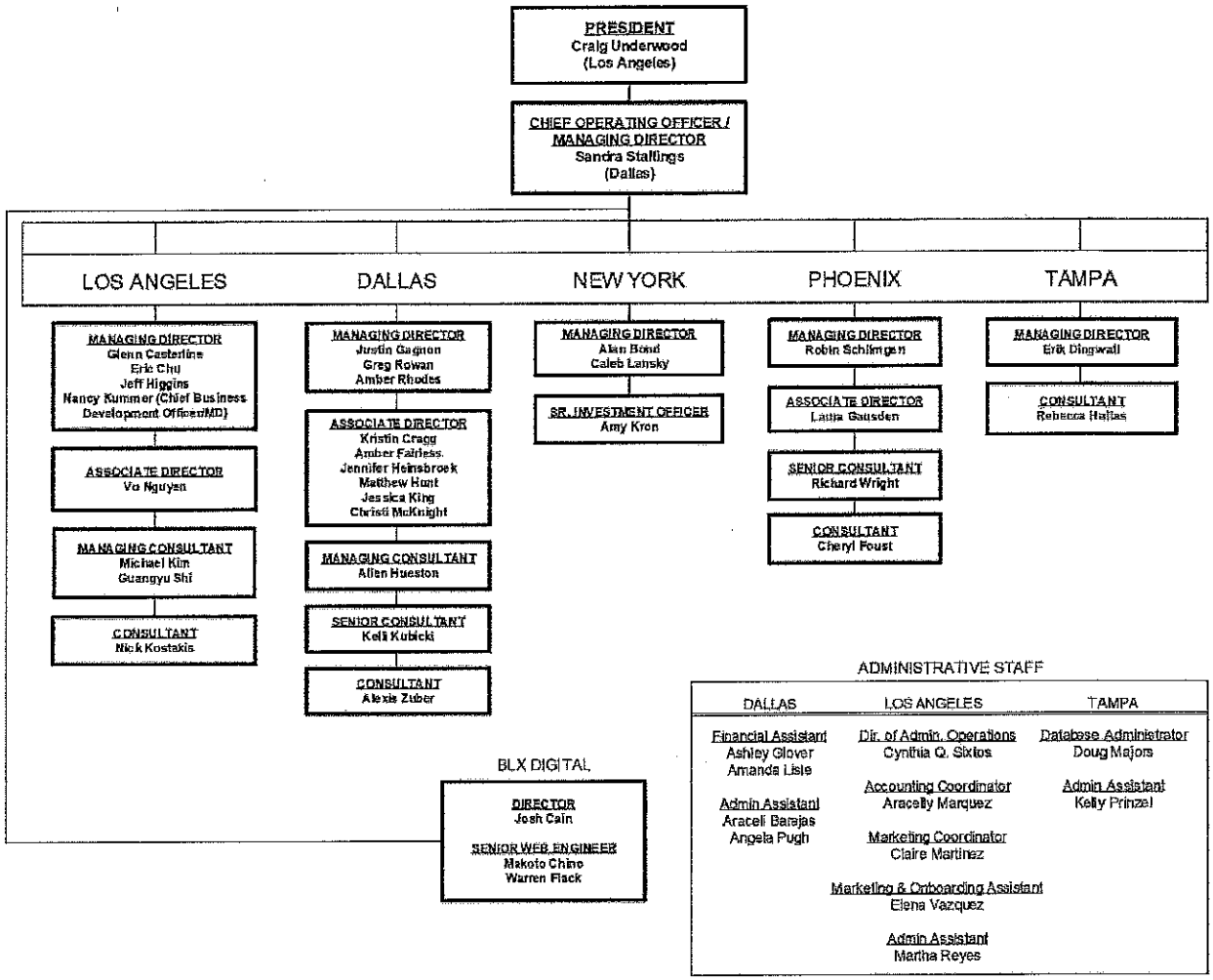
BLX is not aware of any conflicts of interest that may arise in connection with providing the services described herein to the Authority and its college and University clients. In the event that a conflict in the form of simultaneous representation of adverse, or potentially adverse parties, does arise, we would first seek waivers from both parties based on it being very unlikely that a position we took as rebate counsel would benefit one party while harming the other. In the absence of such waivers, we would excuse ourselves from one or both client relationships based on all facts and circumstances.

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.

Please see Appendix G, attached hereto, for the required documents and forms.

APPENDIX A – ORGANIZATIONAL CHART



APPENDIX B – BLX PORTAL

BLXPortal | Home | Rebate Matters | Relationship Manager: Sandra Stallings | Josh Cain / BLX

Matter Detail / Anytown IFA 2012A Bonds

Current client: City of Anytown

All Issuers | All Statuses | PDF | Full matter list

Bond Issue

Lease Rev Bds, Series 2016
Water Rev Ref Bds, Series 2014
Infrastructure Rev Ref Bds, Series 2014 A

Anytown IFA 2012A Bonds

Cap Improv Rev Ref Bds, Series 2012
Anytown IFA Civic Center 2009A Bonds
Civic Center 2009B Bonds
Water Rev Bds, Series 2008
Ltd Cb Improv Bds, Randy Way
Infrastructure Ref Rev Bds, Series 2005 A

CIFP, Series 2006
CIFP, Series 2005
Infrastructure Rev Ref Bds, Series 2005 A

Infrastructure Rev Ref Bds, Series 2004 C
CIFP, Series 2004
Infrastructure Rev Ref Bds, Series 2004 A

CIFP, Series 2003
CIFP, Series 2002
Infrastructure Rev Ref Bds, Series 2002 A

$22,395,000
Anytown Infrastructure Financing Authority
Infrastructure Revenue Refunding Bonds
Series 2012A

BLX Contacts

PROJECT MANAGER	RELATIONSHIP MANAGER
Nancy Kummer	**Sandra Stallings**
(213) 612-2215	(214) 989-2701
nKummer@blxgroup.com	sstallings@BLXGroup.com

Matter Details

Matter #	612-12552	Latest Report	09/02/2016
Opened	08/02/2012	Next Report	09/02/2021
Total Rebate and YR Payments	$0.00	Next 5th Year	09/02/2021

Issue Details

Dated Date	06/20/2012	CUSIP	037833100
Issue Date	06/20/2012		

Reports

Comp. Date	Remaining Proceeds	Cumulative Rebate Liability	Yield Restriction Liability
09/02/2016 PDF	880,009.36	(291,006.64)	(35,669.61)

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 11/28/2018

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER MARSH RISK & INSURANCE SERVICES 345 CALIFORNIA STREET, SUITE 1300 CALIFORNIA LICENSE NO. 0437153 SAN FRANCISCO, CA 94104 CN102668209-BLX1-E&O-18-19	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:
INSURED BLX GROUP LLC 777 SOUTH FIGUEROA STREET, SUITE 3200 LOS ANGELES, CA 90017	INSURER(S) AFFORDING COVERAGE — NAIC # INSURER A : XL Specialty Insurance Company — 37885 INSURER B : Starr Indemnity & Liability Company — 38318 INSURER C : INSURER D : INSURER E : INSURER F :

COVERAGES **CERTIFICATE NUMBER:** SEA-003521289-17 **REVISION NUMBER:** 2

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	☐ CLAIMS-MADE ☐ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	☐ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG	$
	☐ OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	☐ ANY AUTO						BODILY INJURY (Per person)	$
	☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	☐ UMBRELLA LIAB ☐ OCCUR						EACH OCCURRENCE	$
	☐ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE	$
	☐ DED ☐ RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y/N						☐ PER STATUTE ☐ OTH-ER	
	ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ N	N/A					E.L. EACH ACCIDENT	$
	(Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	PROFESSIONAL LIABILITY			[redacted]	11/28/2018	11/28/2019	SEE ATTACHMENT	
B	INVESTMENT COMPANY				11/28/2018	11/28/2019	SEE ATTACHMENT	

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

REF: EVIDENCE OF PROFESSIONAL LIABILITY COVERAGE
TO WHOM IT MAY CONCERN

THIS IS A CLAIMS MADE POLICY. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY ONLY APPLIES TO CLAIMS FIRST MADE DURING THE POLICY PERIOD.

CERTIFICATE HOLDER

BLX GROUP LLC
777 SOUTH FIGUEROA STREET, SUITE 3200
LOS ANGELES, CA 90017

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
of Marsh Risk & Insurance Services

Raquel Ildefonzo

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The ACORD name and logo are registered marks of ACORD

AGENCY CUSTOMER ID: CN102668209
LOC #: San Francisco

ADDITIONAL REMARKS SCHEDULE

AGENCY	NAMED INSURED
MARSH RISK & INSURANCE SERVICES	BLX GROUP LLC 777 SOUTH FIGUEROA STREET, SUITE 3200 LOS ANGELES, CA 90017
POLICY NUMBER	
CARRIER / NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: 25 FORM TITLE: Certificate of Liability Insurance

PROFESSIONAL LIABILITY
POLICY EFFECTIVE DATE: 11/28/2018
POLICY EXPIRATION DATE: 11/28/2019

PRIMARY POLICY #: ELU158859-18
PRIMARY CARRIER: X.L. SPECIALTY INSURANCE COMPANY
AGGREGATE LIMIT: $5,000,000
DEDUCTIBLE: $250,000
RELATED CLAIMS FOR E&O

1ST EXCESS LAYER POLICY #: 1000057498181
1st EXCESS CARRIER: STARR INDEMNITY & LIABILITY COMPANY
$5M EXCESS $5M ANNUAL AGGREGATE

THIS IS A CLAIMS MADE POLICY. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS POLICY ONLY APPLIES TO CLAIMS FIRST MADE DURING THE POLICY PERIOD.

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APPENDIX D – STATEMENT OF FINANCIAL CONDITION (FOR INTERNAL USE ONLY)

BLX Group LLC is a wholly-owned subsidiary of Orrick, Herrington and Sutcliffe, LLP. BLX does not maintain separate accounting records from Orrick, and being a private entity, Orrick does not make public its financial statements. If provided an ironclad confirmation from the Authority that BLX and Orrick financial information will remain confidential, we can provide additional information. In the meantime, to provide insight into the financial strength of our entire business entity, below is an overview regarding our financial strength.

BLX and Orrick have long recognized that our financial health matters to our clients and impacts our ability to deliver client service and invest for the future. Orrick is committed to maintaining one of the strongest balance sheets in the legal industry. Orrick is recognized by three of the leading industry watchers – Citigroup Law Firm Banking Group, Wells Fargo's Law Firm Banking Group and PricewaterhouseCoopers – to be among the healthiest U.S.-origin law firms.

Orrick is primarily financed by capital contributions from partners upon admittance to the firm and annually and currently has over $174 million in paid-in capital, a very high level relative to peer firms. Orrick consistently looks for opportunities to conserve financial resources and limit borrowing, including cost-savings initiatives, judicious use of bank lines of credit, renegotiations of long-term leases, and negotiating favorable office renovation and build-out terms. For example, most of the firm's support functions are located at a Global Operations Center in Wheeling, West Virginia, which has a substantially lower cost structure than the major metropolitan areas.

Orrick's $974 million in 2018 revenue was derived from a diverse group of more than 23 practice groups, almost evenly split between transactional and litigation practices and with approximately 21% of revenue generated outside of the United States. No individual office represents more than 21% of revenue, no individual practice group represents more than 13% of revenue, and no single client represents more than three percent of our revenue.

PricewaterhouseCoopers LLP, Orrick's auditors, rendered a clean financial opinion for the firm for its 2018 fiscal year. We can provide additional financial information about Orrick subject to completion of a non-disclosure agreement or otherwise ensuring Orrick's financial information is not subject to public disclosure.

BLX Group LLC
1910 S Stapley Drive, Suite 115
Mesa, AZ 85204
Ph 480 539 0912 Fx 480 539 4266
blxgroup.com

August 2, 2019

New Jersey Educational Facilities Authority
103 College Road East
Princeton, NJ 08540-6612

Re: Arbitrage Rebate Compliance Services

Ladies and Gentlemen:

This letter is to confirm the engagement of BLX Group LLC ("BLX") by the New Jersey Educational Facilities Authority (the "Obligor") for the purpose of performing calculations relating to the arbitrage and rebate requirements contained in the Internal Revenue Code (the "Code") and the legal advice described below and according to terms and conditions included in the Request For Proposal dated July 18, 2019. The calculations are to be performed with respect to the bond issue(s) approved by the issuer (the "Bonds") applying applicable federal tax rules.

BLX will calculate the amount of rebate liability with respect to the Bonds once per year as of the end of each bond year (unless specifically directed in writing otherwise by the Obligor) and as of the final maturity or redemption of the Bonds (each such date on which a rebate calculation is performed is referred to herein as a "Rebate Calculation Date") applying regulations of the United States Department of the Treasury ("Treasury") in effect on such Rebate Calculation Date. In addition, if a "penalty in lieu of rebate" election under Code Section 148(f)(4)(C)(vii) has been made by the Obligor with respect to the Bonds, BLX will calculate, every six months, the amount of such "penalty" as of the end of each six-month period beginning on the date of issue of the Bonds (each such date on which a penalty calculation is performed is referred to herein as a "Penalty Calculation Date"). (The term "Calculation Date" as used herein shall refer to a Rebate Calculation Date or a Penalty Calculation Date, as appropriate.) In addition, if required or requested by the Obligor, BLX will include in each report delivered to the Obligor an analysis of compliance with applicable arbitrage yield restrictions. With respect to each Calculation Date, BLX will prepare or cause to be prepared schedules reflecting the relevant calculations and the assumptions involved and will deliver a rebate or penalty liability report addressed to the Obligor as to the amount of the rebate or penalty liability as of such Calculation Date.

At the Obligor's election, which election is made by the Obligor's signature of this engagement letter, each such rebate or penalty liability report will include a legal opinion provided by the law firm, Orrick, Herrington & Sutcliffe LLP ("Orrick"). BLX will engage Orrick to represent BLX for the purpose of providing legal oversight and review as it deems necessary to render its opinion that the computations shown in the report are mathematically accurate and were performed in accordance with applicable federal law and regulations. No attorney-client relationship exists between Orrick and the Obligor by virtue of this engagement or the provision of the Orrick legal opinion. BLX is not a law firm and is not providing any legal advice to you. The Obligor undertakes to provide or cause to be provided to BLX all such relevant data, as specified by BLX from time to time, and shall cooperate with all reasonable requests of BLX in connection therewith. The Obligor also agrees to inform BLX of any actual or planned early redemption of the Bonds at its earliest opportunity.

BLX is not being engaged hereunder, and BLX is not hereby obligated, to undertake any of the following: **(1)** independently determine whether securities allocable to proceeds of the bonds were purchased at fair market value within the meaning of the Treasury Regulations; **(2)** perform an audit or review of the investments acquired with gross proceeds or the payment of debt service on the Bonds; **(3)** perform calculations or other research as to the desirability of elections or selections that may be available under applicable federal tax law; **(4)** review the tax-exempt status of interest on the Bonds or any other aspect of the Bond program except for rebate and penalty liability to the extent set forth in this engagement letter; **(5)** consider any information obtained by BLX pursuant to this engagement for any purpose other than determining such rebate and penalty liability; and **(6)** update any report delivered hereunder because of events occurring, changes in regulations, or data or information received, subsequent to the date of delivery of such report. Should the Obligor desire BLX to undertake any of the foregoing, such work will be the subject of a separate engagement and a separate fee, if any. In addition, BLX will be entitled to rely entirely on information provided by the Obligor and the Trustee and/or their agents and assigns without independent verification. The fee with respect to the Bonds will be determined pursuant to Exhibit A hereto. Report Fees are due upon delivery of each report by BLX. This engagement is terminable by either party by written notice to the other, such termination to be effective immediately; provided that, if BLX terminates this engagement prior to delivering any calculations, the engagement fee (if previously paid) shall be refunded. BLX shall be entitled to assign its rights and obligations under this engagement in whole or in part upon prior written notice to the Obligor; provided that no such notice is required so long as Orrick retains the obligation to deliver legal opinions hereunder. No additional fees will be charged by Orrick for providing the legal services described herein. BLX will separately compensate Orrick for such services.

BLX and/or Orrick may have client relationships with other parties involved in some manner with the Bonds or the Obligor (for example, underwriters, trustees, rating agencies, insurers, credit providers, lenders, contractors, developers, advisors, investment advisors/providers/brokers, public entities and others) whether with respect to the Bonds or some unrelated matter(s). However, to the extent that a conflict-of-interest is created by this engagement, the Obligor hereby waives any such conflict. If this engagement letter is satisfactory, please have an authorized official execute one copy and return it to the undersigned.

Very truly yours,

BLX Group LLC

Robin Schlimgen
Managing Director

Accepted:

New Jersey Educational Facilities Authority

By: _____

Print Name/Title: _____

Date: _____

E-mail Address: _____

BLX Group LLC
1910 S. Stapley Drive, Suite 115
Mesa, AZ 85204
p. 480 539 0912 f. 480 539 4266

BLX
ADVISORS - ASSET MANAGEMENT - COMPLIANCE

$154,110,000
Anytown Educational Facilities Authority

Revenue Refunding Bonds
University Issue, Series 2006J

INTERIM ARBITRAGE REBATE ANALYSIS

For the Computation Period:
December 14, 2006 – June 30, 2014

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BLX

ADVISORS • ASSET MANAGEMENT • COMPLIANCE

September 29, 2014

Anytown Educational Facilities Authority
123 Fifth Avenue
New York, NY 00000-0000

Re: $154,110,000
Anytown Educational Facilities Authority
Revenue Refunding Bonds
University Issue, Series 2006J
Interim Arbitrage Rebate Analysis
Computation Period: December 14, 2006 through June 30, 2014

Ladies and Gentlemen:

This report (the "Report"), which is being delivered to you pursuant to our engagement letter, consists of computations and the assumptions on which such computations are based with respect to the rebate liability of the Anytown Educational Facilities Authority (the "Issuer") in connection with the above-captioned issue (the "Bonds") for the above-referenced period (the "Interim Computation Period").

The computations herein are based on an analysis of existing laws, regulations, and rulings. The Department of the Treasury ("Treasury") may publish additional regulations and supplement, amend, or interpret such laws, regulations, and rulings from time to time, with the result that the amount of rebate liability described in the Report may be subject to adjustment under such future pronouncements.

The scope of our engagement was limited to preparing the Report based on information supplied to us. Our engagement did not include determination of whether securities allocable to proceeds of the Bonds were purchased at fair market value within the meaning of the Treasury Regulations, or an audit or review of the investments acquired with gross proceeds or the payment of debt service on the Bonds. With your permission, we have relied entirely on the information provided to us without independent verification, and we express no opinion as to the completeness, accuracy, or suitability of such information for purposes of calculating rebate liability and yield restriction liability with respect to the Bonds. We have undertaken no responsibility to audit or review the tax-exempt status of interest on the Bonds or any other aspect of the Bond program. We are under no obligation to consider any information obtained by us pursuant to this engagement for any purpose other than determining such rebate liability and yield restriction liability. Also, we have no obligation to update this Report because of any events occurring, changes in existing laws, regulations, or rulings or interpretations thereof, or data or information received, subsequent to the date hereof.

For the Interim Computation Period December 14, 2006 through June 30, 2014:

Allowable Yield on Investments:	4.256365%
Cumulative Rebate Liability:	$33,028.68
Yield Restriction Liability:	$0.00

Ninety percent (90%) of the Cumulative Rebate (reduced by any applicable computation date credit) and Yield Restriction Liabilities are required to be rebated to the United States no later than 60 days after June 30, 2016 (the end of the tenth Bond Year). Such Cumulative Rebate and Yield Restriction Liabilities are subject to change, however, pursuant to computations undertaken up to and including June 30, 2016. Additionally, should the Bonds be retired prior to June 30, 2016, 100% of the Cumulative Rebate (reduced by any applicable computation date credits) and Yield Restriction Liabilities as of such retirement date will become due and payable within 60 days.

This Report has been furnished to the Authority solely for its benefit and the benefit of the conduit borrower of the Bonds. The Authority may provide a copy of the Report to the conduit borrower and the Trustee. The Report is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person without our prior written consent.

No client relationship has existed or exists with any party other than the Authority and our firm in connection with the Bonds or by virtue of this Report.

Very truly yours,

BLX Group LLC

BLX Group LLC



ORRICK

ORRICK, HERRINGTON & SUTCLIFFE LLP
51 W 52ND STREET
NEW YORK, NY 10019
tel 212-506-5000
fax 212-506-5151
WWW.ORRICK.COM

September 29, 2014

Anytown Educational Facilities Authority
123 Fifth Avenue
New York, NY 00000-0000

Re: $154,110,000
Anytown Educational Facilities Authority
Revenue Refunding Bonds
University Issue, Series 2006J
Interim Arbitrage Rebate Analysis
Computation Period: December 14, 2006 through June 30, 2014

Ladies and Gentlemen:

This opinion is being delivered to you pursuant to our engagement to provide certain legal services and accompanies a report (the "Report") prepared on the date hereof by BLX Group LLC ("BLX") consisting of computations and the assumptions on which such computations are based with respect to the rebate liability of the Anytown Educational Facilities Authority (the "Issuer") in connection with the above-captioned issue (the "Bonds") for the above-referenced period (the "Interim Computation Period"). In particular, we note that our opinion is specifically subject to the notes and assumptions contained in the Report.

The opinion expressed herein is based on an analysis of existing laws, regulations, and rulings. The Department of the Treasury ("Treasury") may publish additional regulations and supplement, amend, or interpret such laws, regulations, and rulings from time to time, with the result that the amount of rebate liability described in the Report and in this opinion may be subject to adjustment under such future pronouncements.

The scope of our engagement was limited to preparing this opinion, based on information supplied to us by you, BLX, and U.S. Bank National Association (the "Trustee"). Our engagement did not include work performed by prior counsel, independent determination (other than determinations made on the basis our review of documentation and information provided to us) of which funds were subject to or exempt from rebate and yield restriction, determination of whether securities allocable to proceeds of the Bonds were purchased at fair market value within the meaning of the Treasury Regulations, or an audit or review of the investments acquired with gross proceeds or the payment of debt service on the Bonds. With your permission, we have relied entirely on information provided by you, BLX, and the Trustee without independent verification, and we express no opinion as to the completeness, accuracy, or suitability of such information for purposes of calculating rebate liability and yield restriction liability with respect to the Bonds. We have undertaken no responsibility to audit or review the tax-exempt status of interest on the Bonds or any other aspect of the Bond program. No opinion is expressed on any matter other than rebate liability and yield restriction liability to the extent set forth below, and we are under no obligation to consider any information obtained by us pursuant to this engagement for any purpose other than determining such rebate liability and yield restriction

liability. Also, we have no obligation to update this opinion because of any events occurring, changes in existing laws, regulations, or rulings or interpretations thereof, or data or information received, subsequent to the date hereof.

Based on and subject to the foregoing, and subject to the notes and assumptions contained in the Report, in our opinion, the computations shown in the Report were performed in accordance with applicable federal law and regulations and reflect the following:

For the Interim Computation Period December 14, 2006 through June 30, 2014:

Allowable Yield on Investments:	4.256365%
Cumulative Rebate Liability:	$33,028.68
Yield Restriction Liability:	$0.00

This Report has been furnished to the Authority solely for its benefit and the benefit of the conduit borrower of the Bonds. The Authority may provide a copy of the Report to the conduit borrower and the Trustee. The Report is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person without our prior written consent.

No attorney-client relationship has existed or exists with any party other than the Authority and our firm in connection with the Bonds or by virtue of this opinion.

Very truly yours,

Orrick, Herrington & Sutcliffe LLP

ORRICK, HERRINGTON & SUTCLIFFE LLP

NOTES AND ASSUMPTIONS

1. The Dated Date of the Bonds is December 14, 2006.

2. The Issue Date of the Bonds is December 14, 2006.

3. The Interim Computation Period is December 14, 2006 to June 30, 2014.

4. Consistent with Section 6.1 of the Arbitrage and Tax Certificate, the Bonds constitute one issue for federal taxation purposes and are not treated as part of any other issue of governmental obligations.

5. The Issuer has selected June 30, 2007, as the end of the first Bond Year with respect to the Bonds for purposes of determining installment computation dates. Subsequent Bond Years end on each successive June 30 until no Bonds remain outstanding.

6. Computations of yield are based on a 360-day year and semiannual compounding.

7. For debt service, yield, and investment cash flow purposes, all payments and receipts with respect to the Bonds and proceeds thereof are accurately set forth in the schedules contained herein. No early redemptions of principal have taken place or been provided for. We are not aware of any hedging arrangement (such as an interest rate swap) that would affect the yield on the Bonds. For purposes of determining the yield on the Bonds, the issue price is based on the offering prices and yields of the Bonds as set forth in the Official Statement.

8. The purchase price of each investment is at fair market value, exclusive of brokerage commissions, administrative expenses, or similar expenses and is representative of an arm's length transaction which did not reduce the rebate amount required to be paid to the United States. We are not aware of any broker fees that were paid by any party with respect to any investment contracts acquired with gross proceeds.

9. The Bonds are not "refunded" bonds. The Bonds are "refunding" bonds, the proceeds of which were used to advance refund the Issuer's State University Issue, Series 1997 D, Series 2001 F, Series 2002 F, Series 2003 E, and Series 2003 L (the "Prior Bonds"), and, therefore, give rise to transferred proceeds from the Prior Bonds pursuant to Treasury Regulations Section 1.148-9(b). Accordingly, proceeds of the Prior Bonds cease to be treated as proceeds of the Prior Bonds and instead are treated as proceeds of the Bonds as proceeds of the Bonds are used to discharge principal of the Prior Bonds. The extent to which such transfers occur with respect to the 2003 L and 1997 D Bonds is set forth on Appendix A and Appendix C, respectively. The transfers with respect to the 2001 F will occur on July 1, 2011 and the transfers with respect to the 2002F and 2003E Bonds occurred on July 1, 2010. However, as of July 1, 2010, no such proceeds of the 2002F or 2003E Bonds remained unexpended, and therefore, no such proceeds have or will become transferred proceeds of the Bonds.

10. The only funds established relating to the Bonds are the following:
    Escrow Fund
    Costs of Issuance Fund
    Interest Fund
    Principal Fund
    In addition, the 1997 D Debt Service Reserve, 1997 E Debt Service Reserve, 1997 D Renewal & Replacement, 2003L Construction, 2003L Rebate, and 2003L Debt Service Reserve Funds contain transferred proceeds of the Bonds.

11. The Interest and Principal Funds collectively constitute a bona fide debt service fund and are not taken into account in determining Cumulative Rebate Liability pursuant to Section 148(f)(4)(A) of the Internal Revenue Code.

13. We have endeavored to distinguish between proceeds of the Bonds subject to the rebate requirement and other monies which have been commingled in the 1997 D Renewal & Replacement, 1997 D Debt Service Reserve, 1997 E Debt Service Reserve, 1997 D Renewal & Replacement, 2003L Construction, 2003L Rebate and 2003L Debt Service Reserve Funds. The "uncommingling" in the 1997 D Renewal & Replacement Fund was based on the allocation of expenditures to Bond proceeds first. The "uncomminglings" in the 1997 D Debt Service Reserve, 1997 E Debt Service Reserve, 1997 D Renewal & Replacement, 2003L Construction, 2003L Rebate and 2003L Debt Service Reserve Funds were based on a pro-rata allocation of proceeds to investments and expenditures.

14. Consistent with Section 4.3 of the Arbitrage and Tax Certificate, we have treated the fee paid for the bond insurance as a payment for a "qualified guarantee" within the meaning of Treasury Regulations Section 1.148-4(f).

15. The applicable computation date credits were taken into account in determining Cumulative Rebate Liability. See Schedule A herein. Pursuant to Proposed Treasury Regulations, dated September 26, 2007, for any Bond Year ending on or after September 26, 2007, a computation date credit in the amount of $1,400 or higher (as adjusted in the future for inflation as described in said Regulations) is applicable. We have assumed the Issuer has elected to apply this provision of the Proposed Regulations to the Bonds.

16. Proceeds of the Prior Bonds invested in the Construction Fund beyond the three year temporary period after the Refunded Bond's Issue Date may not be invested at a yield that is materially higher than the yield on the Bonds. The yield on investments allocable to the proceeds of the Bonds that are held beyond the end of such temporary period may be determined by taking into account yield reduction payments paid to the United States as provided in Treasury Regulations Section 1.148-5(c). As set forth in Schedule A herein, the yield on the investments allocated to the proceeds of the Bonds on or after January 15, 2007, is not materially higher than the yield on the Bonds.

17. The Cumulative Rebate and Yield Restriction Liabilities calculated herein are based on investment records for the period from the Issue Date through April 1, 2014. The Cumulative Rebate and Yield Restriction Liabilities calculated as of such date have been future valued at the yield on the Bonds and the allowable yield on investments to June 30, 2014 in order to provide an estimate of the Issuer's liabilities as of that date. Actual Cumulative Rebate and Yield Restriction Liabilities as of June 30, 2014 may differ from the liability set forth above based on investment activity for the period from April 2, 2014 to June 30, 2014.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2019 BUDGET VARIANCE ANALYSIS
FOR THE SIX MONTHS ENDED JUNE 30, 2019

EXECUTIVE SUMMARY

Net Operating Income

The NJEFA concluded June with a year-to-date net operating loss in the amount of $86,405 based on year to date revenues of $1,424,268 and expenses of $1,510,673.

Revenues

Year-to-date actual revenues were $115,350 less than projected due to fewer transactions closing during the first six months of the year than projected.

Expenses

Actual operating expenditures for the first six month of the year were under budget by $373,673 primarily due to timing of expenditures and staff vacancies.

Exhibits

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Summary of Construction Funds	3

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
JUNE 2019

	Month Ended June 30, 2019			Year-To-Date June 30, 2019		
	Actual	Budget	Variance	Actual	Budget	Variance
Operating Revenues						
Annual Administrative Fees	$208,454	$206,603	$ 1,851	$ 1,241,471	$ 1,239,620	$ 1,851
Initial Fees	-	118,750	(118,750)	65,870	237,500	(171,630)
Investment Income	33,479	10,417	23,062	116,927	62,498	54,429
	$ 241,933	$ 335,770	$ (93,837)	$ 1,424,268	$ 1,539,618	$ (115,350)
Operating Expenses						
Salaries	$102,421	$123,172	$ 20,751	$ 721,823	$ 800,608	$ 78,785
Employee Benefits	39,463	72,055	32,592	261,851	432,332	170,481
Provision for Post Ret. Health Benefits	29,167	29,167	-	175,000	174,998	(2)
Office of The Governor	2,083	2,083	-	12,502	12,502	-
Office of The Attorney General	10,417	10,417	-	62,498	62,498	-
Sponsored Programs & Meetings	154	817	663	3,357	4,898	1,541
Telecom & Data	2,845	2,833	(12)	14,694	17,002	2,308
Rent	16,445	16,667	222	96,940	99,998	3,058
Utilities	1,978	2,167	189	12,174	12,998	824
Office Supplies & Postage Expense	2,938	2,250	(688)	8,028	13,500	5,472
Travel & Expense Reimbursement	31	1,417	1,386	3,358	8,498	5,140
Staff Training & Conferences	-	3,583	3,583	10,770	21,502	10,732
Insurance	4,308	4,307	(1)	25,845	25,842	(3)
Publications & Public Relations	-	2,238	2,238	1,187	13,422	12,235
Professional Services	10,195	18,500	8,305	59,745	110,998	51,253
Dues & Subscriptions	3,370	7,458	4,088	18,554	44,752	26,198
Maintenance Expense	1,230	1,500	270	8,313	9,000	687
Depreciation	3,630	3,167	(463)	14,034	18,998	4,964
Contingency	-	-	-	-	-	-
	230,675	303,798	73,123	1,510,673	1,884,346	373,673
Net Operating Income	$ 11,258	$ 31,972	$ (20,714)	$ (86,405)	$ (344,728)	$ 258,323

NJEFA
Vendor Payments
June 2019

5:37 PM

Type	Date	Num	Name	Memo	Account	Accrual Basis Amount
Bill Pmt -Check	06/04/2019	EFT	NJSHBP	06/19 Covg	Accounts Payable	22,435.47
Bill Pmt -Check	06/04/2019	EFT	NJSHBP	06/19 Covg	Accounts Payable	3,058.51
Bill Pmt -Check	06/13/2019	1001	100 & RW CRA, LLC	00518,005609	Accounts Payable	12,342.91
Bill Pmt -Check	06/13/2019	1002	CDW Government, Inc.	SHG3107	Accounts Payable	152.79
Bill Pmt -Check	06/13/2019	1003	DocuSafe	119973	Accounts Payable	172.07
Bill Pmt -Check	06/13/2019	1004	Garden State Fire & Safety	41300	Accounts Payable	77.50
Bill Pmt -Check	06/13/2019	1005	GMIS International	300005409	Accounts Payable	100.00
Bill Pmt -Check	06/13/2019	1006	Government News Network	84163-G	Accounts Payable	340.00
Bill Pmt -Check	06/13/2019	1007	Lexis Nexis	3092065539	Accounts Payable	18.82
Bill Pmt -Check	06/13/2019	1008	Nelson, Steven	Employee Benefits, Exp Reimb	Accounts Payable	147.96
Bill Pmt -Check	06/13/2019	1009	Panera Bread	607011302786	Accounts Payable	154.33
Bill Pmt -Check	06/13/2019	1010	Polar Inc.	056254	Accounts Payable	119.65
Bill Pmt -Check	06/13/2019	1011	Refinitive Global Markets Inc.	96684255	Accounts Payable	760.00
Bill Pmt -Check	06/13/2019	1012	SS&C Technologies, Inc	INV499258 DBC	Accounts Payable	12,625.00
Bill Pmt -Check	06/13/2019	1013	The Wall Street Journal	041212250423 06/2019-06/2020	Accounts Payable	539.88
Bill Pmt -Check	06/13/2019	1014	UPS	2Y687X219	Accounts Payable	37.84
Bill Pmt -Check	06/13/2019	1015	Verizon Wireless	9831278774	Accounts Payable	300.61
Bill Pmt -Check	06/13/2019	1016	W.B. Mason Company, Inc.	IS0962619	Accounts Payable	375.83
Bill Pmt -Check	06/13/2019	1017	Yang, Ellen	05302019 5/30/19 Travel	Accounts Payable	18.62
Bill Pmt -Check	06/26/2019	1018	Comcast	060719 June Inv	Accounts Payable	81.68
Bill Pmt -Check	06/26/2019	1019	Dell Marketing L.P.	10319162390 JO, SS	Accounts Payable	3,664.03
Bill Pmt -Check	06/26/2019	1020	NJ OIT Fiscal Services	2019May	Accounts Payable	1,261.07
Bill Pmt -Check	06/26/2019	1021	State Of New Jersey Department Of Labor	12/2018 0-221-829-511/000-00	Accounts Payable	25.50
Bill Pmt -Check	06/26/2019	1022	The Hartford	Acct 12566813 WC7/1/19-7/1/20	Accounts Payable	3,517.00
Bill Pmt -Check	06/26/2019	1023	Treasurer, State of New Jersey - Pinnacle	01-June-2019	Accounts Payable	1,201.73
Bill Pmt -Check	06/26/2019	1024	Zions Bank	06/17/2019 6/19-6/20 Custody Fee	Accounts Payable	1,500.00
						65,028.80

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of June 30, 2019

Institution	Issue	Description	Bond Proceeds	Net Disbursed	Balance	% Complete
Private						
Stevens Institute of Technology	2017 Series A	Various Renov & Improvements, Refund 1998 I, 2007 A	$ 76,911,558.14	$ (60,288,198.96)	$ 16,623,359.18	78%
Rider University	2017 Series F	Academic & Residential Facilities, Science & Technology Bldg	44,228,160.45	(18,593,712.99)	25,634,447.46	42%
Georgian Court University	2017 Series G&H	Various Capital Improvements & Renovations, Refund 07 D, H	7,874,383.16	(217,338.37)	7,657,044.79	3%
Sub Total			$ 129,014,101.75	$ (79,099,250.32)	$ 49,914,851.43	
Public						
Montclair State University *	Series 2014 A	Various Refundings and Capital Projects	$ 156,675,111.09	$ (148,232,451.65)	$ 8,442,659.44	95%
New Jersey City University	Series 2015 A	Various Renovations & Improv, Refund 02 A, 08 E	37,869,656.10	(34,807,875.89)	3,061,780.21	92%
Stockton University	Series 2016 A	Science Center, Academic Bldg, Quad Project	26,207,528.53	(23,771,578.99)	2,435,949.54	91%
Ramapo College of New Jersey	Series 2017 A	Refund 06 I, Renov Library, Learning Center	11,278,830.75	(892,303.18)	10,386,527.57	8%
William Paterson University of New Jersey	Series 2017 B	New Residence Hall	30,427,779.25	(30,427,779.25)	0.00	100%
Sub Total			$ 262,458,905.72	$ (238,131,988.96)	$ 24,326,916.76	
Other Programs						
Equipment Leasing Fund	Series 2014 A&B	Acquisition and Installation of Equipment	$ 101,266,893.00	$ (94,529,159.25)	$ 6,737,733.75	93%
Technology Infrastructure Fund	Series 2014	Development of Technology Infrastructure	41,313,667.00	(37,869,102.45)	3,444,564.55	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	(193,732,819.94)	26,244,344.06	88%
Capital Improvement Fund	Series 2016 B	Capital Improvements	146,700,261.19	(119,674,815.94)	27,025,445.25	82%
Sub Total			$ 701,163,581.19	$ (631,372,465.34)	$ 69,791,115.85	
Grand Total			$1,092,636,588.66	$ (948,603,704.62)	$ 144,032,884.04	

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2019 BUDGET VARIANCE ANALYSIS
FOR THE SEVEN MONTHS ENDED JULY 31, 2019

EXECUTIVE SUMMARY

Net Operating Income

The NJEFA concluded July with a year-to-date net operating loss in the amount of $82,895 based on year to date revenues of $1,630,480 and expenses of $1,713,375.

Revenues

Year-to-date actual revenues were $125,767 less than projected due to fewer transactions closing during the first seven months of the year than projected.

Expenses

Actual operating expenditures for the first seven month of the year were under budget by $342,890 primarily due to timing of expenditures and staff vacancies.

Exhibits

Report	Page
Actual vs. Budget Report	1
Operating Account – Vendor Payments	2
Summary of Construction Funds	3

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
JULY 2019

	Month Ended July 31, 2019			Year-To-Date July 31, 2019		
	Actual	Budget	Variance	Actual	Budget	Variance
Operating Revenues						
Annual Administrative Fees	$206,212	$206,212	$ -	$ 1,447,683	$ 1,445,832	$ 1,851
Initial Fees	-	-	-	65,870	237,500	(171,630)
Investment Income	-	10,417	(10,417)	116,927	72,915	44,012
	$ 206,212	$ 216,629	$ (10,417)	$ 1,630,480	$ 1,756,247	$ (125,767)
Operating Expenses						
Salaries	$102,421	$123,172	$ 20,751	$ 824,244	$ 923,780	$ 99,536
Employee Benefits	42,064	72,055	29,991	303,915	504,387	200,472
Provision for Post Ret. Health Benefits	-	29,167	29,167	175,000	204,165	29,165
Office of The Governor	2,083	2,083	-	14,585	14,585	-
Office of The Attorney General	10,417	10,417	-	72,915	72,915	-
Sponsored Programs & Meetings	-	817	817	3,357	5,715	2,358
Telecom & Data	2,704	2,833	129	17,398	19,835	2,437
Rent	16,445	16,667	222	113,385	116,665	3,280
Utilities	2,132	2,167	35	14,306	15,165	859
Office Supplies & Postage Expense	1,006	2,250	1,244	9,034	15,750	6,716
Travel & Expense Reimbursement	89	1,417	1,328	3,447	9,915	6,468
Staff Training & Conferences	3,265	3,583	318	14,035	25,085	11,050
Insurance	4,272	6,528	2,256	30,117	32,370	2,253
Publications & Public Relations	-	2,238	2,238	1,187	15,660	14,473
Professional Services	8,712	10,167	1,455	68,457	121,165	52,708
Dues & Subscriptions	2,357	7,458	5,101	20,911	52,210	31,299
Maintenance Expense	2,396	1,500	(896)	10,709	10,500	(209)
Depreciation	2,339	3,167	828	16,373	22,165	5,792
Contingency	-	-	-	-	-	-
	202,702	297,686	94,984	1,713,375	2,182,032	468,657
Net Operating Income	$ 3,510	$ (81,057)	$ 84,567	$ (82,895)	$ (425,785)	$ 342,890

NJEFA
Vendor Payments
JULY 2019

10:39 AM

Type	Date	Num	Name	Memo	Account	Accrual Basis Amount
Bill Pmt -Check	07/09/2019	EFT	NJSHBP	07/19 Covg	Accounts Payable	15,915.97
Bill Pmt -Check	07/09/2019	EFT	NJSHBP	07/19 Covg	Accounts Payable	6,519.50
Bill Pmt -Check	07/09/2019	EFT	NJSHBP	07/19 Covg	Accounts Payable	3,058.51
Bill Pmt -Check	07/11/2019	1025	American Payroll Association	329750 0619 7/2019-6/2020	Accounts Payable	254.00
Bill Pmt -Check	07/11/2019	1026	CDW Government, Inc.	STR1681	Accounts Payable	91.91
Bill Pmt -Check	07/11/2019	1027	Government News Network	84429-G	Accounts Payable	340.00
Bill Pmt -Check	07/11/2019	1028	NAHEFFA	FY2020	Accounts Payable	3,000.00
Bill Pmt -Check	07/11/2019	1029	NJ Advance Media	0002420523	Accounts Payable	64.28
Bill Pmt -Check	07/11/2019	1030	NJ Economic Development Authority	June, July Covg	Accounts Payable	2,954.60
Bill Pmt -Check	07/11/2019	1031	Polar Inc.	057980	Accounts Payable	66.90
Bill Pmt -Check	07/11/2019	1032	Refinitive Global Markets Inc.	96737925	Accounts Payable	760.00
Bill Pmt -Check	07/11/2019	1033	Sootkoos, Brian	VC07012019	Accounts Payable	203.96
Bill Pmt -Check	07/11/2019	1034	TGI Office Automation	INV1906324	Accounts Payable	1,323.60
Bill Pmt -Check	07/11/2019	1035	UPS	2Y687X269,2Y687X259,2Y687X299	Accounts Payable	81.85
Bill Pmt -Check	07/11/2019	1036	W.B. Mason Company, Inc.	IS0976660	Accounts Payable	400.59
Bill Pmt -Check	07/11/2019	1037	Willis of New Jersey	2425153 Excess Umbrella	Accounts Payable	16,146.00
Bill Pmt -Check	07/11/2019	1038	Yang, Ellen	VC07012019	Accounts Payable	300.00
Bill Pmt -Check	07/15/2019	EFT	United States Postal Service - Neopost	Replenish Meter	Accounts Payable	300.00
Bill Pmt -Check	07/23/2019	1039	100 & RW CRA, LLC	005780	Accounts Payable	12,251.67
Bill Pmt -Check	07/23/2019	1040	Barby, John Zachary	06282019 5/6/19-6/24/19 Travel	Accounts Payable	80.77
Bill Pmt -Check	07/23/2019	1041	BLX Group, LLC.	17 Invoices	Accounts Payable	21,250.00
Bill Pmt -Check	07/23/2019	1042	Civil Service Commission	LMS-020 7/1/19-6/30/20 CLIP LMS Platform	Accounts Payable	1,890.00
Bill Pmt -Check	07/23/2019	1043	Comcast	070719 July Inv	Accounts Payable	88.02
Bill Pmt -Check	07/23/2019	1044	Curtis, Matthew J.	07122019 Exp Reimb 1/1/19-7/11/19	Accounts Payable	28.50
Bill Pmt -Check	07/23/2019	1045	EACUBO	2019 Ann Mtg E. Brophy, S. Nelson	Accounts Payable	1,300.00
Bill Pmt -Check	07/23/2019	1046	Hawkins, Delafield & Wood	2019-3, 2019-1, 2019-4, 2019-6, 2019-2	Accounts Payable	6,250.00
Bill Pmt -Check	07/23/2019	1047	NJ Alliance For Action, Inc.	34850 E.Brophy Mtg	Accounts Payable	75.00
Bill Pmt -Check	07/23/2019	1048	NJ OIT Fiscal Services	2019June	Accounts Payable	1,068.15
Bill Pmt -Check	07/23/2019	1049	Omnicap	Q219046, Q219047	Accounts Payable	2,500.00
Bill Pmt -Check	07/23/2019	1050	Penn Medicine	4981	Accounts Payable	98.00
Bill Pmt -Check	07/23/2019	1051	Polar Inc.	058836	Accounts Payable	32.85
Bill Pmt -Check	07/23/2019	1052	Treasurer, State of New Jersey - DAG	FY20194thQtr	Accounts Payable	14,994.00
Bill Pmt -Check	07/23/2019	1053	Treasurer, State of New Jersey - Pinnacle	01-Jul-2019	Accounts Payable	1,185.55
Bill Pmt -Check	07/23/2019	1054	Vencius, Gary D.	07232019 5/1/19-7/23/19 Travel	Accounts Payable	7.92
Bill Pmt -Check	07/23/2019	1055	Verizon Wireless	9833249903	Accounts Payable	362.03
						115,244.13

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of July 31, 2019

Institution	Issue	Description	Bond Proceeds	Net Disbursed	Balance	% Complete
Private						
Stevens Institute of Technology	2017 Series A	Various Renov & Improvements, Refund 1998 I, 2007 A	$ 76,911,558.14	$ (66,911,208.43)	$ 10,000,349.71	87%
Rider University	2017 Series F	Academic & Residential Facilities, Science & Technology Bldg	44,228,160.45	(18,526,146.09)	25,702,014.37	42%
Georgian Court University	2017 Series G&H	Various Capital Improvements & Renovations, Refund 07 D, H	7,874,383.16	(205,996.66)	7,668,386.50	3%
Sub Total			$ 129,014,101.75	$ (85,643,351.18)	$ 43,370,750.58	
Public						
New Jersey City University	Series 2015 A	Various Renovations & Improv, Refund 02 A, 08 E	37,869,656.10	(34,802,884.26)	3,066,771.84	92%
Stockton University	Series 2016 A	Science Center, Academic Bldg, Quad Project	26,207,528.53	(23,767,053.85)	2,440,474.68	91%
Ramapo College of New Jersey	Series 2017 A	Refund 06 I, Renov Library, Learning Center	11,278,830.75	(936,488.43)	10,342,342.32	8%
Sub Total			$ 75,356,015.38	$ (59,506,426.54)	$ 15,849,588.84	
Other Programs						
Equipment Leasing Fund	Series 2014 A&B	Acquisition and Installation of Equipment	$ 101,266,893.00	$ (94,665,410.19)	$ 6,601,482.81	93%
Technology Infrastructure Fund	Series 2014	Development of Technology Infrastructure	41,313,667.00	(37,880,769.10)	3,432,897.90	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	(199,114,937.49)	20,862,226.51	91%
Capital Improvement Fund	Series 2016 B	Capital Improvements	146,700,261.19	(121,391,092.06)	25,309,169.13	83%
Sub Total			$ 701,163,581.19	$ (638,618,776.60)	$ 62,544,804.59	
Grand Total			$ 905,533,698.32	$ (783,768,554.32)	$ 121,765,144.01	