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Eric D. Brophy, Esq.  
*Executive Director*

**MINUTES OF THE MEETING OF THE  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY  
ON TUESDAY, APRIL 14, 2020**

The meeting was called to order at 10:00 a.m. by board Chair Joshua Hodes. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on April 3, 2020 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 (via phone)  
Ridgeley Hutchinson, Vice Chair (via phone)  
Louis Rodriguez (via phone)  
Elizabeth Maher Muoio, State Treasurer, Treasurer (represented by Ryan Feeney [via phone])  
Zakiya Smith Ellis, Secretary of Higher Education (via phone)

**AUTHORITY MEMBERS ABSENT:**

None

**STAFF PRESENT:**

Eric D. Brophy, Executive Director (via phone)  
Sheryl A. Stitt, Deputy Executive Director (via phone)  
Steven Nelson, Director of Project Management (via phone)  
Brian Sootkoos, Director of Finance-Controller (via phone)  
Ellen Yang, Director of Compliance Management (via phone)  
Matthew Curtis, Information Technology Manager (via phone)  
Carl MacDonald, Project Manager (via phone)  
Jamie O'Donnell, Grant Program Manager (via phone)  
Sheila Toles, Human Resources Manager

## **ALSO PRESENT:**

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

## **ITEMS OF DISCUSSION**

### **1. Executive Director's Report**

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

Mr. Brophy reported that staff had successfully continued business operations for the past 19 days while dealing with the developing COVID 19 crisis and was complying with all executive orders, guidance and directives from the Administration, the Federal Government, Centers for Disease Control and others. He reported that the Authority continued to provide weekly reports to the Governor's Authorities Unit on the status of operations and was continuing to provide updates on the status of COVID 19 precautions. He reported that the Authority had not had any confirmed or suspected cases to date.

Mr. Brophy reported that staff continued to work remotely with the exception of individuals who needed to go into the office to check on mail and receive packages.

Mr. Brophy reported that the Authority's business systems and IT has worked well and that although there had been a few minor glitches, staff had addressed them in a timely manner. He thanked Mr. Curtis, the Authority's IT Manager, for keeping staff up and running and for addressing IT needs as they occurred.

Mr. Brophy reported that today was the Authority's first fully remote meeting and that staff was following written guidance from the Attorney General's Office regarding hosting of public meetings remotely and keeping compliant with the Open Public Meetings Act.

Mr. Brophy advised that the Authority will continue to evaluate the challenges presented by the COVID-19 virus, directives and guidance from its State and federal partners and would make adjustments as necessary to business operations and keep the Members apprised.

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

Mr. Brophy reported that staff was also working with the Office of the Secretary of Higher Education (OSHE) on renewal of the regulations for the Authority's state-backed grant programs for higher education which expire on May 6, 2020. He reported that staff had met virtually with OSHE on several occasions to discuss the regulation renewals.

Mr. Brophy reported that grant programs had been extended and that staff was working with partners on all grant programs (State library and SOCF) to determine when the programs would be ready for further action. He advised that the Memoranda of Understanding were currently on hold to enable all involved to deal with more pressing issues.

Mr. Brophy reported that despite negative reports about the state of the markets the Authority continued to have frequent conversations with institutions regarding interest in new transactions.

Mr. Brophy reminded the Members that Edward DiFiglia, the Authority's new Public Information Officer/Manager would begin employment on April 27th.

**2. Resolution of the New Jersey Educational Facilities Authority Authorizing the Issuance of NJEFA Revenue Bonds, Seton Hall University Issue, 2020 Series C (Tax-Exempt) and 2020 Series D (Federally Taxable)**

Mr. Nelson reported that the Authority sought the Members' approval for the issuance of new money and refunding bonds for Seton Hall University. He reported that the proceeds of the bonds would be primarily used to provide approximately \$100 million in new money and refund the University's 2011 A and 2013 D bonds for debt service savings and that the new money would be used to finance the Capital Project, which consists of the demolition of certain buildings, the construction and equipping of a multi-story student housing facility, the renovation, construction and equipping of athletic facilities located in and around the Richie Regan Recreation and Athletic Center, the renovation and equipping of the University Center and Boland Hall dormitory and various campus landscaping and hardscaping improvements.

Mr. Nelson reported that the Authority distributed and evaluated RFPs and that based on the results of the evaluations, the Authority recommended the following appointments: BofA Securities as senior manager, Drexel Hamilton, Stern Brothers and UBS as co-managers, the Bank of New York Mellon as trustee and Causey, Demgen & Moore as verification agent. He reported that the Bank of New York Mellon would serve as escrow agent for the 2013 Series D bonds and U.S. Bank would serve as escrow agent for the 2011 Series A bonds and that the escrow agent role was not subject to an RFP process. Mr. Nelson reported that McManimon, Scotland & Baumann had been selected to serve as bond counsel.

Stephen Graham, Vice President for Finance/CFO for Seton Hall University thanked the Members and spoke briefly about the project.

Robert McLaughlin, Associate Vice President for Finance from Seton Hall University thanked the Members and staff for their continued support.

John Cavaliere, Esq. of McManimon, Scotland & Baumann, bond counsel, described the resolution for the Members' consideration.

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

RESOLUTION AUTHORIZING THE ISSUANCE OF NEW  
JERSEY EDUCATIONAL FACILITIES AUTHORITY  
REVENUE BONDS, SETON HALL UNIVERSITY ISSUE,  
2020 SERIES C (TAX-EXEMPT) AND REVENUE BONDS,  
SETON HALL UNIVERSITY ISSUE, 2020 SERIES D  
(FEDERALLY TAXABLE)

The motion was seconded by Secretary Smith Ellis and passed unanimously.

The adopted resolution is appended as Exhibit I.

**3. Resolution of the New Jersey Educational Facilities Authority Relating to Initial and Annual Fees**

Mr. Sootkoos reported that the Authority sought the Members' approval to revise the fee structure for new money transactions. He explained that the Authority's current fee cap structure was last revised by resolution on November 27, 2018.

Mr. Sootkoos reported that the Authority's revenue, in particular stand-alone transaction annual fee revenue, had steadily declined in recent years as a result of several factors including: combined plans of finance that include new money components along with refunding of prior debt; roll-up refunding transactions resulting in a loss of annual fees tied to each refunded series of bonds (i.e., less series of bonds); refunding transactions and defeasances by New Jersey's research institutions that have previously issued through the Authority (i.e., bonds that have been closed out); increased in-state and out-of-state competition among conduit issuers; and less frequent but significantly larger par value transactions.

Mr. Sootkoos reported that the Authority, in analyzing the causes for losses of annual revenue over the past 10 years, reviewed its financial operations. Specifically, the Authority scrutinized revenue and expense trends over the previous 10-year period, reviewed the impact of refundings on Authority fees, compared fees charged and services rendered by competitor conduit issuers,

analyzed future expected refundings through 2027 and analyzed five different fee structures and their potential impact on Authority revenues.

Mr. Sootkoos reported that based upon the analysis provided by Authority staff, the Authority's Finance Committee determined that it was in the Authority's best interest to revise the current fee structure in order to continue to provide the level of service expected by its client-institutions. He advised that the revised fee policy would apply to all bond transactions that close on or after July 1, 2020 and that there would be no change to initial fees which would remain 20 bps of par value issued capped at \$125,000.

Mr. Sootkoos reported that annual fees would be reduced from 10 bps to 7 bps per series of declining par amount on bonds outstanding and the fee cap would be eliminated.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL  
FACILITIES AUTHORITY RELATING TO INITIAL AND  
ANNUAL FEES

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

The adopted resolution is appended as Exhibit II.

**4. Report on the Sale of NJEFA Revenue Bonds, Stockton University Issue, Series 2020 A, In the Amount of \$5,935,000**

Mr. MacDonald reported that on February 12, 2020, the Authority closed its 2020 A bonds via a direct purchase with TD Bank on behalf of Stockton University in the amount of \$5,935,000. He reported that McManimon, Scotland & Baumann served as bond counsel on the transaction and that Janney Montgomery served as financial advisor to the University.

Mr. MacDonald reported that the proceeds were issued to provide funds to finance the acquisition by the University of a currently leased 126-bed residence facility located approximately two miles from the University's main campus in Galloway, as well as to pay certain costs of issuance.

Mr. MacDonald reported that the bonds yielded a true interest cost of 2.17% and have a final maturity of February 1, 2035.

A copy of the Bond Sale Summary for the issue is appended as Exhibit III.

5. **Report on the Sale of NJEFA Revenue Bonds, Stevens Institute of Technology Issue, 2020 Series A (Green Bonds) In the Amount of \$174,315,000 and 2020 Series B (Federally Taxable) In the Amount of \$26,485,000**

Mr. MacDonald reported that Stevens Institute of Technology closed two separate series of bonds, the 2020 Series A tax-exempt bonds on March 11, 2020 in the amount of \$174,315,000 and the 2020 Series B taxable bonds in the amount of \$26,485,000 which priced and closed via a direct purchase with PNC Bank on February 12, 2020.

Mr. MacDonald reported that the bonds were issued to provide funds to finance the construction, renovation and equipping of the new two-tower Student Housing and University Center on the University's main campus in Hoboken, to fund capitalized interest for the 2020 Series A bonds and pay certain costs of issuance.

Mr. MacDonald reported that the 2020 Series A tax-exempt bonds were senior managed by Barclays Capital and priced on February 19, 2020 and were well received in the market with over \$3 billion in orders. The bonds achieved a true interest cost of 3.12% with a final maturity of July 1, 2050 and are rated BBB+ by S&P Global Ratings.

Mr. MacDonald reported that the 2020 Series B taxable bonds achieved a true interest cost of 2.52% with a final maturity of July 1, 2031. He reported that McManimon, Scotland & Baumann served as bond counsel for the transaction and the Yuba Group served as financial advisor to the University. JP Morgan, Ramirez & Co., TD Securities and Wells Fargo Securities served as co-managers on the 2020 Series A bonds.

A copy of the Bond Sale Summary for the issue is appended as Exhibit IV.

6. **Market Update –PFM Asset Management**

Samantha Myers and Trina Smith, Senior Managing Consultants of PFM Asset Management provided the Members with a report on market trends, current market conditions and the impact of the COVID 19 crisis.

7. **Next Meeting Date**

Mr. Hodes reminded everyone that the next meeting is scheduled for Tuesday, April 28<sup>th</sup> at 10:00 a.m. Mr. Hodes reminded everyone that all board meetings would be conducted by phone until further notice. He then requested a motion to adjourn.

Mr. Hutchinson moved that the meeting be adjourned at 10:40 a.m. The motion was seconded by Mr. Rodriguez and passed unanimously.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'E. Brophy', written over a horizontal line.

Eric D. Brophy  
Secretary



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**TERM SHEET**

**Borrower:** Seton Hall University, South Orange, New Jersey

**Issue:** 2020 Series C (Tax-Exempt) and 2020 Series D (Federally Taxable)

**Amount:** Not to Exceed \$140,000,000

**Purpose:** To provide funds to: (i) finance the Capital Project up to \$100 million, which consists of the demolition of certain buildings, the construction and equipping of a multi-story student housing facility (which may include commercial space), the renovation, construction, and equipping of athletic facilities located in and around the Richie Regan Recreation and Athletic Center, the renovation and equipping of the University Center, the renovation and equipping of the Boland Hall dormitory, and various campus landscaping and hardscaping improvements; (ii) pay the cost of refunding all or a portion of the outstanding Prior Bonds, which consists of Revenue Refunding Bonds, Seton Hall University Issue, 2011 Series A and its Revenue Bonds, Seton Hall University Issue, 2013 Series D (iii) fund capitalized interest, if necessary; (iv) fund a debt service reserve fund, if necessary; and (v) pay certain costs of issuance of the Bonds, all as presented, submitted and approved by the Private University's Board of Regents.

**Security:** General Obligation of the University

**Structure:** Negotiated Sale, Fixed Rate

**Term:** No later than July 1, 2051

**True Interest Cost:** Tax-Exempt: Not to Exceed 6.00%  
Taxable: Not to Exceed 7.00%



**Current  
Bond Rating:** A3 (Moody's)  
A- (S&P)

**Tentative  
Sale Date:** May 2020

**Tentative  
Closing Date:** June 2020

The Authority Members will be asked to adopt the 2020 Series C (Tax-Exempt) and 2020 Series D (Federally Taxable) 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:**

<b>Bond Counsel:</b>	McManimon, Scotland & Baumann, LLC
<b>Authority's Counsel:</b>	Attorney General of the State of New Jersey
<b>University's Financial Advisor:</b>	Phoenix Advisors LLC
<b>Trustee:</b>	The Bank of New York Mellon
<b>Trustee's Counsel:</b>	Hawkins Delafield & Wood LLP
<b>Escrow Agent (2013 D):</b>	The Bank of New York Mellon
<b>Escrow Agent's Counsel (2013 D):</b>	Hawkins Delafield & Wood LLP
<b>Escrow Agent (2011 A):</b>	U.S. Bank National Association
<b>Escrow Agent's Counsel (2011 A):</b>	None
<b>Senior Manager:</b>	BofA Securities, Inc.
<b>Co-Managers:</b>	Drexel Hamilton, LLC Stern Brothers & Co. UBS Financial Services, Inc.
<b>Underwriter's Counsel:</b>	Ballard Spahr LLP
<b>Verification Agent:</b>	Causey Demgen & Moore P.C.
<b>Printer:</b>	ImageMaster LLC



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PHONE 609-987-0880 • FAX 609-987-0850 • www.njefa.com

**Date:** April 14, 2020

**To:** Members of the Authority

**Issue:** Seton Hall University, 2020 Series C (Tax-Exempt) and 2020 Series D (Federally Taxable)

Below please find the procurement procedures that were undertaken with respect to the various professional appointments in connection with the Seton Hall University 2020 Series C and 2020 Series D transaction and staff's recommendations with respect thereto.

### **Bond Counsel**

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

### **Senior Manager/Co-Senior Manager and Co-Managers**

On March 9, 2020 the staff of the New Jersey Educational Facilities Authority (the "Authority") distributed a Request for Proposals for Senior Manager, Co-Senior Manager and Co-Manager(s) to provide Underwriting Services to a distribution list of 16 firms which are members of the Authority's Senior Manager Pool and 12 firms which are members of the Authority's Co-Manager Pool.

From the Senior Manager Pool, the Authority received nine responses from firms seeking appointment as a Senior Manager/Co-Senior Manager and two firms seeking appointment as a Co-Manager. Five firms from the Senior Manager Pool declined to respond. From the Co-Manager Pool, the Authority received five responses from firms seeking appointment as Co-Manager. Seven firms from the Co-Manager Pool declined to respond.

### **Senior Manager/Co-Senior Manager**

As highlighted in the RFP, the evaluation of the Senior Manager/Co-Senior Manager responses was performed by three evaluators (one staff member from the Authority, one staff member from Treasury, and one staff member from the University). In accordance with the Authority's Senior Manager/Co-Senior Manager evaluation process, the highest ranked firm is recommended as Senior Manager. If a Co-Senior Manager is selected, the firm with the second highest ranking will be recommended as Co-Senior Manager. The responsive firms and their respective scores are as follows:

<b>Firm</b>	<b>Evaluator #1</b>	<b>Evaluator #2</b>	<b>Evaluator #3</b>	<b>All Evaluators</b>	<b>Final Ranking</b>	<b>Proposed Fee</b>
BofA Securities	96.91	95.91	93.91	286.73	1	\$3.12
Citigroup Global Markets	81.00	86.00	90.00	257.00	5	\$2.51
Goldman Sachs	94.13	90.13	80.13	264.39	2	\$2.76
J.P. Morgan	72.21	79.21	75.21	226.63	8	\$3.62
Morgan Stanley	91.01	87.01	80.01	258.03	3	\$3.97
Ramirez & Co.	82.23	80.23	69.23	231.69	7	\$3.61
Siebert Williams Shank & Co.	87.37	71.37	63.37	222.11	9	\$4.15
UBS Financial Services	95.08	82.08	75.08	252.24	6	\$3.36
Wells Fargo	85.49	88.49	83.49	257.47	4	\$2.66

**Recommendation: BofA Securities, Inc. (Senior Manager)**

Co-Senior/Co-Managers

As highlighted in the RFP, the evaluation of Co-Managers was performed by two staff members from the Authority. The highest ranked firm(s) is/are recommended as Co-Manager(s), the number of which is determined by the Authority in consultation with the University and the University's Financial Advisor.

The responsive firms and their respective scores are as follows:

<b>Firm</b>	<b>Evaluator #1</b>	<b>Evaluator #2</b>	<b>Score</b>
AmeriVet Securities	20.00	23.00	43.00
Citibank	14.00	15.00	29.00
Drexel Hamilton	22.00	26.00	48.00
Goldman Sachs	19.00	21.00	40.00
J.P. Morgan	14.00	15.00	29.00
M&T Securities	13.00	14.00	27.00
Morgan Stanley	19.00	21.00	40.00
Ramirez	23.00	24.00	47.00
Raymond James	18.00	20.00	38.00
Rice Financial	20.00	22.00	42.00
Siebert Williams Shank	22.00	24.00	46.00
Stern Brothers	24.00	25.00	49.00
Stifel	16.00	20.00	36.00
UBS	25.00	25.00	50.00
Wells Fargo	20.00	20.00	40.00

**Recommendation: Drexel Hamilton, LLC, Stern Brothers & Co. and UBS Financial Services, Inc. (Co-Managers)**

The Authority also requests that the Board delegate to the Executive Director, Deputy Executive Director or any such officer designated “acting” or “interim” the ability to designate additional Co-Managers, if necessary, in accordance with the Authority’s standard procurement policies and procedures.

**Trustee, Bond Registrar and Paying Agent**

On March 25, 2020, the Authority distributed a Request for Proposals for Trustee Services to the three members of the Authority’s Trustee Pool. We received three responses from firms seeking appointment as Trustee for this transaction. The responsive firms and their respective fees are as follows:

<b>Firm</b>	<b>Acceptance Fee</b>	<b>Annual Admin Fee</b>	<b>Counsel</b>
U.S. Bank	\$0	\$1,000 per series	\$5,000
BNY Mellon	\$0	\$250 per series	\$5,000
Zions Bank	\$0	\$900	\$0

The Bank of New York Mellon provided the lowest quote of \$250 per series for annual administration fees, \$5,000 for counsel fees, and waived the acceptance fee, which is in line with fee quotes the Authority has received in response to recent Trustee RFPs. It is the Authority’s recommendation to select The Bank of New York Mellon to serve as Trustee, Bond Registrar and Paying Agent for this transaction.

**Verification Agent**

On March 25, 2020, the Authority circulated an RFP to six nationally recognized independent certified public accounting firms that regularly perform verification agent services. The RFP was also posted on the Authority’s website and the State of New Jersey’s website. The Authority received one response. The responsive firm and their respective fee is as follows:

<b>Proposed Fees</b>	<b>Total</b>
Causey Demgen & Moore P.C.	\$2,100

Causey Demgen & Moore P.C.’s fee quote of \$2,100 for two series of bonds is in line with fee quotes the Authority has received in response to recent verification agent RFPs. It is the Authority’s recommendation to select Causey Demgen & Moore P.C. to serve as Verification Agent for this transaction.

**Escrow Agent**

The Trustee on the related bonds being refunded will serve as the Escrow Agent. The Bank of New York Mellon is the Escrow Agent for the 2013 Series D Bonds and U.S. Bank National Association is the Escrow Agent for the 2011 Series A Bonds. This role is not the subject of an RFP process.

The Authority's staff involvement in the procurement processes related to the above referenced professionals was completed as of the 14<sup>th</sup> day of April 2020.

By:   
Eric D. Brophy, Esq.  
Executive Director

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**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**RESOLUTION AUTHORIZING THE ISSUANCE OF  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
REVENUE BONDS, SETON HALL UNIVERSITY ISSUE, 2020 SERIES C  
(TAX-EXEMPT), AND  
REVENUE BONDS, SETON HALL UNIVERSITY ISSUE,  
2020 SERIES D (FEDERALLY TAXABLE)**

**Adopted: April 14, 2020**

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**RESOLUTION AUTHORIZING THE ISSUANCE OF  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
REVENUE BONDS, SETON HALL UNIVERSITY ISSUE, 2020 SERIES C  
(TAX-EXEMPT), AND  
REVENUE BONDS, SETON HALL UNIVERSITY ISSUE,  
2020 SERIES D (FEDERALLY TAXABLE)**

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

**WHEREAS**, the Authority has heretofore issued its Revenue Refunding Bonds, Seton Hall University Issue, 2011 Series A (the "*2011 Bonds*") and its Revenue Bonds, Seton Hall University Issue, 2013 Series D (the "*2013 Bonds*"; and together with the 2011 Bonds, the "*Prior Bonds*"), on behalf of Seton Hall University (the "*Private University*"); and

**WHEREAS**, the Private University has determined to undertake a project consisting of various capital improvements to its campus facilities, including, but not limited to, the demolition of certain buildings, the construction and equipping of a multi-story student housing facility (which may include commercial space), the renovation, construction, and equipping of athletic facilities located in and around the Richie Regan Recreation and Athletic Center, the renovation and equipping of the University Center, the renovation and equipping of the Boland Hall dormitory, and various campus landscaping and hardscaping improvements (the "*Capital Project*"); and

**WHEREAS**, the Private University has requested that the Authority issue, and the Authority has determined that it is necessary and in keeping with its authorized purposes to issue, one or more series of bonds as described herein for the purpose of providing funds to: (i) finance the Capital Project; (ii) pay the cost of refunding all or a portion of the outstanding Prior Bonds (the "*Refunding Project*"; and together with the Capital Project, the "*Project*"); (iii) fund capitalized interest, if necessary; (iv) fund a debt service reserve fund, if necessary; and (v) pay certain costs of issuance of the Bonds (as hereinafter defined), all as presented, submitted and approved by the Private University's Board of Regents; and

**WHEREAS**, the Authority has determined that it is necessary and in keeping with its authorized purposes to issue up to two series of bonds to be designated (i) "New Jersey Educational Facilities Authority Revenue Bonds, Seton Hall University Issue, 2020 Series C (Tax-Exempt)" (the "*Tax-Exempt Bonds*") and (ii) "New Jersey Educational Facilities Authority Revenue Bonds, Seton Hall University Issue, 2020 Series D (Federally Taxable)" (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, to fund capitalized interest, if necessary, to fund a debt service reserve fund, if necessary, and to pay certain costs of issuance of the Bonds; 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 Bank of New York Mellon, Woodland Park, New Jersey, as the initial trustee, bond registrar and paying agent (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 between the Authority and the Private University (the "*Loan Agreement*") 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 Authority has undertaken procedures to procure professionals in connection with the issuance of the Bonds and the members of the Authority have been provided with a memorandum summarizing the procurement procedures and the Authority staff's recommendations with respect thereto; 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, on behalf of the Private University, the costs of the Project, to fund capitalized interest, if necessary, to fund a debt service reserve fund, if necessary, 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 \$140,000,000, in one or more series at one or more times, in order to finance, on behalf of the Private University, the costs of the Project, to fund capitalized interest, if necessary, to fund a debt service reserve fund, if necessary, 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, Seton Hall University Issue, 2020 Series C (Tax-Exempt)" or such other designation as an Authorized Officer may determine. The initial Taxable Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Bonds, Seton Hall University Issue, 2020 Series D (Federally Taxable)" or such other designation as an Authorized Officer may determine.

(b) Based upon the Authority's competitive request for proposal process under its standard procurement process and procedures and in accordance with Executive Order No. 26 (Whitman 1994) ("*Executive Order No. 26*") and Executive Order No. 37 (Corzine 2006) ("*Executive Order No. 37*"), the Authority hereby selects and appoints BofA Securities, Inc. as the senior managing underwriter to purchase the Bonds. Any Authorized Officer is hereby authorized to execute and deliver, on behalf of the Authority, a contract of purchase (the "*Purchase Contract*") by and among the Authority, the Private University and BofA Securities, Inc., on behalf of itself and any other members of an underwriting syndicate headed by such firm (collectively, the "*Underwriter*"), 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 \$4.00 per \$1,000 of the principal amount thereof and (y) the Taxable Bonds shall not exceed \$4.00 per \$1,000 of the principal amount thereof. A copy of the Purchase Contract, as executed, shall be filed with the records of the Authority.

(c) The Executive Director, the Deputy Executive Director or any such officer designated as "acting" or "interim" is hereby authorized to select and appoint a co-senior and/or one or more co-managing underwriters, if necessary, in connection with the financing in accordance with Executive Order No. 26 and Executive Order No. 37, and the Authority's competitive request for proposal process under its standard procurement policies and procedures to purchase the Bonds as members of an underwriting syndicate headed by BofA Securities, Inc.

(d) 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, 2051. 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 7.00%. 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 Taxable 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.

(e) 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.

(f) 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.

(g) 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.

(h) 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 Approval of Escrow Deposit Agreements.**

The form of the Escrow Deposit Agreement by and between the 2011 Bonds Escrow Agent (as hereinafter defined) and the Authority (the "*2011 Bonds Escrow Deposit Agreement*") and the Escrow Deposit Agreement by and between the 2013 Bonds Escrow Agent (as hereinafter defined) and the Authority (the "*2013 Bonds Escrow Deposit Agreement*"; and together with the 2011 Bonds Escrow Deposit Agreement, the "*Escrow Deposit Agreements*") presented at this meeting (copies of which shall be filed with the records of the Authority) are hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized to attest, the Escrow Deposit Agreements in substantially such form, with such insertions and changes therein 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.

## **1.7 Appointments.**

(a) The Bank of New York Mellon is hereby appointed to act as the initial Trustee under the Indenture. The Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Indenture by the Trustee's execution and delivery thereof.

(b) U.S. Bank National Association, the trustee for the 2011 Bonds, is hereby appointed to act as escrow agent (the "*2011 Bonds Escrow Agent*") under the 2011 Bonds Escrow Deposit Agreement. The 2011 Bonds Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the 2011 Bonds Escrow Deposit Agreement by the 2011 Bonds Escrow Agent's execution and delivery thereof

(c) The Bank of New York Mellon, the trustee for the 2013 Bonds, is hereby appointed to act as escrow agent (the "*2013 Bonds Escrow Agent*"; and together with the 2011 Bonds Escrow Agent, the "*Escrow Agents*") under the 2013 Bonds Escrow Deposit Agreement. The 2013 Bonds Escrow Agent shall signify its acceptance of the duties and obligations imposed upon it by the 2013 Bonds Escrow Deposit Agreement by the 2013 Bonds Escrow Agent's execution and delivery thereof.

(d) Causey Demgen & Moore P.C. is hereby appointed to act as the verification agent in connection with the refunding of all or a portion of the Prior Bonds pursuant to the terms of the Escrow Deposit Agreements.

## **1.8 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 the Underwriter, Bond Counsel 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.

### **1.9 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 Purchase Contract, 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.

### **1.10 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.

### **1.11 Authorization to Invest Bond Proceeds and Certain Funds.**

(a) 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 "*Qualified Investments*"), 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 Qualified Investments. 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.

(b) Any Authorized Officer is hereby authorized to utilize the proceeds of the Bonds or other available moneys held pursuant to the Escrow Deposit Agreements either (a) to purchase United States Treasury Obligations, State and Local Government Series ("*SLGS*") or (b) to select a firm to act as the Authority's broker or to select a bidding agent to solicit bids pursuant to a competitive solicitation process to purchase open market United States Treasury Obligations ("*U.S. Treasury Obligations*") (which qualify as permissible defeasance obligations pursuant to the Escrow Deposit Agreements), in the event that such Authorized Officer determines that it is necessary or advantageous to the Authority to purchase such open market U.S. Treasury Obligations. In connection with the purchase of open market U.S. Treasury Obligations, any Authorized Officer is further authorized to solicit bids for one or more float forward or escrow reinvestment agreements (a "*Float Forward Agreement*") and to direct such Escrow Agent pursuant to such Escrow Deposit Agreement to enter into any such Float Forward Agreement with the successful bidder or bidders thereof. Pursuant to the terms of any Float Forward Agreement, the provider, in consideration of an upfront payment to such Escrow Agent, shall have the right to sell U.S. Treasury Obligations to such Escrow Agent, at the times and in the amounts set forth in the Float Forward Agreement, at an aggregate purchase price not exceeding the maturity value thereof. Such U.S. Treasury Obligations shall mature on or before the dates when the proceeds thereof are needed to make payments in accordance with such Escrow Deposit Agreement. Each Float Forward Agreement shall be awarded to the bidder offering to pay the highest upfront payment therefor. The form of any Float Forward Agreement shall be approved by an Authorized Officer, in consultation with Bond Counsel and the Attorney General of the State. Any Authorized Officer is further authorized to execute and deliver any such Float Forward Agreement and/or any certificates or other documents required in connection therewith. Notwithstanding the foregoing, nothing contained herein shall prohibit an Authorized Officer from purchasing both SLGS and open market U.S. Treasury Obligations, to the extent permitted by law. Bond Counsel, the Escrow Agents, the Underwriter, and the Private University's financial advisor, Phoenix Advisors, LLC (the "*Financial Advisor*"), are hereby authorized to act as agent(s), if so directed by an Authorized Officer, on behalf of the Authority for the subscription of SLGS via SLGSafe pursuant to the regulations promulgated therefor set forth in 31 C.F.R. Part 344.

#### **1.12 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.

#### **1.13 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 Preliminary Official Statement, the Official Statement, the Purchase Contract, the Loan Agreement, the Indenture, the Escrow Deposit Agreements 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 are hereby authorized to refund and to call for redemption any of the Prior Bonds selected by the Private University, in consultation with the Authority, the Financial Advisor and the Underwriter.

(b) 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 Purchase Contract, the Loan Agreement, the Indenture, the Escrow Deposit Agreements, the Continuing Disclosure Agreement, and the Official Statement and the transactions contemplated thereby, including, but not limited to, the sale and issuance of the Bonds and the refunding and redemption of the Prior 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 Qualified Investments.

(c) 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(c) 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(c), 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. Rodriguez \_\_\_\_ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by \_\_\_\_ Secretary Smith Ellis \_\_\_\_ and upon roll call the following members voted:

**AYE:** Joshua Hodes  
Ridgeley Hutchinson  
Louis Rodriguez  
Elizabeth Maher Muoio (represented by Ryan Feeney)  
Zakiya Smith Ellis

**NAY:** None

**ABSTAIN:** None

**ABSENT:** None

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



**CONTINUING DISCLOSURE AGREEMENT**

**by and between**

**SETON HALL UNIVERSITY**

**and**

**THE BANK OF NEW YORK MELLON**

**Dated [Closing Date]**

**Entered into with respect to  
New Jersey Educational Facilities Authority  
\$ \_\_, \_\_, 000 Revenue Bonds, Seton Hall University Issue,  
2020 Series C (Tax-Exempt)  
and  
\$ \_\_, \_\_, 000 Revenue Bonds, Seton Hall University Issue,  
2020 Series D (Federally Taxable)**

## CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the "*Agreement*"), made and entered into [Closing Date], by and between SETON HALL UNIVERSITY, an independent, non-profit educational corporation organized and existing under the laws of the State of New Jersey, located in South Orange, New Jersey (the "*University*"), and THE BANK OF NEW YORK MELLON, a state banking corporation organized and existing under the laws of the State of New York with trust and fiduciary powers in and authorization to conduct business in the State of New Jersey (the "*Trustee*" and "*Dissemination Agent*").

### WITNESSETH:

**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, Seton Hall University Issue, 2020 Series C (Tax-Exempt), and its \$\_\_\_\_,\_\_\_\_,000 Revenue Bonds, Seton Hall University Issue, 2020 Series D (Federally Taxable), each dated [Closing Date] (collectively, the "*Bonds*"); and

**WHEREAS**, the Bonds are being issued pursuant to a Trust Indenture, dated as of June 1, 2020 (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 June 1, 2020 (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 April 14, 2020, 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 May \_\_, 2020, the Authority and the University entered into a Bond Purchase Agreement with BofA Securities, 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 The Bank of New York Mellon, 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 May \_\_, 2020, 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 the Final Official Statement under the heading "APPENDIX A – CERTAIN INFORMATION REGARDING SETON HALL UNIVERSITY".

"*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 The Bank of New York Mellon, 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 The Bank of New York Mellon as Dissemination Agent, and The Bank of New York Mellon 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 and the Dissemination Agent 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, Seton Hall University, 400 South Orange Avenue, Bayley Hall, 2nd Floor, South Orange, New Jersey 07079, to the attention of its Vice President for Finance/Chief Financial Officer (facsimile (973) 275-2990); and in the case of the Trustee/Dissemination Agent, its principal corporate trust office at The Bank of New York Mellon, c/o Corporate Trust Department, 385 Rifle Camp Road, 3rd Floor, Woodland Park, New Jersey 07424 (facsimile (973) 357-7840), 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](http://www.elec.state.nj.us).

**[SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF, SETON HALL UNIVERSITY and THE BANK OF NEW YORK MELLON** have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

**SETON HALL UNIVERSITY**

By: \_\_\_\_\_

**Stephen Graham**  
**Vice President for Finance/  
Chief Financial Officer**

**THE BANK OF NEW YORK MELLON**

By: \_\_\_\_\_

**Janet M. Russo**  
**Vice President**



**ESCROW DEPOSIT AGREEMENT**

**by and between**

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**and**

**THE BANK OF NEW YORK MELLON, as Escrow Agent**

**Dated June \_\_, 2020**

## ESCROW DEPOSIT AGREEMENT

**THIS ESCROW DEPOSIT AGREEMENT** (this "*Agreement*"), dated June \_\_, 2020, is by and between the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (the "*Authority*") and THE BANK OF NEW YORK MELLON, a state banking corporation organized under the laws of the State of New York with trust and fiduciary powers in the State of New Jersey, as escrow agent (the "*Escrow Agent*").

### WITNESSETH:

**WHEREAS**, the Authority has previously issued and sold its Revenue Bonds, Seton Hall University Issue, 2013 Series D (the "*Prior Bonds*"), on behalf of Seton Hall University (the "*University*"), pursuant to the terms of (i) a resolution of the Authority adopted on May 28, 2013 and (ii) a Trust Indenture, dated as of July 1, 2013 (the "*Prior Indenture*"), by and between the Authority and The Bank of New York Mellon, as trustee (the "*Trustee*"); and

**WHEREAS**, the Prior Indenture provides, in substance, that if the Authority shall pay or cause to be paid to the holders of the Prior Bonds the principal thereof and interest thereon, at the times and in the manner stipulated therein, then the pledge of the revenues or other moneys and securities pledged by the Prior Indenture to the Prior Bonds and all other rights granted by the Prior Indenture to the Prior Bonds shall be discharged and satisfied; and

**WHEREAS**, the Authority is now issuing \$\_\_\_\_,000 principal amount of its Revenue Bonds, Seton Hall University Issue, 2020 Series D (Federally Taxable) (the "*2020 Series D Bonds*") pursuant to a resolution adopted by the Authority on April 14, 2020 and a Trust Indenture, dated as of June 1, 2020 (the "*2020 Series D Indenture*"), by and between the Authority and The Bank of New York Mellon, to provide for, among other things, the advance refunding, defeasance and redemption of the outstanding callable Prior Bonds (the "*Bonds to be Refunded*"), all as described in **Exhibit A** attached hereto; and

**WHEREAS**, pursuant to this Agreement, the Authority has authorized the deposit with the Escrow Agent of an amount from the proceeds of the 2020 Series D Bonds that, together with certain moneys transferred from certain amounts on deposit in the various funds and accounts established under the Prior Indenture (collectively, the "*Deposit Amount*") and the investment income to be earned on such proceeds and transferred moneys, will be sufficient to pay (i) the interest on the Bonds to be Refunded to the redemption date set forth in **Exhibit A** attached hereto (the "*Redemption Date*") and (ii) the redemption price of the Bonds to be Refunded on the Redemption Date; and

**WHEREAS**, upon the deposit with the Escrow Agent of the Deposit Amount, which, together with the investment income to be earned thereon, will be sufficient to pay, when due, the interest on the Bonds to be Refunded to the Redemption Date and the redemption price of the Bonds to be Refunded on the Redemption Date, and the giving of certain irrevocable instructions by the Authority to the Escrow Agent as herein provided, the Bonds to be Refunded shall cease to be entitled to any lien, benefit or security under the Prior Indenture, and all obligations of the Authority to the holders of the Bonds to be Refunded shall thereupon be released, discharged and satisfied.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

**SECTION 1.** There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund (the "*Escrow Fund*") to be held by the Escrow Agent as a trust fund for the sole and exclusive benefit of the holders of the Bonds to be Refunded. The Escrow Fund shall be held by the Escrow Agent separate and apart from all other funds of the Authority and the Escrow Agent.

**SECTION 2.** (a) The Escrow Agent hereby acknowledges receipt of immediately available funds in the amount of \$\_\_\_\_,\_\_\_\_,\_\_\_\_, consisting of proceeds of the 2020 Series D Bonds.

(b) The Escrow Agent, in its capacity as Trustee for the Prior Bonds, is hereby directed to transfer into the Escrow Fund \$\_\_\_\_,\_\_\_\_ on deposit in the Debt Service Fund established under the Prior Indenture relating to the Prior Bonds and \$\_\_\_\_,\_\_\_\_ on deposit in the Project Mortgage Fund established under the Prior Indenture relating to the Prior Bonds.

**SECTION 3.** The Escrow Agent shall immediately deposit the amounts set forth in Section 2 hereof, aggregating \$\_\_\_\_,\_\_\_\_,\_\_\_\_, into the Escrow Fund. The Escrow Agent shall apply \$\_\_\_\_,\_\_\_\_,\_\_\_\_ of such amount to the purchase of the securities listed in **Exhibit B** attached hereto and shall retain \$\_\_\_\_ of such amount uninvested in cash.

The securities listed in **Exhibit B** attached hereto consist entirely of direct obligations of the United States of America that are not subject to redemption prior to their maturity (the "*Defeasance Securities*"). No investment whatsoever shall be made by the Escrow Agent with such cash amounts. In sole reliance on the computations prepared by BofA Securities, Inc. and verified by Causey Demgen & Moore P.C., as described in the verification report attached hereto as **Exhibit C**, the Authority represents that the amounts so deposited into the Escrow Fund, together with income from the investment thereof to be retained therein pursuant to this Agreement, will provide sufficient funds to pay the interest on and redemption price of the Bonds to be Refunded to the Redemption Date, all as set forth in **Exhibit A** attached hereto.

**SECTION 4.** (a) The Escrow Agent agrees that the Deposit Amount deposited into the Escrow Fund pursuant to Section 3 hereof and the interest income to be earned thereon and any other moneys and investments deposited into the Escrow Fund will be held in trust for the sole and exclusive benefit of the holders of the Bonds to be Refunded. The Escrow Agent shall have no liability for the payment of the interest on and redemption price of the Bonds to be Refunded pursuant to this Section 4 and the Prior Indenture, except for the application of the moneys and Defeasance Securities available for such purposes in the Escrow Fund. The Escrow Agent shall not be liable for any loss resulting from any action taken in accordance with the provisions of this Agreement, nor shall it be required to risk or expend its own funds hereunder.

(b) The balance remaining upon the purchase of the Defeasance Securities listed in **Exhibit B** attached hereto shall remain uninvested. For the purposes of this Agreement, "uninvested" shall mean held as a cash balance in the Escrow Fund and not invested for any purpose.

**SECTION 5.** Except as otherwise expressly provided herein, the Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Defeasance Securities held hereunder or to sell, transfer or otherwise dispose of the Defeasance Securities acquired hereunder, or to pay interest on any such moneys not required to be invested hereunder; *provided, however*, that at the written direction of the Authority and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer, otherwise dispose of, or request the redemption of, the Defeasance Securities acquired hereunder, and to substitute therefor other Defeasance Securities that are non-callable. Any substituted Defeasance Securities or cash shall be a part of and credited to the Escrow Fund. The Escrow Agent shall purchase such substitute Defeasance Securities with the proceeds derived from the sale, transfer, disposition or redemption of the initial Defeasance Securities and with any other funds available for such purpose. From time to time, Defeasance Securities may be sold, transferred, redeemed or otherwise disposed of and replaced by other Defeasance Securities subject to the same conditions. Any amounts received from the sale or redemption of Defeasance Securities and not needed or used to purchase substitute Defeasance Securities shall be transferred by the Escrow Agent as directed in writing by the Authority. The foregoing transactions may be effected only if: (i) a recognized firm of certified public accountants shall certify that after such transaction the principal amount of, and interest income on, the substituted Defeasance Securities or cash will, together with any moneys or securities in the Escrow Fund reserved for such purpose, be sufficient to pay when due (whether at stated maturity or at the optional redemption date, as applicable) the principal of, and interest and redemption premium on, the Bonds to be Refunded; (ii) the amounts and dates of the anticipated payments from the Escrow Fund to the holders of such Bonds to be Refunded in accordance with their terms will not be diminished or postponed thereby; (iii) the Escrow Agent shall receive an opinion of nationally recognized bond counsel to the effect that such disposition and substitution or purchase is permitted under the Prior Indenture and this Agreement, and it would have no adverse effect on the exclusion from gross income for federal income tax purposes of the interest on the Bonds to be Refunded; (iv) in the event cash is provided, such cash shall, to the extent not insured by the Federal Deposit Insurance Corporation or other federal agency, be continuously secured by the pledge of direct obligations of the United States of America; and (v) the Authority pays all costs incident to the transactions. If United States Treasury Securities – State and Local Government Series are to be purchased as substitute Defeasance Securities, the Authority or, at its direction, the financial advisor of the University in connection with the 2020 Series D Bonds shall prepare and file the appropriate application therefor.

**SECTION 6.** The Authority hereby irrevocably instructs the Escrow Agent and the Escrow Agent hereby agrees to:

(a) redeem the Bonds to be Refunded on the Redemption Date, in the amounts and at the redemption price set forth in **Exhibit A** attached hereto, and to apply the principal of and interest earned on the Defeasance Securities to the payment of the interest on and redemption price of the Bonds to be Refunded as the same shall become due as set forth in **Exhibit A** attached hereto;

(b) mail to (i) all registered owners of the Bonds to be Refunded, (ii) The Depository Trust Company, New York, New York ("*DTC*"), as securities depository for the Bonds to be Refunded, and (iii) each Rating Agency (as defined in the Prior Indenture), as soon as practicable

after the date hereof, a notice of the defeasance of the Bonds to be Refunded in substantially the form attached hereto as **Exhibit D** (such notice to be given in the manner described in Sections 201, 403 and 811 of the Prior Indenture); and

(c) mail to (i) all registered owners of the Bonds to be Refunded, (ii) DTC, as securities depository for the Bonds to be Refunded, and (iii) each Rating Agency, not less than thirty (30) nor more than sixty (60) days prior to the Redemption Date, a notice of redemption substantially in the form attached hereto as **Exhibit E** (such notice to be given in the manner described in Sections 403 and 811 of the Prior Indenture).

In addition, the Escrow Agent shall cause copies of the notices described in paragraphs (b) and (c) above to be provided to the Municipal Securities Rulemaking Board (the "*MSRB*"), in an electronic format as prescribed by the *MSRB* and accompanied by such identifying information as is prescribed by the *MSRB*. Notwithstanding anything herein to the contrary, the only remedy for the failure by the Escrow Agent to post any notice with the *MSRB* via its Electronic Municipal Marketplace Access system shall be an action by a holder of the Bonds to be Refunded in mandamus for specific performance or similar remedy to compel performance.

**SECTION 7.** On July 1, 2023, after payment of the interest on and redemption price of the Bonds to be Refunded, all remaining moneys and securities in the Escrow Fund shall be transferred by the Escrow Agent to The Bank of New York Mellon, as trustee for the 2020 Series D Bonds, to be deposited into the Interest Account of the Debt Service Fund established pursuant to the 2020 Series D Indenture for application solely to the payment of the 2020 Series D Bonds.

**SECTION 8.** The Escrow Fund created hereby shall be irrevocable and the holders of the Bonds to be Refunded shall have an express lien on and security interest in all amounts deposited into the Escrow Fund, including all amounts representing principal of and interest on the Defeasance Securities on deposit in the Escrow Fund, until used and applied in accordance herewith.

**SECTION 9.** (a) Unless otherwise provided by contract, the Escrow Agent shall be compensated by the University for its reasonable fees, expenses and disbursements, including reasonable legal fees, incurred with respect to services rendered hereunder, based upon itemized invoices submitted to the Authority for payment. This right to receive compensation notwithstanding, the Escrow Agent acknowledges that it has no claim against or lien on the moneys or securities on deposit in the Escrow Fund for any such payment. The compensation of the Escrow Agent provided in this Section 9(a) shall survive termination of this Agreement pursuant to Section 10 hereof.

(b) The recitals of fact in this Agreement shall be taken as the statements of the Authority, and the Escrow Agent does not assume any responsibility for the correctness of the same. The Escrow Agent shall not be under any obligation or duty to perform any act that would involve it in any expense or liability or to institute or defend any suit in respect of this Agreement or to advance any of its own moneys unless properly indemnified to its satisfaction. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

(c) The Escrow Agent shall be entitled to rely conclusively and act upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine, and to have been signed and presented by the proper party or parties, and may consult with counsel, who may or may not be counsel to the University or the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Agreement, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by an Authorized Officer (as defined in the Prior Indenture) of the Authority, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Agreement, but in its discretion the Escrow Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Authority to the Escrow Agent shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer thereof. The Escrow Agent may perform any duties hereunder either directly or, to the extent that it may reasonably determine is necessary or appropriate to the conduct of its duties hereunder, by or through agents or attorneys, and the Escrow Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care hereunder, taking into account the duties with respect to which such agent or attorney is appointed. The foregoing sentence shall not be interpreted as absolving the Escrow Agent of responsibility with respect to duties customarily performed by escrow agents in the ordinary course of business without the employment of agents or attorneys. In addition, the provisions of Section 812 of the Prior Indenture relating to the compensation and indemnification of the Trustee thereunder shall apply to the Escrow Agent.

(d) The Escrow Agent may resign at any time and be discharged of its duties hereunder, provided that: (i) it has given not less than sixty (60) days written notice to the Authority of such resignation; (ii) it has given notice of such resignation to the holders of the Bonds to be Refunded in the manner prescribed in the Prior Indenture; (iii) the Authority has appointed a successor to the Escrow Agent hereunder; (iv) the Escrow Agent has received an instrument of acceptance executed by the successor to the Escrow Agent hereunder; and (v) the Escrow Agent has delivered to its successor hereunder all of the escrowed documents, the Defeasance Securities and any moneys held by the Escrow Agent in the Escrow Fund. Such resignation shall take effect only upon the occurrence of all of the events listed in clauses (i) through (v) of this subsection (d) and only if the Escrow Agent has complied with and is not in default of any of its obligations hereunder, unless the Authority and the University consent to such resignation. Upon receipt by the Authority of the written notice described in clause (i) above, the Authority shall use its best efforts to obtain a successor to the Escrow Agent hereunder as soon as possible. If no appointment of a successor is made within sixty (60) days after the giving by the Escrow Agent of written notice of resignation in accordance with this Section 9(d), the Escrow Agent may apply to any State court of competent jurisdiction for the appointment of such a successor, and the State court may thereupon, after such notice, if any, as the State court may deem proper, appoint a successor.

(e) The Escrow Agent may be removed at any time by the Authority by an instrument in writing signed and acknowledged by the Authority. A copy of such instrument shall be delivered by the Authority to the Escrow Agent at least thirty (30) days prior to the effective date of the removal of such Escrow Agent. Upon such effective date, the Escrow Agent shall deliver to the Escrow Agent's successor (at the direction of the Authority) all documents, instruments and moneys listed in clause (v) of subsection (d) of Section 9 above.

(f) Any bank that merges with or into the Escrow Agent shall be deemed the successor Escrow Agent without any further action hereunder.

**SECTION 10.** Except as provided in Section 9(a) hereof, this Agreement shall terminate when the interest on and redemption price of all the Bonds to be Refunded have been fully paid; *provided*, that moneys held by the Escrow Agent in the Escrow Fund for the payment and discharge of any of the Bonds to be Refunded that remain unclaimed shall be held in compliance with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq.*, and in accordance with the Escrow Agent's escheat policies and procedures, which must not be in conflict with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq.*

**SECTION 11.** This Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without the written consent of the holders of one hundred percent (100%) in principal amount of the unpaid Bonds to be Refunded at the time such election is made; *provided, however*, that the Authority and the Escrow Agent may, without the consent of or notice to the holders of the unpaid Bonds to be Refunded, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement; or
- (b) to grant to or confer upon the Escrow Agent for the benefit of the holders of the Bonds to be Refunded any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent.

The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized bond counsel with respect to the matters provided for in this Section 11, including the extent, if any, to which any change, modification, addition or elimination affects the rights of holders of the Bonds to be Refunded or that any instrument executed hereunder complies with the conditions or provisions of this Section 11. Notwithstanding anything in this paragraph to the contrary, no change shall be made to any provision of this Agreement regarding the investment or other use of the proceeds of the 2020 Series D Bonds without an unqualified opinion of nationally recognized bond counsel to the effect that such change and the investment or other use of the proceeds of the 2020 Series D Bonds in accordance with such change will not cause any of the Bonds to be Refunded to be deemed "Outstanding" within the meaning of the Prior Indenture.

**SECTION 12.** In accordance with P.L. 2005, c. 92, the Escrow Agent covenants and agrees that all services performed under this Agreement by the Escrow Agent shall be performed within the United States of America. The Escrow Agent represents that it has complied with the requirements of N.J.S.A. 52:32-58 and has filed a certification with the Authority that it is not identified on the list of persons engaging in investment activities in Iran.

**SECTION 13.** The Escrow 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 (P.L. 2005, c. 271, Section 3) if the Escrow Agent enters into agreements or contracts, such as this 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 Escrow 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](http://www.elec.state.nj.us).

**SECTION 14.** The Escrow Agent represents and warrants that all information, certifications and disclosure statements previously provided in connection with P.L. 2005, c. 51, which codified Executive Order No. 134 (McGreevey 2004), as amended by Executive Order No. 117 (Corzine 2008), are true and correct as of the date hereof, and 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 in engaging the Escrow Agent in connection with this Agreement. The Escrow Agent agrees that it shall maintain continued compliance with P.L. 2005, c. 51, and the regulations promulgated thereunder during the term of this Agreement. The Escrow Agent acknowledges that upon its failure to make required filings thereunder or the making of a contribution prohibited thereunder, the Escrow Agent may be removed as Escrow Agent under this Agreement and any remedies available may be exercised against the Escrow Agent at law or in equity.

**SECTION 15.** This Agreement shall be governed by the laws of the State of New Jersey.

**SECTION 16.** The Escrow Agent agrees to accept and act upon instructions or directions ("*Instructions*") given pursuant to this Agreement and delivered using Electronic Means (as defined below); *provided, however*, that the Authority or the University (collectively, the "*Sender*") shall provide to the Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions ("*Authorized Officers*") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Sender whenever a person is to be added or deleted from the listing. If the Sender elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent's understanding of such Instructions shall be deemed controlling. The Sender understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The Sender shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the Sender and all Authorized Officers



are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Sender. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such Instructions, notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. "*Electronic Means*" shall mean the following communication methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder.

**SECTION 17.** This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**[SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement 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**

**THE BANK OF NEW YORK MELLON**

**By:** \_\_\_\_\_

**Janet M. Russo  
Vice President**

**EXHIBIT A**

**BONDS TO BE REFUNDED**

**EXHIBIT B**

**DESCRIPTION OF DEFEASANCE SECURITIES**

**EXHIBIT C**

**VERIFICATION REPORT OF  
CAUSEY DEMGEN & MOORE P.C.**

See Closing Item No. \_\_

**EXHIBIT D**

**NOTICE OF DEFEASANCE**

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**Revenue Bonds, Seton Hall University Issue, 2013 Series D**

**Dated July 10, 2013**

**NOTICE IS HEREBY GIVEN** that, pursuant to the provisions of the Trust Indenture, dated as of July 1, 2013 (the "*Prior Indenture*"), by and between the New Jersey Educational Facilities Authority (the "*Authority*") and The Bank of New York Mellon, as trustee, there has been deposited with The Bank of New York Mellon, as escrow agent (the "*Escrow Agent*"), moneys and/or direct obligations of the United States of America that are not subject to redemption prior to maturity, the principal of and interest on which, when due, will provide moneys that (together with the moneys, if any, deposited with the Escrow Agent at the same time) shall be sufficient to pay, when due, the interest on and redemption price of the bonds referenced below (collectively, the "*Refunded Bonds*") to become due through and to the Redemption Date listed below, and that the Authority has given the Escrow Agent irrevocable instructions to call the Refunded Bonds for optional redemption on **July 1, 2023** (the "*Redemption Date*") at a redemption price of 100% of the principal amount thereof, plus interest accrued to the Redemption Date:

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2024	\$ 900,000	4.000%	646065 6L1
2025	935,000	4.000	646065 6M9
2026	975,000	4.000	646065 6E7
2027	1,010,000	4.000	646065 6F4
2028	1,050,000	4.125	646065 6G2
2029	1,095,000	4.250	646065 6H0
2033	4,920,000	5.000	646065 6C1
2038	7,670,000	5.000	646065 6N7
2043	9,790,000	5.000	646065 6D9

Up to and on the Redemption Date, moneys will be available for the payment of the interest on and redemption price of said Refunded Bonds. Accordingly, said Refunded Bonds are deemed to have been paid in accordance with the Prior Indenture.

No representation is made as to the correctness or accuracy of the CUSIP numbers, either as printed on the Refunded Bonds or as contained in this Notice of Defeasance. Reliance may only be placed on the identification numbers printed herein or on the Refunded Bonds.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**By: The Bank of New York Mellon, as Escrow Agent**

**EXHIBIT E**

**NOTICE OF REDEMPTION**

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**Revenue Bonds, Seton Hall University Issue, 2013 Series D**

**Dated July 10, 2013**

**NOTICE IS HEREBY GIVEN** that, pursuant to the provisions of the Trust Indenture, dated as of July 1, 2013 (the "*Prior Indenture*"), by and between the New Jersey Educational Facilities Authority (the "*Authority*") and The Bank of New York Mellon, as trustee, there has been deposited with The Bank of New York Mellon, as escrow agent (the "*Escrow Agent*"), moneys and/or direct obligations of the United States of America that are not subject to redemption prior to maturity, the principal of and interest on which, when due, will provide moneys that (together with the moneys, if any, deposited with the Escrow Agent at the same time) shall be sufficient to pay, when due, the interest on and redemption price of the bonds referenced below (collectively, the "*Refunded Bonds*") to become due through and to the Redemption Date listed below, and that the Authority has given the Escrow Agent irrevocable instructions to call the Refunded Bonds for optional redemption on **July 1, 2023** (the "*Redemption Date*") at a redemption price of 100% of the principal amount thereof, plus interest accrued to the Redemption Date:

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2024	\$ 900,000	4.000%	646065 6L1
2025	935,000	4.000	646065 6M9
2026	975,000	4.000	646065 6E7
2027	1,010,000	4.000	646065 6F4
2028	1,050,000	4.125	646065 6G2
2029	1,095,000	4.250	646065 6H0
2033	4,920,000	5.000	646065 6C1
2038	7,670,000	5.000	646065 6N7
2043	9,790,000	5.000	646065 6D9

On the Redemption Date, moneys will be available for the payment of the redemption price of said Refunded Bonds.

You are hereby notified that the Refunded Bonds should be presented for payment at the corporate trust office of the Escrow Agent as follows:

First Class/Registered Certified

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

Express Delivery Only

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

By Hand Only

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

on or immediately prior to the Redemption Date. On the Redemption Date, the Refunded Bonds will become due and payable at the redemption price stated above, plus interest accrued to the Redemption Date, and interest on the Refunded Bonds shall cease to accrue and be payable from and after the Redemption Date.

No representation is made as to the correctness or accuracy of the CUSIP numbers, either as printed on the Refunded Bonds or as contained in this Notice of Redemption. Reliance may only be placed on the identification numbers printed herein or on the Refunded Bonds.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**  
**By: The Bank of New York Mellon, as Escrow Agent**

*IMPORTANT NOTICE*

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



**ESCROW DEPOSIT AGREEMENT**

**by and between**

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**and**

**U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent**

**Dated June \_\_, 2020**

## ESCROW DEPOSIT AGREEMENT

**THIS ESCROW DEPOSIT AGREEMENT** (this "*Agreement*"), dated June \_\_, 2020, is by and between the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (the "*Authority*") and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized under the laws of the United States of America with trust and fiduciary powers in the State of New Jersey, as escrow agent (the "*Escrow Agent*").

### WITNESSETH:

**WHEREAS**, the Authority has previously issued and sold its Revenue Refunding Bonds, Seton Hall University Issue, 2011 Series A (the "*Prior Bonds*"), on behalf of Seton Hall University (the "*University*"), pursuant to the terms of (i) a resolution of the Authority adopted on April 26, 2011 and (ii) a Trust Indenture, dated as of June 1, 2011 (the "*Prior Indenture*"), by and between the Authority and U.S. Bank National Association, as trustee (the "*Trustee*"); and

**WHEREAS**, the Prior Indenture provides, in substance, that if the Authority shall pay or cause to be paid to the holders of the Prior Bonds the principal thereof and interest thereon, at the times and in the manner stipulated therein, then the pledge of the revenues or other moneys and securities pledged by the Prior Indenture to the Prior Bonds and all other rights granted by the Prior Indenture to the Prior Bonds shall be discharged and satisfied; and

**WHEREAS**, the Authority is now issuing \$\_\_\_\_,000 principal amount of its Revenue Bonds, Seton Hall University Issue, 2020 Series D (Federally Taxable) (the "*2020 Series D Bonds*") pursuant to a resolution adopted by the Authority on April 14, 2020 and a Trust Indenture, dated as of June 1, 2020 (the "*2020 Series D Indenture*"), by and between the Authority and The Bank of New York Mellon, to provide for, among other things, the advance refunding, defeasance and redemption of the outstanding callable Prior Bonds (the "*Bonds to be Refunded*"), all as described in **Exhibit A** attached hereto; and

**WHEREAS**, pursuant to this Agreement, the Authority has authorized the deposit with the Escrow Agent of an amount from the proceeds of the 2020 Series D Bonds that, together with certain moneys transferred from certain amounts on deposit in the various funds and accounts established under the Prior Indenture (collectively, the "*Deposit Amount*") and the investment income to be earned on such proceeds and transferred moneys, will be sufficient to pay (i) the interest on the Bonds to be Refunded to the redemption date set forth in **Exhibit A** attached hereto (the "*Redemption Date*") and (ii) the redemption price of the Bonds to be Refunded on the Redemption Date; and

**WHEREAS**, upon the deposit with the Escrow Agent of the Deposit Amount, which, together with the investment income to be earned thereon, will be sufficient to pay, when due, the interest on the Bonds to be Refunded to the Redemption Date and the redemption price of the Bonds to be Refunded on the Redemption Date, and the giving of certain irrevocable instructions by the Authority to the Escrow Agent as herein provided, the Bonds to be Refunded shall cease to be entitled to any lien, benefit or security under the Prior Indenture, and all obligations of the Authority to the holders of the Bonds to be Refunded shall thereupon be released, discharged and satisfied.

**NOW, THEREFORE**, in consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound hereby, covenant and agree as follows:

**SECTION 1.** There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund (the "*Escrow Fund*") to be held by the Escrow Agent as a trust fund for the sole and exclusive benefit of the holders of the Bonds to be Refunded. The Escrow Fund shall be held by the Escrow Agent separate and apart from all other funds of the Authority and the Escrow Agent.

**SECTION 2.** (a) The Escrow Agent hereby acknowledges receipt of immediately available funds in the amount of \$\_\_\_\_,\_\_\_\_,\_\_\_\_, consisting of proceeds of the 2020 Series D Bonds.

(b) The Escrow Agent, in its capacity as Trustee for the Prior Bonds, is hereby directed to transfer into the Escrow Fund \$\_\_\_\_,\_\_\_\_ on deposit in the Debt Service Fund established under the Prior Indenture relating to the Prior Bonds and \$\_\_\_\_,\_\_\_\_ on deposit in the Project Mortgage Fund established under the Prior Indenture relating to the Prior Bonds.

**SECTION 3.** The Escrow Agent shall immediately deposit the amounts set forth in Section 2 hereof, aggregating \$\_\_\_\_,\_\_\_\_,\_\_\_\_, into the Escrow Fund. The Escrow Agent shall apply \$\_\_\_\_,\_\_\_\_,\_\_\_\_ of such amount to the purchase of the securities listed in **Exhibit B** attached hereto and shall retain \$\_\_\_\_ of such amount uninvested in cash.

The securities listed in **Exhibit B** attached hereto consist entirely of direct obligations of the United States of America that are not subject to redemption prior to their maturity (the "*Defeasance Securities*"). No investment whatsoever shall be made by the Escrow Agent with such cash amounts. In sole reliance on the computations prepared by BofA Securities, Inc. and verified by Causey Demgen & Moore P.C., as described in the verification report attached hereto as **Exhibit C**, the Authority represents that the amounts so deposited into the Escrow Fund, together with income from the investment thereof to be retained therein pursuant to this Agreement, will provide sufficient funds to pay the interest on and redemption price of the Bonds to be Refunded to the Redemption Date, all as set forth in **Exhibit A** attached hereto.

**SECTION 4.** (a) The Escrow Agent agrees that the Deposit Amount deposited into the Escrow Fund pursuant to Section 3 hereof and the interest income to be earned thereon and any other moneys and investments deposited into the Escrow Fund will be held in trust for the sole and exclusive benefit of the holders of the Bonds to be Refunded. The Escrow Agent shall have no liability for the payment of the interest on and redemption price of the Bonds to be Refunded pursuant to this Section 4 and the Prior Indenture, except for the application of the moneys and Defeasance Securities available for such purposes in the Escrow Fund. The Escrow Agent shall not be liable for any loss resulting from any action taken in accordance with the provisions of this Agreement, nor shall it be required to risk or expend its own funds hereunder.

(b) The balance remaining upon the purchase of the Defeasance Securities listed in **Exhibit B** attached hereto shall remain uninvested. For the purposes of this Agreement, "uninvested" shall mean held as a cash balance in the Escrow Fund and not invested for any purpose.

**SECTION 5.** Except as otherwise expressly provided herein, the Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Defeasance Securities held hereunder or to sell, transfer or otherwise dispose of the Defeasance Securities acquired hereunder, or to pay interest on any such moneys not required to be invested hereunder; *provided, however*, that at the written direction of the Authority and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer, otherwise dispose of, or request the redemption of, the Defeasance Securities acquired hereunder, and to substitute therefor other Defeasance Securities that are non-callable. Any substituted Defeasance Securities or cash shall be a part of and credited to the Escrow Fund. The Escrow Agent shall purchase such substitute Defeasance Securities with the proceeds derived from the sale, transfer, disposition or redemption of the initial Defeasance Securities and with any other funds available for such purpose. From time to time, Defeasance Securities may be sold, transferred, redeemed or otherwise disposed of and replaced by other Defeasance Securities subject to the same conditions. Any amounts received from the sale or redemption of Defeasance Securities and not needed or used to purchase substitute Defeasance Securities shall be transferred by the Escrow Agent as directed in writing by the Authority. The foregoing transactions may be effected only if: (i) a recognized firm of certified public accountants shall certify that after such transaction the principal amount of, and interest income on, the substituted Defeasance Securities or cash will, together with any moneys or securities in the Escrow Fund reserved for such purpose, be sufficient to pay when due (whether at stated maturity or at the optional redemption date, as applicable) the principal of, and interest and redemption premium on, the Bonds to be Refunded; (ii) the amounts and dates of the anticipated payments from the Escrow Fund to the holders of such Bonds to be Refunded in accordance with their terms will not be diminished or postponed thereby; (iii) the Escrow Agent shall receive an opinion of nationally recognized bond counsel to the effect that such disposition and substitution or purchase is permitted under the Prior Indenture and this Agreement, and it would have no adverse effect on the exclusion from gross income for federal income tax purposes of the interest on the Bonds to be Refunded; (iv) in the event cash is provided, such cash shall, to the extent not insured by the Federal Deposit Insurance Corporation or other federal agency, be continuously secured by the pledge of direct obligations of the United States of America; and (v) the Authority pays all costs incident to the transactions. If United States Treasury Securities – State and Local Government Series are to be purchased as substitute Defeasance Securities, the Authority or, at its direction, the financial advisor of the University in connection with the 2020 Series D Bonds shall prepare and file the appropriate application therefor.

**SECTION 6.** The Authority hereby irrevocably instructs the Escrow Agent and the Escrow Agent hereby agrees to:

(a) redeem the Bonds to be Refunded on the Redemption Date, in the amounts and at the redemption price set forth in **Exhibit A** attached hereto, and to apply the principal of and interest earned on the Defeasance Securities to the payment of the interest on and redemption price of the Bonds to be Refunded as the same shall become due as set forth in **Exhibit A** attached hereto;

(b) mail to (i) all registered owners of the Bonds to be Refunded, (ii) The Depository Trust Company, New York, New York ("*DTC*"), as securities depository for the Bonds to be Refunded, and (iii) each Rating Agency (as defined in the Prior Indenture), as soon as practicable

after the date hereof, a notice of the defeasance of the Bonds to be Refunded in substantially the form attached hereto as **Exhibit D** (such notice to be given in the manner described in Sections 201, 403 and 811 of the Prior Indenture); and

(c) mail to (i) all registered owners of the Bonds to be Refunded, (ii) DTC, as securities depository for the Bonds to be Refunded, and (iii) each Rating Agency, not less than thirty (30) nor more than sixty (60) days prior to the Redemption Date, a notice of redemption substantially in the form attached hereto as **Exhibit E** (such notice to be given in the manner described in Sections 403 and 811 of the Prior Indenture).

In addition, the Escrow Agent shall cause copies of the notices described in paragraphs (b) and (c) above to be provided to the Municipal Securities Rulemaking Board (the "*MSRB*"), in an electronic format as prescribed by the MSRB and accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding anything herein to the contrary, the only remedy for the failure by the Escrow Agent to post any notice with the MSRB via its Electronic Municipal Marketplace Access system shall be an action by a holder of the Bonds to be Refunded in mandamus for specific performance or similar remedy to compel performance.

**SECTION 7.** On July 1, 2021, after payment of the interest on and redemption price of the Bonds to be Refunded, all remaining moneys and securities in the Escrow Fund shall be transferred by the Escrow Agent to The Bank of New York Mellon, as trustee for the 2020 Series D Bonds, to be deposited into the Interest Account of the Debt Service Fund established pursuant to the 2020 Series D Indenture for application solely to the payment of the 2020 Series D Bonds, in accordance with the wiring instructions attached hereto as **Exhibit F**.

**SECTION 8.** The Escrow Fund created hereby shall be irrevocable and the holders of the Bonds to be Refunded shall have an express lien on and security interest in all amounts deposited into the Escrow Fund, including all amounts representing principal of and interest on the Defeasance Securities on deposit in the Escrow Fund, until used and applied in accordance herewith.

**SECTION 9.** (a) Unless otherwise provided by contract, the Escrow Agent shall be compensated by the University for its reasonable fees, expenses and disbursements, including reasonable legal fees, incurred with respect to services rendered hereunder, based upon itemized invoices submitted to the Authority for payment. This right to receive compensation notwithstanding, the Escrow Agent acknowledges that it has no claim against or lien on the moneys or securities on deposit in the Escrow Fund for any such payment. The compensation of the Escrow Agent provided in this Section 9(a) shall survive termination of this Agreement pursuant to Section 10 hereof.

(b) The recitals of fact in this Agreement shall be taken as the statements of the Authority, and the Escrow Agent does not assume any responsibility for the correctness of the same. The Escrow Agent shall not be under any obligation or duty to perform any act that would involve it in any expense or liability or to institute or defend any suit in respect of this Agreement or to advance any of its own moneys unless properly indemnified to its satisfaction. The Escrow Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

(c) The Escrow Agent shall be entitled to rely conclusively and act upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine, and to have been signed and presented by the proper party or parties, and may consult with counsel, who may or may not be counsel to the University or the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Agreement, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by an Authorized Officer (as defined in the Prior Indenture) of the Authority, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Agreement, but in its discretion the Escrow Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Authority to the Escrow Agent shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer thereof. The Escrow Agent may perform any duties hereunder either directly or, to the extent that it may reasonably determine is necessary or appropriate to the conduct of its duties hereunder, by or through agents or attorneys, and the Escrow Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care hereunder, taking into account the duties with respect to which such agent or attorney is appointed. The foregoing sentence shall not be interpreted as absolving the Escrow Agent of responsibility with respect to duties customarily performed by escrow agents in the ordinary course of business without the employment of agents or attorneys. In addition, the provisions of Section 812 of the Prior Indenture relating to the compensation and indemnification of the Trustee thereunder shall apply to the Escrow Agent.

(d) The Escrow Agent may resign at any time and be discharged of its duties hereunder, provided that: (i) it has given not less than sixty (60) days written notice to the Authority of such resignation; (ii) it has given notice of such resignation to the holders of the Bonds to be Refunded in the manner prescribed in the Prior Indenture; (iii) the Authority has appointed a successor to the Escrow Agent hereunder; (iv) the Escrow Agent has received an instrument of acceptance executed by the successor to the Escrow Agent hereunder; and (v) the Escrow Agent has delivered to its successor hereunder all of the escrowed documents, the Defeasance Securities and any moneys held by the Escrow Agent in the Escrow Fund. Such resignation shall take effect only upon the occurrence of all of the events listed in clauses (i) through (v) of this subsection (d) and only if the Escrow Agent has complied with and is not in default of any of its obligations hereunder, unless the Authority and the University consent to such resignation. Upon receipt by the Authority of the written notice described in clause (i) above, the Authority shall use its best efforts to obtain a successor to the Escrow Agent hereunder as soon as possible. If no appointment of a successor is made within sixty (60) days after the giving by the Escrow Agent of written notice of resignation in accordance with this Section 9(d), the Escrow Agent may apply to any State court of competent jurisdiction for the appointment of such a successor, and the State court may thereupon, after such notice, if any, as the State court may deem proper, appoint a successor.

(e) The Escrow Agent may be removed at any time by the Authority by an instrument in writing signed and acknowledged by the Authority. A copy of such instrument shall be delivered by the Authority to the Escrow Agent at least thirty (30) days prior to the effective date of the removal of such Escrow Agent. Upon such effective date, the Escrow Agent shall deliver to the Escrow Agent's successor (at the direction of the Authority) all documents, instruments and moneys listed in clause (v) of subsection (d) of Section 9 above.

(f) Any bank that merges with or into the Escrow Agent shall be deemed the successor Escrow Agent without any further action hereunder.

**SECTION 10.** Except as provided in Section 9(a) hereof, this Agreement shall terminate when the interest on and redemption price of all the Bonds to be Refunded have been fully paid; *provided*, that moneys held by the Escrow Agent in the Escrow Fund for the payment and discharge of any of the Bonds to be Refunded that remain unclaimed shall be held in compliance with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq.*, and in accordance with the Escrow Agent's escheat policies and procedures, which must not be in conflict with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq.*

**SECTION 11.** This Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without the written consent of the holders of one hundred percent (100%) in principal amount of the unpaid Bonds to be Refunded at the time such election is made; *provided, however*, that the Authority and the Escrow Agent may, without the consent of or notice to the holders of the unpaid Bonds to be Refunded, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Agreement; or
- (b) to grant to or confer upon the Escrow Agent for the benefit of the holders of the Bonds to be Refunded any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent.

The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized bond counsel with respect to the matters provided for in this Section 11, including the extent, if any, to which any change, modification, addition or elimination affects the rights of holders of the Bonds to be Refunded or that any instrument executed hereunder complies with the conditions or provisions of this Section 11. Notwithstanding anything in this paragraph to the contrary, no change shall be made to any provision of this Agreement regarding the investment or other use of the proceeds of the 2020 Series D Bonds without an unqualified opinion of nationally recognized bond counsel to the effect that such change and the investment or other use of the proceeds of the 2020 Series D Bonds in accordance with such change will not cause any of the Bonds to be Refunded to be deemed "Outstanding" within the meaning of the Prior Indenture.

**SECTION 12.** In accordance with P.L. 2005, c. 92, the Escrow Agent covenants and agrees that all services performed under this Agreement by the Escrow Agent shall be performed within the United States of America. The Escrow Agent represents that it has complied with the requirements of N.J.S.A. 52:32-58 and has filed a certification with the Authority that it is not identified on the list of persons engaging in investment activities in Iran.

**SECTION 13.** The Escrow 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 (P.L. 2005, c. 271, Section 3) if the Escrow Agent enters into agreements or contracts, such as this 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 Escrow 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](http://www.elec.state.nj.us).

**SECTION 14.** The Escrow Agent represents and warrants that all information, certifications and disclosure statements previously provided in connection with P.L. 2005, c. 51, which codified Executive Order No. 134 (McGreevey 2004), as amended by Executive Order No. 117 (Corzine 2008), are true and correct as of the date hereof, and 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 in engaging the Escrow Agent in connection with this Agreement. The Escrow Agent agrees that it shall maintain continued compliance with P.L. 2005, c. 51, and the regulations promulgated thereunder during the term of this Agreement. The Escrow Agent acknowledges that upon its failure to make required filings thereunder or the making of a contribution prohibited thereunder, the Escrow Agent may be removed as Escrow Agent under this Agreement and any remedies available may be exercised against the Escrow Agent at law or in equity.

**SECTION 15.** This Agreement shall be governed by the laws of the State of New Jersey.

**SECTION 16.** The Escrow Agent agrees to accept and act upon instructions or directions ("*Instructions*") given pursuant to this Agreement and delivered using Electronic Means (as defined below); *provided, however*, that the Authority or the University (collectively, the "*Sender*") shall provide to the Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions ("*Authorized Officers*") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Sender whenever a person is to be added or deleted from the listing. If the Sender elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent's understanding of such Instructions shall be deemed controlling. The Sender understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The Sender shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the Sender and all Authorized Officers



are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Sender. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such Instructions, notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. "*Electronic Means*" shall mean the following communication methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder.

**SECTION 17.** This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**[SIGNATURE PAGE FOLLOWS]**

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement 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**

**U.S. BANK NATIONAL ASSOCIATION**

**By:** \_\_\_\_\_  
**Paul D. O'Brien**  
**Vice President**

**EXHIBIT A**

**BONDS TO BE REFUNDED**

**EXHIBIT B**

**DESCRIPTION OF DEFEASANCE SECURITIES**

**EXHIBIT C**

**VERIFICATION REPORT OF  
CAUSEY DEMGEN & MOORE P.C.**

See Closing Item No. \_\_

**EXHIBIT D**

**NOTICE OF DEFEASANCE**

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**Revenue Refunding Bonds, Seton Hall University Issue, 2011 Series A  
Dated June 10, 2011**

**NOTICE IS HEREBY GIVEN** that, pursuant to the provisions of the Trust Indenture, dated as of June 1, 2011 (the "*Prior Indenture*"), by and between the New Jersey Educational Facilities Authority (the "*Authority*") and U.S. Bank National Association, as trustee, there has been deposited with U.S. Bank National Association, as escrow agent (the "*Escrow Agent*"), moneys and/or direct obligations of the United States of America that are not subject to redemption prior to maturity, the principal of and interest on which, when due, will provide moneys that (together with the moneys, if any, deposited with the Escrow Agent at the same time) shall be sufficient to pay, when due, the interest on and redemption price of the bonds referenced below (collectively, the "*Refunded Bonds*") to become due through and to the Redemption Date listed below, and that the Authority has given the Escrow Agent irrevocable instructions to call the Refunded Bonds for optional redemption on **July 1, 2021** (the "*Redemption Date*") at a redemption price of 100% of the principal amount thereof, plus interest accrued to the Redemption Date:

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2022	\$725,000	4.000%	646065 U42
2023	755,000	4.000	646065 U59
2024	780,000	4.125	646065 U67
2025	815,000	4.375	646065 U75
2026	850,000	4.500	646065 U83

Up to and on the Redemption Date, moneys will be available for the payment of the interest on and redemption price of said Refunded Bonds. Accordingly, said Refunded Bonds are deemed to have been paid in accordance with the Prior Indenture.

No representation is made as to the correctness or accuracy of the CUSIP numbers, either as printed on the Refunded Bonds or as contained in this Notice of Defeasance. Reliance may only be placed on the identification numbers printed herein or on the Refunded Bonds.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**By: U.S. Bank National Association, as Escrow Agent**

**EXHIBIT E**

**NOTICE OF REDEMPTION**

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**Revenue Refunding Bonds, Seton Hall University Issue, 2011 Series A  
Dated June 10, 2011**

**NOTICE IS HEREBY GIVEN** that, pursuant to the provisions of the Trust Indenture, dated as of June 1, 2011 (the "*Prior Indenture*"), by and between the New Jersey Educational Facilities Authority (the "*Authority*") and U.S. Bank National Association, as trustee, there has been deposited with U.S. Bank National Association, as escrow agent (the "*Escrow Agent*"), moneys and/or direct obligations of the United States of America that are not subject to redemption prior to maturity, the principal of and interest on which, when due, will provide moneys that (together with the moneys, if any, deposited with the Escrow Agent at the same time) shall be sufficient to pay, when due, the interest on and redemption price of the bonds referenced below (collectively, the "*Refunded Bonds*") to become due through and to the Redemption Date listed below, and that the Authority has given the Escrow Agent irrevocable instructions to call the Refunded Bonds for optional redemption on **July 1, 2021** (the "*Redemption Date*") at a redemption price of 100% of the principal amount thereof, plus interest accrued to the Redemption Date:

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
2022	\$725,000	4.000%	646065 U42
2023	755,000	4.000	646065 U59
2024	780,000	4.125	646065 U67
2025	815,000	4.375	646065 U75
2026	850,000	4.500	646065 U83

On the Redemption Date, moneys will be available for the payment of the redemption price of said Refunded Bonds. You are hereby notified that the Refunded Bonds should be presented for payment at the corporate trust office of U.S. Bank National Association, Corporate Trust Services, 333 Thornall Street, Edison, New Jersey 08837, on or immediately prior to the Redemption Date. On the Redemption Date, the Refunded Bonds will become due and payable at the redemption price stated above, plus interest accrued to the Redemption Date, and interest on the Refunded Bonds shall cease to accrue and be payable from and after the Redemption Date.

No representation is made as to the correctness or accuracy of the CUSIP numbers, either as printed on the Refunded Bonds or as contained in this Notice of Redemption. Reliance may only be placed on the identification numbers printed herein or on the Refunded Bonds.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**By: U.S. Bank National Association, as Escrow Agent**

**IMPORTANT NOTICE**

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

**EXHIBIT F**

**THE BANK OF NEW YORK MELLON WIRING INSTRUCTIONS**

The Bank of New York Mellon

ABA # \_\_\_\_ - \_\_\_\_\_

BNF:

Beneficiary Account Number:

Beneficiary Account Address:

OBI:



**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**AND**

**SETON HALL UNIVERSITY**

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**LOAN AGREEMENT**

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**Dated as of June 1, 2020**

**relating to**

**New Jersey Educational Facilities Authority  
Revenue Bonds, Seton Hall University Issue, 2020 Series C (Tax-Exempt)  
Revenue Bonds, Seton Hall University Issue, 2020 Series D (Federally Taxable)**

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This **LOAN AGREEMENT**, dated as of June 1, 2020, 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 SETON HALL UNIVERSITY (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 400 South Orange Avenue, Bayley Hall, 2nd Floor, South Orange, New Jersey 07079, 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 June 1, 2020 (the "*Indenture*"), by and between the Authority and The Bank of New York Mellon, 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 June 1, 2020, 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 \$85,000 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 5.13 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 \$125,000 payable by the University on the closing date for the Bonds.

"*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, Seton Hall University Issue, 2020 Series C (Tax-Exempt), 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) various capital improvements to its campus facilities, including, but not limited to, the demolition of certain buildings, [the construction and equipping of a multi-story student housing facility,] the renovation, construction and equipping of athletic facilities located in and around the Richie Regan Recreation and Athletic Center, the renovation and equipping of the University Center, the renovation and equipping of the Boland Hall dormitory and various campus landscaping and hardscaping improvements; (b) funding capitalized interest for the Tax-Exempt Bonds through [DATE], 202\_;; 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, Seton Hall University Issue, 2020 Series D (Federally Taxable), 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) the refunding of [all] [a portion] of the Authority's Revenue Refunding Bonds, Seton Hall University Issue, 2011 Series A, and the Authority's Revenue Bonds, Seton Hall University Issue, 2013 Series D; [(b) the construction and equipping of a multi-story student housing facility; (c) funding capitalized interest for the Taxable Bonds through [DATE], 202\_;;] and [(b)] [(d)] 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. Security for Loan; Fee Covenant.**

As security for its obligation to make the payments required under this Agreement, the University agrees to pay to the Authority sufficient moneys to pay the principal of, redemption premium, if any, or sinking fund installments, as the case may be, on the Bonds, and interest thereon, when due upon maturity, redemption, acceleration or otherwise and to pay all other amounts due hereunder from any moneys legally available to the University in the manner and at the times provided by this Agreement.

As additional security for the payment of the principal and redemption premium, if any, of and interest on the Bonds and such other payments required by this Agreement, the University hereby covenants and agrees to impose such fees and other charges sufficient at all times to generate revenues, which together with the other legally available moneys of the University, will be sufficient to pay the cost of operating and maintaining the Project Facilities, to pay all payments required hereunder and to pay all other obligations of the University as they become due and payable. The aggregate of the amounts comprising the annual payments due under this Agreement shall be equal to at least one hundred percent (100%) of the amount of principal, sinking fund installments and interest becoming due in the then current year on the Bonds Outstanding, plus all amounts as set forth in Section 2.13 hereof, and for which provision for payment has not been made.



### **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.*) and that the provisions of N.J.S.A. 34:11-

56.48 *et seq.* relating to the Public Works Contractor Registration Act 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.**

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 Tuition any lien, security interest or restriction; *provided, however*, that the University may seek the Authority's consent to create such pledge of Tuition and provided further that if the Authority provides its written consent (which consent shall not be unreasonably withheld) to same then such pledge of Tuition shall then secure, on a parity basis, the University's payment obligations hereunder and such other obligations for which such consent was requested.

## 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/Chief Financial Officer and with a copy to its counsel, Connell Foley LLP, 56 Livingston Avenue, Roseland, New Jersey 07068, Attention: John D. Cromie, Esq., 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 5.13 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. Off-Balance Sheet Projects.**

Notwithstanding any provision of this Agreement or the Documents to the contrary, the University shall have the right, in its reasonable discretion, to pursue, investigate and implement a project or projects that may be financed through indirect debt or a financing mechanism that may involve, but may not be limited to, the use of a tax-exempt organization independent of the University and that does not implicate the financial statements of the University.

#### **5.10. 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.

#### **5.11. 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.

#### **5.12. 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, 2020; *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.

#### **5.13. 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.

**5.14. 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**

**SETON HALL UNIVERSITY**

By: \_\_\_\_\_  
**Stephen Graham**  
**Vice President for Finance/  
Chief Financial Officer**

**ATTEST:**

By: \_\_\_\_\_  
**Msgr. Anthony Ziccardi**  
**Secretary Designee to the  
Board of Regents**

## 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.



**TRUST INDENTURE**

**By and Between**

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

**and**

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

**Dated as of June 1, 2020**

**relating to**

**New Jersey Educational Facilities Authority  
Revenue Bonds, Seton Hall University Issue, 2020 Series C (Tax-Exempt)  
Revenue Bonds, Seton Hall University Issue, 2020 Series D (Federally Taxable)**

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## TRUST INDENTURE

**THIS TRUST INDENTURE**, dated as of June 1, 2020, by and between the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (the "*Authority*") and THE BANK OF NEW YORK MELLON, a state banking corporation organized and existing under the laws of the State of New York, 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 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 Authority has heretofore issued its Revenue Refunding Bonds, Seton Hall University Issue, 2011 Series A (the "*2011 Bonds*") and its Revenue Bonds, Seton Hall University Issue, 2013 Series D (the "*2013 Bonds*"; and together with the 2011 Bonds, the "*Prior Bonds*"), on behalf of Seton Hall University (the "*Borrower*"); and

**WHEREAS**, the Borrower has determined to undertake a capital project consisting of various capital improvements to its campus facilities, including, but not limited to, the demolition of certain buildings, the construction and equipping of a multi-story student housing facility (which may include commercial space), the renovation, construction and equipping of athletic facilities located in and around the Richie Regan Recreation and Athletic Center, the renovation and equipping of the University Center, the renovation and equipping of the Boland Hall dormitory and various campus landscaping and hardscaping improvements (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) pay the cost of refunding all or a portion of the outstanding Prior Bonds; (iii) fund capitalized interest for the Bonds (as hereinafter defined) through [DATE], 202\_; and (iv) 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 April 14, 2020, 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, Seton Hall University Issue, 2020 Series C (Tax-Exempt)" (the "*Tax-Exempt Bonds*") and (ii) "New Jersey Educational Facilities Authority Revenue Bonds, Seton Hall University Issue, 2020 Series D (Federally Taxable)" (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 June 1, 2020, 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 Seton Hall University, 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 June 1, 2020, 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: Seton Hall University  
400 South Orange Avenue  
Bayley Hall – 2nd Floor  
South Orange, New Jersey 07079  
Attention: Vice President for Finance/CFO
- (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: The Bank of New York Mellon  
Corporate Trust Department  
385 Rifle Camp Road – 3rd Floor  
Woodland Park, New Jersey 07424
- (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 May \_\_, 2020, 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, Seton Hall University Issue, 2020 Series C (Tax-Exempt), 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) various capital improvements to its campus facilities, including, but not limited to, the demolition of certain buildings, the construction and equipping of a multi-story student housing facility (which may include commercial space), the renovation, construction and equipping of athletic facilities located in and around the Richie Regan Recreation and Athletic Center, the renovation and equipping of the University Center, the renovation and equipping of the Boland Hall dormitory and various campus landscaping and hardscaping improvements; (b) funding capitalized interest for the Tax-Exempt Bonds through [DATE], 202\_; 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, Seton Hall University Issue, 2020 Series D (Federally Taxable), 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) the refunding of [all] [a portion] of the Authority's Revenue Refunding Bonds, Seton Hall University Issue, 2011 Series A, and the Authority's Revenue Bonds, Seton Hall University Issue, 2013 Series D; and (b) paying certain costs of issuing the Taxable Bonds.

"*Trustee*" means The Bank of New York Mellon, a state banking corporation, with trust and fiduciary powers in the State, and its successors and assigns.

"*Underwriter*" means BofA Securities, 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.

Upon the defeasance of any of the Bonds, the Authority or the Trustee may request and rely upon a verification report and an opinion of Bond Counsel.

*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, Seton Hall University Issue, 2020 Series C (Tax-Exempt)", 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, Seton Hall University Issue, 2020 Series D (Federally Taxable)", 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.

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u> \$	<u>Interest</u> <u>Rate</u> %
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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.

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u> \$	<u>Interest</u> <u>Rate</u> %
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(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 held 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. In connection with any such transfer or exchange, the transferor or owner shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including, without limitation, any cost basis reporting obligations under Section 6045 of the Code. The Trustee may rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

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 [January 1, 2021] 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:

<u>Year</u>	<u>Amount</u>
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\$

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\*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:

<u>Year</u>	<u>Amount</u>
	\$

\*

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\*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:

<u>Year</u>	<u>Amount</u>
	\$

\*

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\*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 "2020 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 "2020 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 written direction of the Authority, the Trustee shall create and establish a trust fund to be designated "2020 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 "2020 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 in writing 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.

Although the Authority recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Authority agrees that confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered.

#### *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 and the Borrower 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 and no implied covenants or obligation shall be read into such documents against the Trustee. 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 use of the proceeds of the Bonds, 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, opinion, 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, upon thirty (30) days' notice, 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, upon thirty (30) days' notice, 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@Moody.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 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.

The Trustee agrees to accept and act upon instructions or directions ("*Instructions*") given pursuant to this Indenture and the Loan Agreement and delivered using Electronic Means (as defined below); *provided, however*, that the Authority or the Borrower (collectively, the "*Sender*") shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("*Authorized Officers*") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Sender whenever a person is to be added or deleted from the listing. If the Sender elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Sender understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Sender shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Sender and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Sender. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions, notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. "*Electronic Means*" shall mean the following communication methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee or another method or system specified by the Trustee as available for use in connection with its services hereunder.

***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](http://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**

**THE BANK OF NEW YORK MELLON**

By: \_\_\_\_\_  
**Janet M. Russo**  
**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 <sup>1</sup>	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 <sup>2</sup>	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

<sup>1</sup>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.

<sup>2</sup>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,  
SETON HALL UNIVERSITY ISSUE, 2020 SERIES [C] [D]  
[(TAX-EXEMPT)] [(FEDERALLY TAXABLE)]**

**Interest Rate  
\_\_\_\_%**

**Maturity Date  
July 1, 20\_\_**

**Dated Date  
June \_\_, 2020**

**CUSIP  
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 June 1, 2020 (the "Trust Indenture"), by and between the Authority and The Bank of New York Mellon, Woodland Park, 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, Seton Hall University Issue, 2020 Series [C] [D] [(Tax-Exempt)] [(Federally Taxable)]" (the "*Bonds*"), issued for the purpose of making a loan to Seton Hall University, a New Jersey nonprofit corporation (the "*Borrower*"), to undertake a project consisting of: [(a) various capital improvements to its campus facilities, including, but not limited to, the demolition of certain buildings, the construction and equipping of a multi-story student housing facility (which may include commercial space), the renovation, construction and equipping of athletic facilities located in and around the Richie Regan Recreation and Athletic Center, the renovation and equipping of the University Center, the renovation and equipping of the Boland Hall dormitory and various campus landscaping and hardscaping improvements; (b) funding capitalized interest for the Bonds through [DATE], 202\_]; and (c) paying certain costs of issuing the Bonds.] [(a) the refunding of [all] [a portion] of the Authority's Revenue Refunding Bonds, Seton Hall University Issue, 2011 Series A, and the Authority's Revenue Bonds, Seton Hall University Issue, 2013 Series D; and (b) paying certain costs of issuing the Bonds.] The loan will be made pursuant to the Loan Agreement, dated as of June 1, 2020 (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 April 14, 2020, 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.

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

**By: \_\_\_\_\_  
Authorized Signatory**

Date of Authentication: June \_\_, 2020

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**(FORM OF ASSIGNMENT)**

**FOR VALUE RECEIVED** the undersigned hereby sells, assigns and transfers unto

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*(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 \_\_\_\_\_

\$[\_\_\_\_\_]  
**New Jersey Educational Facilities Authority**  
\$[\_\_\_\_\_] **Revenue Bonds, Seton Hall University Issue,**  
**2020 Series C (Tax-Exempt)**  
**and**  
\$[\_\_\_\_\_] **Revenue Bonds, Seton Hall University Issue,**  
**2020 Series D (Federally Taxable)**

**BOND PURCHASE AGREEMENT**

[\_\_\_\_\_] , 2020

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

Seton Hall University  
400 South Orange Avenue  
South Orange, New Jersey 07079

Ladies and Gentlemen:

BofA Securities, Inc. on behalf of itself and as representative (the “Representative”) of Drexel Hamilton, LLC, Stern Brothers & Co. and UBS Financial Securities (collectively, with the Representative, the “Underwriters”) hereby offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the New Jersey Educational Facilities Authority, a public body corporate and politic of the State of New Jersey (the “Authority”) and The Board of Regents of Seton Hall University (the “University”), whereby the Underwriters will purchase and the Authority will sell the 2020 Series Bonds (as defined and described below). The Underwriters are making this offer subject to the acceptance by the Authority and the University at or before 8:00 P.M., Eastern Time, on the date hereof. If the Authority and the University accept this Purchase Agreement, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall bind the Authority, the University and the Underwriters. The Underwriters may withdraw this Purchase Agreement upon written notice delivered by the Representative to the authorized officers of the Authority and the University at any time before the Authority and the Company accept this Purchase Agreement. Terms used but not defined in this Purchase Agreement are defined in the Indenture (as defined below).

1. PURCHASE AND SALE.

Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters hereby agree to purchase from the Authority, and the Authority hereby agrees to sell and deliver to the Underwriters, all (but not less than all) of the New Jersey Educational Facilities Authority Revenue Bonds, Seton Hall University Issue, 2020

Series C (Tax-Exempt) (the “2020 Series C Bonds”) and the New Jersey Educational Facilities Authority Revenue Bonds, Seton Hall University Issue, 2020 Series D (Federally Taxable) (the “2020 Series D Bonds”) and, together with the 2020 Series C Bonds, the “2020 Series Bonds”), at the purchase price of \$ \_\_\_\_\_, representing the aggregate principal amount of the 2020 Series Bonds less an Underwriter’s discount of \$ \_\_\_\_\_ [plus][less][net] original issue [premium][discount] of \$ \_\_\_\_\_. The Underwriters intend to make an initial bona fide public offering of the 2020 Series Bonds at a price or prices described in Schedule I hereto; provided, however, the Underwriters reserve the right to change such initial public offering prices as the Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the 2020 Series Bonds (but in all cases subject to the requirements of Section 4 hereof), and may offer and sell the 2020 Series Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by one or more of the Underwriters at prices lower than the public offering prices or yields greater than the yields set forth therein (but in all cases subject to the requirements of Section 4 hereof).

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 Purchase Contract and binding upon the parties hereto, including the Underwriters. 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 Purchase Contract, and this Purchase Contract 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 Purchase Contract.

The Authority and the University acknowledge and agree that: (i) the Underwriters are not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act, as amended, (ii) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm’s length commercial transaction between the Authority, the University and the Underwriters and the Underwriters have financial and other interests that differ from those of the Authority and the University; (iii) the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to either the Authority or the University and have not assumed any advisory or fiduciary responsibility to either the Authority or the University with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Authority on other matters); (iv) the only obligations the Underwriters have to the Authority and the University with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (v) the Authority and the University have consulted their own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent deemed appropriate.

2. DESCRIPTION AND PURPOSE OF THE 2020 SERIES BONDS.

The 2020 Series Bonds have been authorized pursuant to 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”) and a resolution , adopted by the Authority on April 14, 2020 (the “Resolution”). The 2020 Series Bonds shall be dated the date of delivery. The 2020 Series Bonds shall be issued and secured under and pursuant to the Trust Indenture, dated as of June 1, 2020 (the “Indenture”), by and between the Authority and The Bank of New York Mellon, Woodland Park, as trustee (the “Trustee”). The Authority will lend the proceeds of the 2020 Series Bonds to the University pursuant to a Loan Agreement dated as of June 1, 2020 (the “Loan Agreement”). As security for the 2020 Series Bonds, the Authority will pledge and assign to the Trustee the Authority’s right, title and interest in and to the Loan Agreement and all payments to be received from the University thereunder (except for the Authority’s right to certain unassigned rights, which will not be pledged).

The 2020 Series C Bonds are being issued for the purpose of providing funds to: (a) finance the demolition, construction and equipping of new athletic facilities to be located in and around the Richie Regan Recreation and Athletic Center, the third phase of the renovation and equipping of the University Center, the renovation and equipping of the Boland Hall dormitory and various campus landscaping and hardscaping improvements, (b) fund capitalized interest for the 2020 Series C Bonds through [July 1, 2022], and (c) pay certain costs of issuance of the 2020 Series C Bonds. The 2020 Series D Bonds are being issued for the purpose of providing funds to: (a) [refund [all or a portion] of the Authority’s outstanding Revenue Refunding Bonds, Seton Hall University Issue, 2011 Series A and Revenue Bonds (the “Refunded 2011 Series A Bonds”), Seton Hall University Issue, 2013 Series D (the “Refunded 2013 Series D Bonds” and, together with the Refunded 2011 Series A Bonds, the “Bonds to be Refunded”)], (b) finance the renovation, equipping and construction of a new multi-story student housing facility, (c) fund capitalized interest for the 2020 Series D Bonds through [July 1, 2022], and (d) pay certain costs of issuing the 2020 Series D Bonds.

The 2020 Series Bonds will be secured under the provisions of the Act and the Indenture. The 2020 Series Bonds shall mature in the years, bear interest, be purchased at the prices and be subject to redemption at the times and in the amounts, all as set forth in Schedule I attached hereto. The authorized denominations, record dates, interest payment dates, redemption provisions, and other details and particulars of the 2020 Series Bonds shall be as described in the Indenture and the Official Statement (as defined below).

3. DELIVERY OF THE OFFICIAL STATEMENT AND OTHER DOCUMENTS.

(a) The Authority and the University have approved and delivered or caused to be delivered to the Underwriters copies of the Preliminary Official Statement dated [May] \_\_\_\_, 2020, which, including the cover page, inside cover page and all appendices thereto, is herein referred to as the “Preliminary Official Statement.” It is acknowledged by the Authority and the University that the Underwriters may deliver the Preliminary Official Statement and a final Official Statement (as hereinafter defined) electronically over the internet and in printed paper form. The Authority and the University deem the Preliminary Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12 (“Rule 15c2-12”) promulgated under

the Securities Exchange Act of 1934, as amended (the “1934 Act”), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) thereof.

(b) Within seven business days from the date hereof, and in any event not later than two business days before the Closing Date, the Authority and the University, at the University’s sole expense, shall deliver to the Underwriters a final Official Statement relating to the 2020 Series Bonds dated the date hereof (such Official Statement, including the cover page, inside cover page and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the Authority, the University, Bond Counsel, and the Representative, is referred to herein as the “Official Statement”) and such additional conformed copies thereof as the Representative may reasonably request in sufficient quantities to comply with Rule 15c2-12, rules of the Municipal Securities Rulemaking Board (“MSRB”) and to meet potential customer requests for copies of the Official Statement. The Underwriters agree to file a copy of the Official Statement, including any amendments or supplements thereto prepared by the Authority or the University, with the MSRB on its Electronic Municipal Markets Access (“EMMA”) system. The Official Statement shall be executed by authorized officers of the Authority and the University. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the Authority and the University shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Representative. The Authority and the University hereby agree to deliver to the Underwriters an electronic copy of the Official Statement in a form that permits the Underwriters to satisfy their obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission (“SEC”) including in a word-searchable pdf format including any amendments thereto. The Authority and the University hereby ratify, confirm and consent to and approves the use and distribution by the Underwriters before the date hereof of the Preliminary Official Statement and hereby authorizes and consents to the use by the Underwriters of the Official Statement, the Indenture and the Loan Agreement in connection with the public offering and sale of the 2020 Series Bonds.

(c) In order to assist the Underwriters in complying with Rule 15c2-12, the University will undertake, pursuant to the Continuing Disclosure Agreement, dated as of [June] \_\_, 2020 (the “Disclosure Agreement”), by and between the University and Trustee, as dissemination agent for the University, to provide annual financial information and notices of the occurrence of specified events. A description of the Disclosure Agreement is set forth in, and a form of such agreement is attached as Appendix D to the Preliminary Official Statement and the Official Statement.

#### 4. ESTABLISHMENT OF ISSUE PRICE.

(a) The Representative, on behalf of the Underwriters, agrees to make a bona fide public offering of all of the Bonds and to assist the Authority in establishing the issue price of the 2020 Series C Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, substantially in the form attached hereto as Exhibit C, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed 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 2020 Series C Bonds. All actions to be taken by the Authority under this section to establish the issue price of the 2020 Series C Bonds may be taken on behalf of the Authority by the Authority's municipal advisor identified herein (the "Municipal Advisor") and any notice or report to be provided to the Authority may be provided to the Authority's municipal advisor.

(b) [Except for the maturities set forth in Schedule II attached hereto,] the Authority represents that it will treat the first price at which 10% of each maturity of the 2020 Series C Bonds (the "10% Test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test). [If, as of the date hereof, the 10% Test has not been satisfied as to any maturity of the 2020 Series C Bonds for which the Authority has elected to utilize the 10% Test, the Representative agrees to promptly report to the Authority the prices at which 2020 Series C Bonds of that maturity or maturities have been sold by the Underwriters to the public. That reporting obligation shall continue until the earlier of the date upon which the 10% Test has been satisfied as to the 2020 Series C Bonds of that maturity or maturities or the Closing Date.]]

[(c) The Representative confirms that the Underwriters have offered the 2020 Series C Bonds to the public on or before the date of this 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 Purchase Agreement, the maturities, if any, of the 2020 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, agrees that the restrictions set forth in the next sentence shall apply (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the 2020 Series C Bonds, the Underwriters will neither offer nor sell unsold 2020 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:

- (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the 2020 Series C Bonds to the public at a price that is no higher than the initial offering price to the public.]

[(c)][(d)] 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 2020 Series 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 2020 Series Bonds of each maturity allocated to it until either all 2020 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 2020 Series C Bonds of that maturity and (ii) to comply with the hold-the-offering-price rule, if applicable, in each case 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 2020 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 2020 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 and any selling group agreement relating to the initial sale of the 2020 Series C Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the 2020 Series 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 2020 Series C Bonds of each maturity allocated to it until either all 2020 Series C Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter that the 10% Test has been satisfied as to the 2020 Series C Bonds of that maturity and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

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 2020 Series C Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2020 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 2020 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 2020 Series C Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2020 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 2020 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 2020 Series C Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, 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 to comply with its agreement regarding the requirements for establishing issue price of the 2020 Series C Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2020 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 2020 Series C Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2020 Series C Bonds.]

[(d)][(e)] The Underwriters acknowledge that sales of any 2020 Series C Bonds to any person that is a related party to an underwriter participating in the initial sale of the 2020 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 to an underwriter,
- (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 2020 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 2020 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 2020 Series C Bonds to the public),
- (iii) a purchaser of any of the 2020 Series C Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) 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), (ii) 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 (iii) 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 Purchase Agreement by all parties.

5. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE AUTHORITY. The Authority represents to and agrees with the Underwriters and the University that:

(a) The Authority is a public body corporate and politic constituting a political subdivision of the State of New Jersey (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 2020 Series Bonds, including the Act, and

no further approvals are necessary to be obtained prior to the issuance of the 2020 Series Bonds and the Authority has full power and authority to: (i) authorize the distribution of the Preliminary Official Statement and to execute and deliver the Official Statement; (ii) execute, issue, sell, deliver and perform its obligations under the 2020 Series Bonds; (iii) execute, deliver and perform its obligations under the Resolution, the Indenture, the Loan Agreement, with respect to the Refunded 2011 Series A Bonds, the Escrow Deposit Agreement dated as of [June \_\_], 2020 (the “2011 Escrow Agreement”) by and between the Authority and U.S. Bank National Association, as escrow agent (the “2011 Escrow Agent”), with respect to the Refunded 2013 Series D Bonds, the Escrow Deposit Agreement dated as of [June \_\_], 2020 (the “2013 Escrow Agreement” and, together with the 2011 Escrow Agreement, the “Escrow Agreements” and individually, an “Escrow Agreement”), by and between the Authority and The Bank of New York Mellon, as escrow agent (the “2013 Escrow Agent” and, together with the 2011 Escrow Agent, the “Escrow Agents”) and this Purchase Agreement; and (iv) carry out and consummate all transactions contemplated by the 2020 Series Bonds, the Resolution, the Indenture, the Loan Agreement, the Official Statement, the Escrow Agreements, this Purchase Agreement and the Arbitrage and Tax Certificate of the Authority dated the date of hereinafter defined Closing (the “Authority’s Tax Certificate”) and any and all other agreements relating thereto (collectively, the “Authority Documents”).

(c) The information and statements in the Preliminary Official Statement and the Official Statement relating to the Authority under the captions “INTRODUCTORY STATEMENT,” “THE AUTHORITY” and “LITIGATION - The Authority” were, as of the date of the Preliminary Official Statement are, as of the date hereof, and will be at all times up to and including the date of Closing, true and correct in all material respects 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 12 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 2020 Series Bonds.

(e) The Authority Documents 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 2020 Series Bonds, when delivered to and paid for by the Underwriters at the Closing will be in conformity with the description thereof in the Official Statement and will be in conformance with, and entitled to the benefits of the provisions of the Act and the Authority Documents.

(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 restrain or to enjoin the sale, issuance or delivery of the 2020 Series 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 Authority Documents, or contesting the powers of the Authority or its authority with respect to the Authority Documents.

(g) The execution or adoption, as applicable, and delivery of, and performance of the Authority's obligations under the Authority Documents and the other agreements contemplated thereby; the execution and delivery of the Official Statement; the sale, execution, issuance and delivery of the 2020 Series Bonds; and the consummation of all transactions to which the Authority is a party contemplated by the Authority Documents, 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, decree or order or any agreement, indenture, mortgage, loan or other instrument to which the Authority is subject or by which the Authority is or may be bound.

(h) Any certificate signed by any of the Authority's Authorized Officers (as defined in the Loan Agreement) 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) The Authority will pay or cause to be paid only from the proceeds of the 2020 Series Bonds, other available funds or other moneys provided by the University, all expenses incident to the performance of its obligations under this 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 2020 Series 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 2020 Series Bonds; the fees and disbursements of the Escrow Agents and its counsel; the fees and expenses of Bond Counsel; and the fees and expenses of obtaining credit ratings, if any, or any attorneys, 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 2020 Series 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 2020 Series 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 ("Counsel to the Underwriters"), "Blue Sky" filing fees or advertising expenses in connection with the public offering of the 2020 Series Bonds. If the Closing does not occur as a result of the failure of the University to meet its obligations under this Purchase Agreement, the University shall pay all expenses incurred by the Authority and the Underwriters.

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

6. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE UNIVERSITY. The University represents to and agrees with the Authority and the Underwriters 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. 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 and the members of the Board of Regents of the University, as set forth in Appendix A of the Official Statement, are the duly appointed, qualified and presently acting members of the Board of Trustees of the University and presently acting members of the Board of Regents of the University, respectively.

(c) The University has complied with all applicable laws of the State 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 Disclosure Agreement, this Purchase Agreement and any and all other agreements relating hereto and thereto (collectively, the "University Documents") 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 2020 Series 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 constitute a default under any agreement 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 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, and all consents, approvals, authorizations and orders of any governmental or regulatory agency or any canonical approvals that are required for the execution and delivery of the University Documents 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 2020 Series Bonds and are or will be in full force and effect at the Closing.

(e) 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 present fairly the financial position of the University as of the date indicated and, constitute the full, complete and latest audited financial

information relating to the University, and 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 Purchase Agreement and the approval by the University of the Official Statement and any amendment thereof or supplement thereto, as permitted hereby, by an authorized officer of the University; (ii) the execution, the delivery and the due performance by the University of the obligations contained in this 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 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) [Reserved].

(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 2020 Series Bonds, and (iv) the material contained under the caption "LITIGATION – The University" and contained in Appendices A and B to the Preliminary Official Statement and the Official Statement were, as of the date of the Preliminary Official Statement 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 in all material respects; and, based on the University's participation in the preparation of the Preliminary Official Statement and the Official Statement but without having independently verified the information contained therein, other than as stated above, nothing has come to the University's attention that would cause the University to believe that the Preliminary Official Statement or the Official Statement, as of their respective dates, and the Official Statement as of the Closing Date, as it relates to the University, 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, dated the date hereof, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on (i) the title 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 2020 Series Bonds or its performance in connection with this Purchase Agreement, the Official Statement or any University Documents, (iv) the validity or the enforceability of the 2020 Series Bonds, the Resolution, this 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 Purchase Agreement, the Indenture, the Official Statement or the University Documents, or (v) the tax-exempt status of the 2020 Series C Bonds or the University.

(k) The University Documents are 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 2020 Series 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 agrees to cooperate reasonably with the Underwriters and Counsel to the Underwriters in any endeavor to qualify the 2020 Series Bonds for offering and sale under the securities or "blue sky" laws of such jurisdiction of the United States as the Underwriters may request, provided that the University shall not be required to qualify to do business in any jurisdiction where it is not now so qualified, or to take any action which would subject it to general service of process in any jurisdiction where it is not now so subject. The University ratifies and consents to the use of the Official Statement by the Underwriters in obtaining such qualification.

(o) Neither the University nor anyone acting on its behalf has, directly or indirectly, offered the 2020 Series Bonds for sale to, or solicited any offer to buy the same from, anyone other than the Underwriters.

(p) Between the date of this Purchase Agreement and the Closing, the University will not, without the prior written consent of the Representative, amend or modify the Loan Agreement in any respect.

(q) If the Closing shall not occur as a result of the failure of the University to meet its obligations under this 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 5(i) above.



(r) Except as otherwise noted in the Preliminary Official Statement and in the Official Statement, the University has not failed during the previous five (5) years to comply in all material respects with any previous undertakings in a written continuing disclosure agreement under Rule 15c2-12.

(s) 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 2020 Series 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.

(t) The University hereby authorizes the use and distribution of the Official Statement by the Underwriters in connection with the public offering and sale of the 2020 Series Bonds.

7. 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 Purchase Agreement and to act hereunder by and on behalf of the Underwriters pursuant to the Agreement Among Underwriters dated \_\_\_\_\_, 2020 (the “AAU”).

(b) The 2020 Series Bonds, the Indenture, the Loan Agreement, the Disclosure Agreement, the Escrow Agreements, the Preliminary Official Statement, the Official Statement and this Purchase Agreement have been reviewed by the Underwriters and contain terms acceptable to, and agreed to by, the Underwriters.

(c) For itself, that it has the requisite authority to enter into this Purchase Agreement and this 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 Underwriters under the AAU, it is not aware that any other Underwriter has 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 (x) all information, certifications and disclosure statements previously provided in connection with L. 2005, c. 51, and Executive Order 117 (Corzine 2008) (“Executive Order No. 117”) and as required by law, are true and correct as of the date hereof and (y) 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 Closing a “L. 2005, c. 51 and Executive Order No. 117 Certification of No Change” in the form attached hereto as Exhibit B, and to continue to comply with the provisions of L. 2005, c. 51 and Executive Order No. 117 and as required by law, during the term of this Purchase Agreement and for so long as the Representative and the other Underwriters have any obligations under this Purchase Agreement.

(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 any of 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 2020 Series Bonds.

(h) At or prior to the Closing, the Representative agrees to deliver to the Authority, in the form and substance satisfactory to Bond Counsel, a certificate, substantially in the form attached hereto as Exhibit C, and such other information reasonably requested by Bond Counsel.

(i) 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 any other Underwriter has entered into any financial or business relationships, arrangements or practices with the Municipal Advisor, or any other participant concerning or relating to the 2020 Series Bonds.

(j) 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.

## 8. CLOSING.

At \_\_\_\_ A.M., Eastern Time, on [June] \_\_, 2020, or at such other time or date as the Representative, the Authority and the University may mutually agree upon as the date and time of

the Closing (the “Closing Date”), the Authority will deliver or cause to be delivered to the Representative, at the offices of McManimon, Scotland & Baumann, LLC (“Bond Counsel”), 75 Livingston Avenue, Roseland, New Jersey 07068, or at such other place as the parties may mutually agree upon, the 2020 Series Bonds, through the facilities of The Depository Trust Company, New York, New York (“DTC”), duly executed and authenticated, and the other documents specified in Section 9 (the “Closing”). At the Closing, (a) upon satisfaction of the conditions herein specified, the Underwriters shall accept the delivery of the 2020 Series Bonds, and pay the purchase price therefor in federal funds payable to the order of the Trustee for the account of the Authority and (b) the Authority shall deliver or cause to be delivered the 2020 Series Bonds to the Underwriters through the facilities of DTC in definitive or temporary form, duly executed by the Authority and in the authorized denominations as specified by the Representative at the Closing and the Authority and the University shall deliver the other documents hereinafter mentioned. The 2020 Series Bonds shall be made available to the Underwriters at least one business day before the Closing Date for purposes of inspection.

9. CONDITIONS PRECEDENT.

The Underwriters have entered into this Purchase Agreement in reliance upon the respective warranties, representations and agreements of the Authority and the University contained herein and the performance by the Authority and the University of their respective obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriters’ obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(a) The respective representations and warranties of the Authority and the University contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(b) At the time of the Closing, the Official Statement, the Resolution, the Authority Documents and the University Documents 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.

(c) The Authority shall perform or have performed all of its obligations required under or specified in the Resolution, the Authority Documents and the Official Statement to be performed at or prior to the Closing.

(d) The University shall perform or have performed all of its obligations required under or specified in the Resolution, the University Documents and the Official Statement to be performed at or prior to the Closing.

(e) The Authority and the University shall have delivered to the Underwriters final Official Statements by the time, and in the numbers, required by Section 3 of this Purchase Agreement.

(f) As of the date hereof and at the time of Closing, all necessary official action of the Authority and the University relating to the Authority Documents, the University

Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(g) After the date hereof, up to and including the time of the Closing, there shall not have occurred any change in or particularly affecting the Authority, the University, the Act, the Resolution, the Authority Documents, the University Documents or the security for the 2020 Series Bonds as the foregoing matters are described in the Preliminary Official Statement and the Official Statement, which in the reasonable professional judgment of the Representative materially impairs the investment quality of the 2020 Series Bonds.

(h) At or prior to the Closing, the Representative shall receive the following documents (in each case with only such changes as the Representative shall approve):

- i. The approving opinion of Bond Counsel relating to the 2020 Series Bonds, dated the Closing Date, substantially in the form attached as Appendix E to the Official Statement, and, if not otherwise directly addressed to the Underwriters, a reliance letter with respect thereto addressed to the Representative;
- ii. The supplemental opinion of Bond Counsel, addressed to the Authority and the Representative, dated the Closing Date, to the effect that the statements contained in the Preliminary Official Statement and the Official Statement in the sections captioned “INTRODUCTORY STATEMENT,” “THE AUTHORITY,” “PLAN OF FINANCING,” “2020 SERIES BONDS” (excluding the subsections captioned “Book-Entry Only System” and “No Assurance Regarding DTC Practices”), “SECURITY FOR THE 2020 SERIES BONDS,” “CONTINUING DISCLOSURE,” “VERIFICATION OF MATHEMATICAL CALCULATIONS,” “LEGALITY FOR INVESTMENT,” “PLEDGE OF STATE NOT TO AFFECT RIGHTS OF BONDHOLDERS” and in APPENDIX C – “FORMS OF CERTAIN LEGAL DOCUMENTS” and in APPENDIX D – “FORM OF CONTINUING DISCLOSURE AGREEMENT” thereto, insofar as such statements purport to summarize certain provisions of the Act, the 2020 Series Bonds, the Resolution, the Indenture, the Loan Agreement, the Escrow Agreements and the Disclosure Agreement are reasonable summaries of such provisions, and the statements on the cover page relating to tax matters and under the section in the Preliminary Official Statement and the Official Statement captioned “TAX MATTERS,” insofar as such statements purport to summarize certain provisions of tax law, regulations, rulings and notices, are 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, as of the date of the Official Statement and as of the date of Closing,

the Preliminary Official Statement and the Official Statement (except for the financial, tabular and other statistical information included therein and except for the information under the headings “2020 SERIES BONDS-Book-Entry-Only System” and “No Assurance Regarding DTC Practices,” “LITIGATION,” “RATINGS,” “VERIFICATION OF MATHEMATICAL CALCULATIONS,” “FINANCIAL ADVISOR TO THE AUTHORITY,” “MUNICIPAL ADVISOR TO THE UNIVERSITY,” “UNDERWRITING,” “CERTAIN RELATIONSHIPS,” “INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS” and in “APPENDIX A – CERTAIN INFORMATION REGARDING SETON HALL UNIVERSITY,” and “APPENDIX B – FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT OF SETON HALL UNIVERSITY” as to which no view need be expressed) 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 2020 Series 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 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. The Authority shall have received an opinion of the Attorney General of the State.
- iv. An opinion of Connell Foley LLP, Roseland, 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, 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 Disclosure Agreement, this 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 2020 Series Bonds or the execution and delivery of the University Documents, the application of the proceeds of the 2020 Series 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 2020 Series Bonds or in any way contesting or affecting the validity or enforceability of the 2020 Series Bonds and the University Documents or any action of the University contemplated by any of said documents or by the Preliminary Official Statement or 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 Preliminary Official Statement or 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 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 set forth under the captions "LITIGATION – The University" and in "APPENDIX A – CERTAIN INFORMATION REGARDING SETON HALL UNIVERSITY" are accurate and fairly present the information intended to be shown with respect thereto (except for 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, as of the date of the Closing, 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 and 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 thereof or as of the date of the Closing contained or contains 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.

- v. 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;
- 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 2020 Series 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 Escrow Agreements or this Purchase Agreement; (B) in any way contesting or otherwise affecting the authority for or the validity

of the 2020 Series Bonds, the Indenture, the Loan Agreement or this 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 2020 Series 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 Purchase Agreement is true and correct in all material respects 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; and (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;

viii. 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 contained in the Preliminary Official Statement and the Official Statement under the headings “INTRODUCTORY STATEMENT,” “2020 SERIES BONDS” (excluding the subsections captioned “Book-Entry-Only System” and “No Assurance Regarding DTC Practices”), “ESTIMATED SOURCES AND USES OF FUNDS,” “SECURITY FOR THE 2020 SERIES BONDS,” “ESTIMATED ANNUAL DEBT SERVICE,” “LITIGATION – The University,” “RATINGS,” “CONTINUING DISCLOSURE,” “OTHER LEGAL MATTERS,” “INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS” and “MISCELLANEOUS” and in Appendices A and B, as of their respective dates and on the Closing Date, are true and correct in all material respects; (B) the descriptions and information in clause (A) above as of the date of the Preliminary Official Statement and the Official Statement did not, and as of the Closing Date do not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made 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 Preliminary Official Statement and 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 Preliminary Official Statement and the Official Statement; (E) no litigation or proceeding is pending or, to the best of such 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 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 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 Purchase Agreement and the University Documents have remained true and correct in all material respects from the date thereof through the Closing Date and are true and correct in all material respects 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 2020 Series Bonds, this Purchase Agreement or 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 Regents of the University authorizing and approving the transactions described or contemplated in this 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 Purchase Agreement and each of the University Documents have been duly adopted by the Board of Regents of the University, are in full force and effect and have not been modified, amended or re-pealed; (I) the executed copies of this 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 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 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 un-der, 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 Purchase Agreement and the Official Statement; (L) the authorization, execution and delivery of the University Documents, the Official Statement, this 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 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, a copy of which letter shall be attached thereto; (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; (5) is exempt from federal income taxation under Section 501(a) of the Code; and (6) the use of the projects financed and refinanced with the proceeds of the 2020 Series Bonds is in furtherance of the University's exempt purposes and will not result in any unrelated trade or business income to the University; and (N) except as may be disclosed in the Official Statement, the University is in compliance with all of its prior continuing disclosure undertakings entered into pursuant to the Rule;

- ix. The Authority shall have received: (i) consent letters from Grant Thornton, 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 of New Jersey 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 2020 Series Bonds and waiving the

provisions of *N.J.S.A. 2A:53A-25* with respect to its professional accounting services;

- x. Specimen 2020 Series Bonds;
- xi. Information Return for Private Activity Bond Issues, Form 8038, for the 2020 Series C Bonds, executed by the Authority;
- xii. 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 2020 Series Bonds;
- xiii. Evidence, acceptable to Bond Counsel, that a public hearing was properly called, advertised and conducted in connection with the issuance of the 2020 Series C Bonds with respect to the TEFRA hearing;
- xiv. Executed or certified copies of the Authority Documents and the University Documents;
- xv. An executed Letter of Representations to DTC from the Authority, as accepted and received by such organization;
- xvi. Evidence of either (A) the approval by the Governor of the State of New Jersey (the “Governor”) of the minutes of the Authority authorizing the adoption of the Resolution by the Authority and the sale of the 2020 Series Bonds pursuant thereto 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;
- xvii. An opinion of counsel to the Trustee dated the Closing Date stating that (a) the Trustee is a state banking association organized and existing under the laws of the State of New York, with trust and fiduciary powers in the State and qualified to accept and administer the trusts, (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 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 2020 Series 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;

- xviii. An opinion of counsel to the Escrow Agents dated the Closing Date stating that (a) each of the Escrow Agents are banking associations with trust powers duly organized and validly existing under the laws of the United States of America or the State of New York, as applicable, and each of the Escrow Agents has all requisite power and authority, and is duly qualified and authorized, to carry on corporate trust business in the State; (b) each of the Escrow Agents are duly authorized and empowered to discharge the duties and responsibilities imposed upon each Escrow Agent under the provisions of and to accept the trusts contemplated by the Escrow Agreement; (c) each of the Escrow Agents have duly (i) authorized all necessary action to be taken by it for the performance of its duties and responsibilities under its respective Escrow Agreement and (ii) executed and delivered its respective Escrow Agreement; (d) each of the Escrow Agreements is the legal, valid and binding obligation of the respective Escrow Agent and, assuming the due authorization, execution and delivery thereof by the other party thereto, is enforceable against the applicable Escrow Agent in accordance with its 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; (e) the duties and responsibilities of each of the Escrow Agents under the applicable Escrow Agreement do not require authorization or approval of any federal or state banking regulatory agency having jurisdiction over the Escrow Agents which have not been obtained; and (f) neither the consummation of the transactions on the part of the Escrow Agents contemplated by the Escrow Agreements nor compliance with the terms, conditions or provisions thereof, contravenes any provision of either of the Escrow Agents' Charter or bylaws.
- xix. The Official Statement, executed on behalf of the Authority by an Authorized Officer and executed on behalf of the University by an authorized officer of the University;
- xx. A certified copy of the Resolution;
- xxi. Evidence satisfactory to the Representatives of the assignment of ratings assigned to the 2020 Series Bonds by Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P");

- xxii. A copy of a Blue Sky Memorandum with respect to the 2020 Series Bonds;
- xxiii. A copy of the verification report of Causey Demgen & Moore P.C. with respect to the defeasance of the Bonds to be Refunded;
- xxiv. A defeasance opinion of Bond Counsel with respect to the refunding of the Bonds to be Refunded;
- xxv. UCC Financing Statements relating to the security interests created under the Indenture and the Loan Agreement;
- xxvi. 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;
- xxvii. Certified copies of the resolutions of the Board of Regents of the University relating to the 2020 Series Bonds, and executed copies of the Loan Agreement and the Disclosure Agreement, all in form and substance satisfactory to the Representative; and
- xxviii. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative, Counsel to the Underwriters 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.

10. TERMINATION.

If the Authority or the University shall be unable to satisfy the conditions of the Underwriters' obligations contained in this Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Representative at, or at any time before, the time of the Closing. Notice of such cancellation shall be given by the Representative to the Authority and the University in writing, or by telephone confirmed in writing. The performance by the Authority of any and all conditions contained in this Purchase Agreement for the benefit of the Underwriters may be waived by the Representative.

(a) The Underwriters shall also have the right, before the time of Closing, to cancel their obligations to purchase the 2020 Series Bonds, by written notice by the Representative to the Authority and the University, if between the date hereof and the time of Closing:

(i) Any event or circumstance occurs or information becomes known, which, in the professional judgment of the Representative, makes untrue any statement of a material fact set forth in the Preliminary Official Statement or the Official Statement or results in an omission to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(ii) The market for the 2020 Series Bonds or the market prices of the 2020 Series Bonds or the ability of the Underwriters to enforce contracts for the sale of the 2020 Series Bonds shall have been materially and adversely affected, in the professional judgment of the Representative, by:

(1) An amendment to the Constitution of the United States or the State shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation (whether or not then introduced) shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed (whether or not then introduced) for consideration by either such Committee by any member thereof or presented as an option for consideration (whether or not then introduced) by either such Committee by the staff of such Committee or by the staff of the joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State authority, with respect to federal or State taxation upon revenues or other income of the general character to be derived by the Authority or upon interest received on obligations of the general character of the 2020 Series Bonds which, in the judgment of the Representative, may have the purpose or effect, directly or, indirectly, of affecting the tax status of the University, its property or income, its securities (including the 2020 Series Bonds) or the interest thereon, or any tax exemption granted or authorized by State legislation; or

(2) The declaration of war or engagement in or escalation of military hostilities by the United States or the occurrence of any other national emergency or calamity or terrorism affecting the operation of the government of, or the financial community in, the United States; or

(3) The declaration of a general banking moratorium by federal, New York or the State authorities; or

(4) The occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market; or

(5) Additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; or

(6) The general suspension of trading on any national securities exchange; or

(iii) Legislation enacted, introduced in the Congress or recommended for passage (whether or not then introduced) by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that the 2020 Series Bonds, other securities of the University or obligations of the general character of the 2020 Series Bonds are not exempt from registration under the 1933 Act, or that the Indenture is not exempt from qualification under the Trust Indenture Act; or

(iv) Any change in or particularly affecting the Authority, the University the Act, the Resolution, the Authority Documents, the University Documents or the security for the 2020 Series Bonds as the foregoing matters are described in the Preliminary Official Statement or the Official Statement, which in the professional judgment of the Representative materially impairs the investment quality of the 2020 Series Bonds; or

(v) An order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the 2020 Series Bonds, or the issuance, offering or sale of the 2020 Series Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or

(vi) A stop order, ruling, regulation or official statement by the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the 2020 Series Bonds, or the execution and delivery of any of the Authority Documents or the University Documents, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws, including the 1933 Act, the Securities Exchange Act of 1934 or the Trust Indenture Act, each as amended and as then in effect; or

(vii) Any change or any development involving a prospective change in or affecting the business, properties or financial condition of the University, except for changes which the Preliminary Official Statement and Official Statement discloses are expected to occur.

(viii) Any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the 2020 Series Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Act, the Resolution, the Authority Documents, University Documents or the existence or powers of the University with respect to its obligations thereunder; or

(ix) A reduction or withdrawal in any of the following assigned ratings, or, as of the Closing Date, the failure by any of the following rating agencies to assign the following ratings, to the 2020 Series Bonds: the long-term ratings assigned by Moody's and S&P.

#### 11. INDEMNIFICATION.

(a) The University shall indemnify and hold harmless, to the extent permitted by law, the Authority, the Underwriters and their respective directors, officers, employees and agents and each person who controls any Underwriter within the meaning of Section 15 of the 1933 Act (any such person being therein sometimes called an "Indemnitee"), against any and all losses, claims, damages or liabilities, joint or several, (a) to which any such Indemnitee may become subject, under any statute or regulation at law or in equity or otherwise, insofar as such losses claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement of a material fact set forth in the Preliminary Official Statement or the Official Statement or any amendment or supplement to either, or arise out of or are based upon the omission to state therein a material fact which is necessary in order to make the statements made therein, in the light of the circumstances in which they were made, not misleading, except such indemnification shall not extend to statements in the Preliminary Official Statement or the Official Statement 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," and (b) to the extent of the aggregate amount paid in any settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or omission if such settlement is effected with the written consent of the University (which consent shall not be unreasonably withheld); and will reimburse any legal or other expenses reasonably incurred by any such Indemnitee in connection with investigating or defending any such loss, claim, damage, liability or action. This indemnity agreement shall not be construed as a limitation on any other liability which the University may otherwise have to any Indemnitee.

(b) The Underwriters shall indemnify and hold harmless, to the extent permitted by law, the Authority and the University and their respective directors, officers, members, employees and agents and each person who controls the Authority and the University within the meaning of Section 15 of the 1933 Act, against any and all losses, claims, damages or liabilities, joint or several, to which such Authority or the University indemnitee may become subject under any statute or at law or in equity or otherwise, and shall promptly reimburse any such indemnitee for any reasonable legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, but only to the extent that such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement of a material fact contained



in, or the omission to state therein a material fact necessary to make the statements therein in light of the circumstances under which they were made not misleading, the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereof, under the caption “UNDERWRITING.” This indemnity agreement shall not be construed as a limitation on any other liability which the Underwriters may otherwise have to any indemnitee. The liability of any Underwriter obligations under this Section 11 shall not exceed the amount of its *pro rata* compensation under this Purchase Agreement.

(c) For purposes of subsection (a) or (b) above, an “Indemnified Party” means an Underwriter indemnitee, Authority indemnitee, or a University indemnitee as the context dictates and an “Indemnifying Party” means the University or an Underwriter who is under the obligation to indemnify an Indemnified Party under this Section 11. An Indemnified Party shall, promptly after the receipt of notice of the commencement of any action against such Indemnified Party in respect of which indemnification may be sought against an Indemnifying Party, notify the Indemnifying Party in writing of the commencement thereof, but the omission to notify the Indemnifying Party of any such action shall not relieve the Indemnifying Party from any liability that it may have to such Indemnified Party otherwise than under the indemnity agreement contained herein. In case any such action shall be brought against an Indemnified Party and such Indemnified Party shall notify the Indemnifying Party of the commencement thereof, the Indemnifying Party may, or if so requested by such Indemnified Party shall, participate therein or assume the defense thereof, with counsel satisfactory to such Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of an election so to assume the defense thereof, the Indemnifying Party will not be liable to such Indemnified Party under this paragraph for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof other than reasonable costs of investigation. If the Indemnifying Party shall not have employed counsel to manage the defense of any such action or if the Indemnified Party shall have reasonably concluded that there may be defenses available to it or them that are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defense of such action on behalf of such Indemnified Party), such Indemnified Party shall have the right to retain legal counsel of its own choosing and the reasonable legal and other expenses incurred by such Indemnified Party shall be borne by the Indemnifying Party.

An Indemnifying Party shall not be liable for any settlement of any such action effected without its consent by any Indemnified Party, which consent shall not be unreasonably withheld, but if settled with the consent of the Indemnifying Party or if there be a final judgment for the plaintiff in any such action against the Indemnifying Party or any Indemnified Party, with or without the consent of the Indemnifying Party, the Indemnifying Party agrees to indemnify and hold harmless such Indemnified Party to the extent provided herein.

(d) If the indemnification provided for in this Section is unavailable or insufficient to hold harmless an Indemnified Party under subsection (a) or (b) above, then each Indemnifying Party shall contribute to the amount paid or payable by such Indemnified Party as a result of the losses, claims, damages, liabilities or expenses referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the University on the one hand and the Underwriters on the other from the offering of the 2020 Series 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 the Underwriters in connection with the statements or omissions which resulted in such losses, claims, damages, liabilities or expenses as well as any other relevant equitable considerations. The relative benefits received by the University on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the University relative to the total underwriting discounts and commissions received by the Underwriters. The relative fault 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 the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The amount paid by an Indemnified Party as a result of the losses, claims, damages, liabilities or expenses referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any action or claim which is the subject to this subsection (d). Notwithstanding the provisions of this subsection (d), each Underwriter shall not have any obligation under this subsection (d) to contribute an amount in excess of the amount of its *pro rata* compensation under this Purchase Agreement. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

## 12. AMENDMENTS TO OFFICIAL STATEMENT.

During the period commencing on the Closing Date and ending 25 days from the end of the underwriting period, the Authority and the University shall advise the Representative if any event relating to or affecting the Official Statement shall occur as a result of which it may be necessary or appropriate to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser or "potential customer" (as defined for purposes of Rule 15c2-12). If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and at all times subsequent thereto up to and including that date that is 25 days from the end of the "underwriting period" (as defined in Rule 15c2-12), the Official Statement as supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and shall amend or supplement the Official Statement (not to exceed 250 copies and in form and substance satisfactory to counsel for the Underwriters) so that the Official Statement will not contain any 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 under which they were made, 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.

For purposes of this Section 12, the Authority will furnish such information that the Representative may from time to time reasonably request with respect to itself or the University, and the University will cooperate with the Authority in furnishing such information.

13. USE OF DOCUMENTS.

The Authority and the University hereby authorize the Underwriters to use, in connection with the public offering and sale of the 2020 Series Bonds, this Purchase Agreement, the Preliminary Official Statement, the Official Statement, the Authority Documents and the University Documents, and the information contained herein and therein.

14. QUALIFICATION OF SECURITIES.

The Authority and the University will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Representative may reasonably request to qualify the 2020 Series Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate and to provide for the continuance of such qualification; *provided, however*, that neither the Authority nor 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 state.

15. NOTICES.

Any notice or other communication to be given to the Authority or the University under this Purchase Agreement may be given by delivering the same in writing to the Authority or the University, as applicable, at their respective addresses set forth on the first page hereof, and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to BofA Securities, Inc., c/o Ted O. Matozzo, Vice President, Public Finance Investment Banking, Four Penn Center, Suite 1210, Philadelphia, PA 19103.

16. BENEFIT.

This Purchase Agreement is made solely for the benefit of the Authority or the University and the Underwriters (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the Authority and the University contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriters; (ii) delivery of and payment for the 2020 Series Bonds hereunder; or (iii) any termination of this Purchase Agreement, other than pursuant to Section 10 (and in all events the agreements of the Authority pursuant to Sections 5(i) and 11 hereof shall remain in full force and effect notwithstanding the termination of this Purchase Agreement under Section 10 hereof).

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

17. WAIVER OF JURY TRIAL. THE AUTHORITY AND THE UNIVERSITY HEREBY IRREVOCABLY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL

PROCEEDING ARISING OUT OF OR RELATING TO THIS PURCHASE AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

18. MISCELLANEOUS.

(a) This Purchase Agreement contains the entire agreement between the parties relating to the subject matter hereof and supersedes all oral statements, prior writings and representations with respect thereto.

(b) This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

19. 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 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 Underwriter’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](http://www.elec.state.nj.us).

By:

**BOFA SECURITIES, INC.,**  
as Representative of the Underwriters

By: \_\_\_\_\_  
Name: Ted O. Matozzo  
Title: 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

**SETON HALL UNIVERSITY**

By: \_\_\_\_\_  
Name: Stephen A. Graham  
Title: Vice President for Finance/Chief Financial Officer

**SCHEDULE I**

**New Jersey Educational Facilities Authority  
\$[\_\_\_\_\_] Revenue Bonds, Seton Hall University Issue,  
2020 Series C (Tax-Exempt)**

<b>Maturity Date (July 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP</b>
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\$[\_\_\_\_\_] \_\_\_% Term Bond, due July 1, 20\_\_\_, Price \_\_\_% to Yield \_\_\_% CUSIP No.† \_\_\_\_\_  
\$[\_\_\_\_\_] \_\_\_% Term Bond, due July 1, 20\_\_\_, Price \_\_\_% to Yield \_\_\_% CUSIP No.† \_\_\_\_\_

**\$[\_\_\_\_\_] Revenue Bonds, Seton Hall University Issue,  
2020 Series D (Federally Taxable)**

<b>Maturity Date (July 1)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP</b>
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\$[\_\_\_\_\_] \_\_\_% Term Bond, due July 1, 20\_\_\_, Price \_\_\_% to Yield \_\_\_% CUSIP No.† \_\_\_\_\_  
\$[\_\_\_\_\_] \_\_\_% Term Bond, due July 1, 20\_\_\_, Price \_\_\_% to Yield \_\_\_% CUSIP No.† \_\_\_\_\_

**Redemption Provisions**

The 2020 Series Bonds are subject to optional redemption, extraordinary optional redemption, mandatory sinking fund redemption and make-whole redemption, as applicable and as described below.

**Optional Redemption**

The 2020 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.

Extraordinary Optional Redemption

The 2020 Series 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, with written notice to the University, 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 (as defined in the Loan Agreement) 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.

Mandatory Sinking Fund Redemption

The 2020 Series C Bonds maturing on July 1, 20[\_\_\_] shall be retired by sinking fund installments, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest thereon to the redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the 2020 Series C Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Amount</u>
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\*Final maturity

The 2020 Series C Bonds maturing on July 1, 20[\_\_\_] shall be retired by sinking fund installments, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest thereon to the redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the 2020 Series C Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Amount</u>
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\*Final maturity

The 2020 Series C Bonds maturing on July 1, 20[\_\_\_] shall be retired by sinking fund installments, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest thereon to the redemption date. The

sinking fund installments shall be sufficient to redeem the principal amount of the 2020 Series C Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Amount</u>
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\*Final maturity

The 2020 Series D Bonds maturing on July 1, 20[\_\_\_] shall be retired by sinking fund installments, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest thereon to the redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the 2020 Series D Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Amount</u>
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\*Final maturity

The 2020 Series Bonds subject to mandatory sinking fund redemption are subject, however, to the provision that the principal amount of any partial redemption of the 2020 Series 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 2020 Series 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 2020 Series Bonds, which notice shall designate the mandatory sinking fund redemption installments to be reduced by date and the principal amount of such reductions.

#### Make-Whole Redemption

The 2020 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 2020 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 2020 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 2020 Series [D] Bonds are to be redeemed, discounted to the date on which the 2020 Series [D] 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 2020 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 2020 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 2020 Series [D] 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 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.

**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 \_\_\_\_\_, 2020 (the “Bond Purchase Agreement”), by and among BofA Securities, Inc., as Representative (the “Representative”), the New Jersey Educational Facilities Authority (the “Authority”) and Seton Hall University, relating to the Authority’s Revenue Bonds, Seton Hall University Issue, 2020 Series C (Tax-Exempt), in the aggregate principal amount of \$\_\_\_\_\_ and Revenue Bonds, Seton Hall University Issue, 2020 Series D (Federally Taxable), in the aggregate principal amount of \$\_\_\_\_\_ (collectively, the “2020 Series Bonds”).

I, Ted O. Matozzo, Vice President of BofA Securities, Inc., as Representative, and based solely on reliance upon the representations and warranties made to the Representative in the Agreement Among Underwriters, dated \_\_\_\_\_, 2020, by the other Underwriters (collectively, the “Underwriters”) identified in the Bond Purchase Agreement, hereby certify on behalf of itself and the other Underwriters 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 2020 Series Bonds.

IN WITNESS WHEREOF, I have executed this Certificate this \_\_\_\_ day of \_\_\_\_\_, 2020.

**BOFA SECURITIES, INC., on behalf of itself  
and as Representative of the Underwriters**

By: \_\_\_\_\_

Name: Ted O. Matozzo

Title: Vice President

**Exhibit C**

**FORM OF ISSUE PRICE CERTIFICATE**

\_\_\_\_\_, 2020

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  
\$\_\_\_\_\_ Revenue Bonds, Seton Hall University Issue,  
2020 Series C (Tax-Exempt)**

Ladies and Gentlemen:

This Certificate is furnished by BofA Securities, Inc. (the “Representative”) of the underwriters (the “Underwriters” and, together with the Representative, the “Underwriting Group”) in connection with the sale and issuance by the New Jersey Educational Facilities Authority (the “Issuer”) of its \$\_\_\_\_\_ aggregate principal amount of Revenue Bonds, Seton Hall University Issue, 2020 Series C (Tax-Exempt) (the “Bonds”) issued \_\_\_\_\_, 2020, and the Representative hereby certifies and represents the following, based upon information available to us:

1. ***Sale of the Bonds.*** As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) **General Rule Maturities** means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) **Issuer** means the New Jersey Educational Facilities Authority.

(c) **Maturity** means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(d) **Public** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(e) **Sale Date** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2020.

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer and Seton Hall University (the "University") with respect to certain of the representations set forth in their respective Tax Certificates and with respect to compliance with the federal income tax rules affecting the Bonds, and by McManimon, Scotland & Baumann, LLC in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038, and other federal income tax advice it may give to the Issuer and the University from time to time relating to the Bonds. The representations set forth herein are not necessarily based on personal knowledge and, in certain cases, the undersigned is relying on representations made by the other members of the Underwriting Group.

Very truly yours,

**BOFA SECURITIES, INC., on behalf of itself  
and as Representative of the Underwriters**

By: \_\_\_\_\_  
Name: Ted O. Matozzo  
Title: Vice President

Dated: \_\_\_\_\_, 2020

**SCHEDULE A**

**SALE PRICES OF THE GENERAL RULE MATURITIES**

**Exhibit D**  
**FORM OF COUNSEL TO THE UNDERWRITERS' OPINION**

\_\_\_\_\_, 2020

BofA Securities, Inc., as Representative  
Four Penn Center, Suite 1210  
Philadelphia, Pennsylvania 19103

Re: New Jersey Educational Facilities Authority Revenue Bonds, Seton Hall University Issue, 2020 Series C (Tax-Exempt) and Revenue Bonds, Seton Hall University Issue, 2020 Series D (Federally Taxable)

We have acted as your counsel in connection with the offering and sale of the above-captioned bonds (the “Bonds”) as contemplated under a Bond Purchase Agreement dated \_\_\_\_\_, 2020 (the “Bond Purchase Agreement”), by and among the New Jersey Educational Facilities Authority (the “Authority”), Seton Hall University, a New Jersey nonprofit corporation (the “University”), and BofA Securities, Inc., as representative (the “Representative”) acting for and on behalf of itself and the other underwriters identified therein (together, the “Underwriters”). Unless otherwise defined herein, capitalized terms have the meanings ascribed to them in the Bond Purchase Agreement.

In connection with our engagement, we have examined originals or copies, certified or otherwise identified to our satisfaction as being true copies, of the documents delivered on this date pursuant to the Bond Purchase Agreement, and such other matters and law as we deemed necessary. We have also reviewed, and believe you may reasonably rely upon, the opinions delivered to you today pursuant to the Bond Purchase Agreement, including the opinions delivered to you today by McManimon Scotland & Baumann, LLC, Bond Counsel and Connell Foley LLP, counsel to the University.

Based upon the foregoing, we are of the opinion that:

1. The offer and sale of the Bonds is exempt from registration under the Securities Act of 1933, as amended, and the Indenture is not required to be qualified under the Trust Indenture Act of 1939, as amended.
2. The Disclosure Agreement complies with the requirements of paragraph (b)(5) of Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended, in effect as of the date hereof.

We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements in the Preliminary Official Statement and the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, to assist the Underwriters in their

investigation concerning the Preliminary Official Statement and the Official Statement, certain of our lawyers responsible for this matter have reviewed certain documents and have participated in teleconferences with you, the Authority, the University, its financial advisor, auditor and counsel, and Bond Counsel in which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. During the course of our work on this matter, nothing has come to our attention that causes us to believe that the Preliminary Official Statement, as of its date or the date of the Bond Purchase Agreement, or the Official Statement, as of its date or the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements made in the Preliminary Official Statement and the Official Statement, in light of the circumstances under which they were made, not misleading; provided, however, we express no opinion as to (a) expressions of opinion, assumptions, projections, financial statements, or other financial, numerical, economic, demographic, statistical or accounting data, or information or assessments of or reports on the effectiveness of internal control over financial reporting contained in the Preliminary Official Statement and the Official Statement, including in any Appendices thereto, (b) any information or statements relating to the book-entry-only system and The Depository Trust Company, or (c) the audited financial statements of the University included as Appendix B.

Reference in this letter to “our lawyers responsible for this matter” refers only to those lawyers now with this firm who rendered legal services in connection with our representation of you in this matter.

We are furnishing this letter to you solely for your benefit. We disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon by any other person. This letter is not intended to, and may not, be relied upon by holders of the Bonds or any party who is not one of the Underwriters.

Very truly yours,

PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2020

NEW ISSUES - BOOK-ENTRY ONLY

See "RATINGS" 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 2020 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 2020 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 2020 Series 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, Seton Hall University Issue,**  
**2020 Series C (Tax-Exempt)**  
**and**  
 \$[\_\_\_\_\_]\* **Revenue Bonds, Seton Hall University Issue,**  
**2020 Series D (Federally Taxable)**

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

The New Jersey Educational Facilities Authority Revenue Bonds, Seton Hall University Issue, 2020 Series C (Tax-Exempt) (the "2020 Series C Bonds") and Revenue Bonds, Seton Hall University Issue, 2020 Series D (Federally Taxable) (the "2020 Series D Bonds" and, together with the 2020 Series C Bonds, the "2020 Series Bonds") will be issued by the New Jersey Educational Facilities Authority (the "Authority") on behalf of The Board of Regents of Seton Hall University (the "University") only 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 2020 Series Bonds.

Purchases of the 2020 Series Bonds will be made in book-entry-only form in denominations of \$5,000 or any integral multiple thereof. Purchasers of the 2020 Series Bonds (the "Beneficial Owners") will not receive certificates representing their interest in the 2020 Series Bonds purchased. So long as Cede & Co., as nominee of DTC, is the registered owner of the 2020 Series Bonds, references herein to the registered owner shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners of the 2020 Series Bonds. See "2020 SERIES BONDS - Book-Entry-Only System" herein. The Bank of New York Mellon, Woodland Park, New Jersey, will act as the Trustee (the "Trustee") for the 2020 Series Bonds.

So long as DTC, or its nominee Cede & Co., is the registered owner of the 2020 Series Bonds, payments of principal, redemption premium, if any, and interest on the 2020 Series 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 2020 Series Bonds is payable on July 1 in the years shown on the inside cover page. The 2020 Series 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 [January] 1, 2021, until maturity or earlier redemption thereof at the rates set forth on the inside cover page.

The 2020 Series Bonds are subject to redemption as described herein.

The 2020 Series 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 April 14, 2020 (the "Resolution") and a Trust Indenture, dated as of [June] 1, 2020 (the "Indenture"), by and between the Authority and the Trustee.

The 2020 Series C Bonds are being issued for the purpose of providing funds to: (a) finance the demolition, construction and equipping of new athletic facilities to be located in and around the Richie Regan Recreation and Athletic Center, the third phase of the renovation and equipping of the University Center, the renovation and equipping of the Boland Hall dormitory and various campus landscaping and hardscaping improvements, (b) fund capitalized interest for the 2020 Series C Bonds through [July 1, 2022], and (c) pay certain costs of issuance of the 2020 Series C Bonds. The 2020 Series D Bonds are being issued for the purpose of providing funds to: (a) [refund [all or a portion] of the Authority's outstanding Revenue Refunding Bonds, Seton Hall University Issue, 2011 Series A and Revenue Bonds, Seton Hall University Issue, 2013 Series D], (b) finance the renovation, equipping and construction of a new multi-story student housing facility; (c) fund capitalized interest for the 2020 Series D

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\* Preliminary, subject to change.



Bonds through [July 1, 2022], and (d) pay certain costs of issuing the 2020 Series D 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 [June] 1, 2020 (the “Loan Agreement”), pursuant to which the University will agree, *inter alia*, to pay amounts sufficient to pay principal, redemption premium, if any, and interest on the 2020 Series 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 2020 SERIES BONDS – The Loan Agreement.”

**THE 2020 SERIES 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.**

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 2020 SERIES 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 2020 SERIES BONDS, INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING, BUT NOT LIMITED TO, APPENDIX A AND APPENDIX B, TO OBTAIN INFORMATION ESSENTIAL TO THE NATURE OF AN INFORMED INVESTMENT DECISION ON THE 2020 SERIES BONDS.

The 2020 Series Bonds are offered when, as and if issued by the Authority and accepted by the Underwriters, 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, Connell Foley LLP, Roseland, New Jersey, and for the Underwriters by their counsel, Ballard Spahr LLP, Cherry Hill, New Jersey. The 2020 Series Bonds are expected to be available for delivery through the facilities of DTC in New York, New York, on or about [June] \_\_, 2020.

### **BofA Securities**

**Drexel Hamilton, LLC**

**Stern Brothers & Co.**

**UBS Financial Securities**

Dated: [June] \_\_, 2020

**New Jersey Educational Facilities Authority**  
**\$[\_\_\_\_\_]\* Revenue Bonds, Seton Hall University Issue,**  
**2020 Series C (Tax-Exempt)**

<b>Maturity Date (July 1)*</b>	<b>Principal Amount*</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP<sup>†</sup></b>
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\$[\_\_\_\_\_]\* \_\_\_% Term Bond, due July 1, 20\_\_\*, Price \_\_\_% to Yield \_\_\_% CUSIP No.<sup>†</sup> \_\_\_\_\_  
 \$[\_\_\_\_\_]\* \_\_\_% Term Bond, due July 1, 20\_\_\*, Price \_\_\_% to Yield \_\_\_% CUSIP No.<sup>†</sup> \_\_\_\_\_

**\$[\_\_\_\_\_]\* Revenue Bonds, Seton Hall University Issue,**  
**2020 Series D (Federally Taxable)**

<b>Maturity Date (July 1)*</b>	<b>Principal Amount*</b>	<b>Interest Rate</b>	<b>Yield</b>	<b>Price</b>	<b>CUSIP<sup>†</sup></b>
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\$[\_\_\_\_\_]\* \_\_\_% Term Bond, due July 1, 20\_\_\*, Price \_\_\_% to Yield \_\_\_% CUSIP No.<sup>†</sup> \_\_\_\_\_  
 \$[\_\_\_\_\_]\* \_\_\_% Term Bond, due July 1, 20\_\_\*, Price \_\_\_% to Yield \_\_\_% CUSIP No.<sup>†</sup> \_\_\_\_\_

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\* Preliminary, subject to change.

<sup>†</sup> 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 2020 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.

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 2020 SERIES BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

The purchase of the 2020 Series Bonds involves certain investment risks. Accordingly, each prospective purchaser of the 2020 Series 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 2020 Series 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 defined herein). All other information herein has been obtained by the Underwriters (as defined herein) from the University (as defined herein) 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 2020 Series Bonds.

Seton Hall University (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 2020 Series 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 2020 Series 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 2020 Series 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 2020 Series Bonds and the security therefor, including an analysis of the risk involved. The 2020 Series Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the 2020 Series Bonds in accordance with applicable provisions of securities laws of the various jurisdictions in which the 2020 Series 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 2020 Series 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, the Escrow Agreements, 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 2020 Series Bonds referred to herein and may not be reproduced or used, in the 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**

**OFFICIAL STATEMENT**

**Relating To**

**New Jersey Educational Facilities Authority**  
**[\$[\_\_\_\_\_]]\* Revenue Bonds, Seton Hall University Issue,**  
**2020 Series C (Tax-Exempt)**  
**and**  
**[\$[\_\_\_\_\_]]\* Revenue Bonds, Seton Hall University Issue,**  
**2020 Series D (Federally Taxable)**

**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”) and its \$[\_\_\_\_\_]\* Revenue Bonds, Seton Hall University Issue, 2020 Series C (Tax-Exempt) (the “2020 Series C Bonds”), and its \$[\_\_\_\_\_]\* Revenue Bonds, Seton Hall University Issue, 2020 Series D (Federally Taxable) (the “2020 Series D Bonds” and, together with the 2020 Series C Bonds, the “2020 Series Bonds”). The 2020 Series Bonds are issued pursuant to: (i) the Act (as defined herein); (ii) a Resolution, duly adopted by the Authority on April 14, 2020 (the “Resolution”); and (iii) a Trust Indenture, dated as of June 1, 2020 (the “Indenture”), by and between the Authority and The Bank of New York Mellon, Woodland Park, New Jersey, as Trustee (the “Trustee”). The 2020 Series 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 2020 Series Bonds will be subject to redemption prior to maturity as described herein. See “2020 SERIES BONDS – Redemption – Optional Redemption, – Extraordinary Optional Redemption, – Mandatory Sinking Fund Redemption and – Make-Whole Redemption” herein. Certain capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Indenture. 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.

**Authority for Issuance**

The 2020 Series 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 Seton Hall University, a New Jersey corporation and a privately endowed institution for higher education situated in South Orange, Essex County, New Jersey (the

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\* Preliminary, subject to change.

“University”). For information concerning the University, see “APPENDIX A – CERTAIN INFORMATION REGARDING SETON HALL UNIVERSITY” hereto and “APPENDIX B – FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS’ REPORT OF SETON HALL UNIVERSITY” hereto.

### **Purpose**

The 2020 Series Bonds are being issued to provide funds to be loaned to the University pursuant to a Loan Agreement, dated as of June 1, 2020 (the “Loan Agreement”), by and between the University and the Authority (the “Loan Agreement”), which funds will be used to undertake projects consisting of: (i) with respect to the 2020 Series C Bonds, (a) financing the demolition, construction and equipping of new athletic facilities to be located in and around the Richie Regan Recreation and Athletic Center, the third phase of the renovation and equipping of the University Center, the renovation and equipping of the Boland Hall dormitory and various campus landscaping and hardscaping improvements, (b) funding capitalized interest for the 2020 Series C Bonds through [July 1, 2022], and (c) paying certain costs of issuance of the 2020 Series C Bonds (collectively, the “2020 Series C Project”) and (ii) with respect to the 2020 Series D Bonds, (a) [refunding [all or a portion] of the Authority’s outstanding Revenue Refunding Bonds, Seton Hall University Issue, 2011 Series A (the “2011 Bonds to be Refunded”) and Revenue Bonds, Seton Hall University Issue, 2013 Series D (the “2013 Bonds to be Refunded” and, together with the 2011 Bonds to be Refunded, the “Bonds to be Refunded”) (the “Refunding Project”)], (b) financing the renovation, equipping and construction of a new multi-story student housing facility; (c) funding capitalized interest for the 2020 Series D Bonds through [July 1, 2022], and (d) paying certain costs of issuing the 2020 Series D Bonds ((b), (c)and (d), the “2020 Series D Project” and, together with the 2020 Series C Project, the “Capital Project”, and together with the Refunding Project, the “Project”). See “PLAN OF FINANCING” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

### **Security and Other Financings**

The 2020 Series Bonds are special and limited obligations of the Authority payable solely from the Pledged Property as defined in the Indenture. See “SECURITY FOR THE 2020 SERIES 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, redemption premium (if any) and interest on the 2020 Series 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. No specific pledge of University tuition or any other revenues of the University is made with respect to the 2020 Series Bonds.



As additional security for the payment of the principal and redemption premium (if any) and interest on the 2020 Series Bonds, and such other payments required by the Loan Agreement, the University covenants and agrees to impose such fees and other charges sufficient at all times to generate revenues, which together with the other legally available moneys of the University, will be sufficient to pay the cost of operating and maintaining the Project (as defined in the Loan Agreement), to pay all payments required by the Loan Agreement and to pay all other obligations of the University as they become due and payable. See “SECURITY FOR THE 2020 SERIES 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 2020 SERIES BONDS - Prior Liens and Pledges and Covenants Relating to Pledges” herein. The University has covenanted in the Loan Agreement that, so long as the 2020 Series Bonds are outstanding, it will not pledge or create or suffer to be created or exist any lien, security interest or restriction on tuition, unless it (i) obtains the written consent of the Authority (which consent shall not be unreasonably withheld) and (ii) grants a parity lien to secure the 2020 Series Bonds.

Under the Loan Agreement and pursuant to the Indenture, the University, with the consent of the Authority, may enter into one or more Swap Agreements (as such term is defined in the Loan Agreement). Pursuant to the Indenture, such Swap Agreements may be secured on parity with the University’s payment obligations under the Loan Agreement. See “SECURITY FOR THE 2020 SERIES BONDS – Additional Parity Obligations” herein.

**THE 2020 SERIES 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 2020 SERIES BONDS” HEREIN FOR A DESCRIPTION OF THE SECURITY FOR THE 2020 SERIES BONDS.**

The 2020 Series 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 2020 Series 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 January 1, 2021 (each an “Interest Payment Date”). Principal or Redemption Price of the 2020 Series Bonds will be paid, when due, upon presentation and surrender of the 2020 Series Bonds at the principal corporate trust office of the Trustee.

## **Additional Parity Obligations**

Under the Loan Agreement and pursuant to the Indenture, the University may secure obligations incurred pursuant to Swap Agreements on parity with its repayment obligations with respect to the 2020 Series Bonds with the consent of the Authority.

## **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 the 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 Commission on Higher Education (the "Commission") has been abolished, and the responsibilities, duties and authorities of the Commission have been transferred to the Secretary of Higher Education.

The 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 Commission served as the principal advocate for an integrated system of higher education that provides a broad scope of higher education programs and services. The system includes both thirty (30) public and fifty nine (59) independent institutions and enrolls over 420,000 full-time and part-time credit-seeking students statewide.

The thirty (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 (2) state colleges and five (5) state universities; and nineteen (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 fifty nine (59) independent institutions include fifteen (15) senior colleges and universities with a public mission, one (1) independent two-year religious college, thirty (30) rabbinical schools and theological seminaries, twelve (12) proprietary institutions with degree-granting authority, and one (1) independent three-year college.

## **PLAN OF FINANCING**

The proceeds of the 2020 Series C Bonds and a portion of the proceeds of the 2020 Series D Bonds will be used to pay costs of the Capital Project. A portion of the proceeds of the 2020 Series D Bonds will be used to pay costs of the Refunding Project. See “ESTIMATED SOURCES AND USES OF FUNDS” and “APPENDIX A – CERTAIN INFORMATION REGARDING SETON HALL UNIVERSITY – [\_\_\_\_\_]” herein.

On the date of issuance and delivery of the 2020 Series D Bonds, a portion of the proceeds of the 2020 Series D Bonds, together with other available funds to be used for the refunding and the legal defeasance of the Series 2011 Bonds to be Refunded will be deposited in an escrow fund (the “2011 Escrow Fund”) to be held by U.S. Bank National Association, as escrow agent (the “2011 Escrow Agent”), and established pursuant to an Escrow Deposit Agreement (the “2011 Escrow Agreement”) between the Authority and the 2011 Escrow Agent. The portion of the proceeds of the 2020 Series D Bonds and other available funds on deposit in the 2011 Escrow Fund, together with earnings thereon, will be sufficient to pay when due the principal or redemption price of and interest on the Series 2011 Bonds to be Refunded. See “VERIFICATION OF MATHEMATICAL CALCULATIONS” herein. Upon deposit of such funds in the 2011 Escrow Fund, the Series 2011 Bonds to be Refunded will no longer be Outstanding under the Trust Indenture dated as of June 1, 2011, between the Authority and U.S. Bank National Association, as trustee, executed in connection with the issuance of such Series 2011 Bonds to be Refunded (the “2011 Prior Indenture”), and such Series 2011 Bonds to be Refunded shall cease to be entitled to the lien of the 2011 Prior Indenture, and such lien and all covenants, agreements and other obligations of the Authority thereunder shall cease, terminate, become void and be completely discharged as to such Series 2011 Bonds to be Refunded.

On the date of issuance and delivery of the 2020 Series D Bonds, a portion of the proceeds of the 2020 Series D Bonds, together with other available funds, to be used for the refunding and the legal defeasance of the Series 2013 Bonds to be Refunded will be deposited in an escrow fund (“2013 Escrow Fund”) to be held by The Bank of New York Mellon, as escrow agent (the “2013 Escrow Agent”), and established pursuant to an Escrow Deposit Agreement (the “2013 Escrow Agreement”) between the Authority and the 2013 Escrow Agent. The portion of the proceeds of the 2020 Series D Bonds and other available funds on deposit in the 2013 Escrow Fund, together with earnings thereon, will be sufficient to pay when due the principal or redemption price of and interest on the Series 2013 Bonds to be Refunded. See “VERIFICATION OF MATHEMATICAL CALCULATIONS” herein. Upon deposit of such funds in the 2013 Escrow Fund, the Series 2013 Bonds to be Refunded will no longer be Outstanding under the Trust Indenture dated as of July 1, 2013, by and between the Authority and The Bank of New York Mellon, as trustee, executed in connection with the issuance of such

Series 2013 Bonds to be Refunded (the “2013 Prior Indenture”), and such Series 2013 Bonds to be Refunded shall cease to be entitled to the lien of the 2013 Prior Indenture, and such lien and all covenants, agreements and other obligations of the Authority thereunder shall cease, terminate, become void and be completely discharged as to such Series 2013 Bonds to be Refunded.

## **2020 SERIES BONDS**

The following summary describes the terms of the 2020 Series Bonds. Any reference herein to the 2020 Series Bonds or to the Indenture or other similar documents shall be deemed to mean the 2020 Series Bonds or the documents related thereto, unless the context or use clearly indicates otherwise.

### **General**

The 2020 Series C Bonds are to be issued in the aggregate principal amount as set forth on the cover page hereof. The 2020 Series D Bonds are to be issued in the aggregate principal amount as set forth on the cover page hereof. The 2020 Series Bonds shall be dated and bear interest from their date of delivery, payable initially on [January] 1, 2021 and semi-annually thereafter on July 1 and January 1 of each year, 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 2020 Series Bonds will be computed on the basis of a 360-day year based on twelve 30-day months. The 2020 Series 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 2020 Series 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 2020 Series Bonds will be paid by the Trustee. Principal of the 2020 Series Bonds is payable upon presentation by the Holders thereof as the 2020 Series Bonds become due and payable. Except as otherwise provided in the Indenture, interest on the 2020 Series 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 2020 Series Bonds at the close 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 2020 Series Bonds shall be the fifteenth (15<sup>th</sup>) day of the calendar month immediately preceding that Interest Payment Date. Notwithstanding the foregoing, so long as records of ownership of the 2020 Series Bonds are maintained through the book-entry-only system, all payments to the Beneficial Owners of such 2020 Series Bonds will be made in accordance with the procedures described under the heading “2020 SERIES BONDS - Book-Entry-Only System.”

### **Book-Entry-Only System**

DTC will act as securities depository for the 2020 Series Bonds. The 2020 Series 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 2020 Series 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](http://www.dtcc.com).

*Purchase of Ownership Interests.* Purchases of the 2020 Series Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2020 Series Bonds on DTC's records. The ownership interest of each actual purchaser of each 2020 Series Bonds (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 2020 Series 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 2020 Series 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 2020 Series 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 2020 Series Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2020 Series Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. Beneficial Owners of the 2020 Series Bonds may wish to ascertain that the nominee holding the 2020 Series 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 2020 Series 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 2020 Series 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 2020 Series 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 2020 Series Bonds.* To facilitate subsequent transfers, all 2020 Series 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 2020 Series 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 2020 Series Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2020 Series 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.

Neither the Authority nor the Trustee will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any 2020 Series 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 2020 Series 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 2020 Series Bonds not to continue the book-entry-only system or that interests of the Beneficial Owners of the 2020 Series 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 2020 Series 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 2020 Series Bonds as nominee of DTC, references herein to the holders or registered owners of the 2020 Series Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the 2020 Series Bonds.

Neither the Authority nor the Trustee 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 2020 Series Bonds or (iv) any other action taken by DTC or its partnership nominee as owner of the 2020 Series Bonds.

#### **Redemption**

The 2020 Series Bonds are subject to optional redemption, extraordinary optional redemption, mandatory sinking fund redemption and make-whole redemption, as applicable and as described below.

##### Optional Redemption

The 2020 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.



Extraordinary Optional Redemption

The 2020 Series 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, with written notice to the University, 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 (as defined in the Loan Agreement) 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.

Mandatory Sinking Fund Redemption

The 2020 Series C Bonds maturing on July 1, 20[\_\_\_] shall be retired by sinking fund installments, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest thereon to the redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the 2020 Series C Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Amount</u>
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\*Final maturity

The 2020 Series C Bonds maturing on July 1, 20[\_\_\_] shall be retired by sinking fund installments, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest thereon to the redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the 2020 Series C Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Amount</u>
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\*Final maturity

The 2020 Series C Bonds maturing on July 1, 20[\_\_\_] shall be retired by sinking fund installments, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount redeemed, plus accrued interest thereon to the redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the 2020 Series C Bonds on July 1 in each of the years and in the principal amounts as follows:



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 2020 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 2020 Series [D] 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 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.

### **Selection of 2020 Series Bonds for Redemption**

In the case of any redemption in part of the 2020 Series Bonds, the 2020 Series Bonds to be redeemed will be selected by the Trustee, subject to the requirements of the Indenture. Upon any redemption of 2020 Series Bonds in part, there will be no partial redemption of less than \$5,000. If less than all of the 2020 Series Bonds outstanding are called for redemption under any provision of the Indenture permitting partial redemption, the particular maturity or maturities of the 2020 Series Bonds to be redeemed will be selected by the Authority with the consent of the University. If less than all of the 2020 Series Bonds outstanding of any maturity shall be called for redemption, such 2020 Series 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 2020 Series Bond to be redeemed under the Indenture shall be in the principal amount of \$5,000 or any multiple thereof; (b) that, in selecting 2020 Series Bonds for redemption, the Trustee shall treat each 2020 Series Bond as representing that number of 2020 Series Bonds that is obtained by dividing the principal amount of such 2020 Series Bond by \$5,000; and (c) that, to the extent practicable, the Trustee will not select any 2020 Series Bond for partial redemption if the amount of such 2020 Series 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 2020 Series Bond, the Authority shall execute and deliver and the Trustee shall authenticate, upon surrender of such 2020 Series Bond, and at the expense of the University and without charge to the owner thereof, a replacement 2020 Series Bond in the principal amount of the unredeemed balance of the 2020 Series Bond so surrendered.

### **Notice of Redemption**

Notice of any redemption of the 2020 Series Bonds pursuant to the Indenture, either in whole or in part, will be sent by the Trustee by mail, postage prepaid, not less than thirty (30) days (or, in the case of acceleration of the 2020 Series Bonds following an Event of Default

under the Indenture, seven (7) days) (See “APPENDIX C – FORMS OF CERTAIN LEGAL DOCUMENTS” hereto), but not more than sixty (60) days prior to the proposed redemption date, to all holders of the 2020 Series 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 2020 Series Bonds. Each notice will: (i) specify the principal amount of the 2020 Series 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 2020 Series Bonds are to be redeemed, the numbers and portions of the 2020 Series 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 2020 Series Bonds redeemed will cease to bear interest. CUSIP number identification will accompany all redemption notices.

#### Procedures Relating Solely to 2020 Series D Bonds.

If the 2020 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 2020 Series D Bonds, if less than all of the 2020 Series D Bonds of a maturity are called for redemption, the particular 2020 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 Underwriters can provide any assurance that DTC, its Participants or any other intermediary will allocate the redemption of the 2020 Series D Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the 2020 Series D Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the 2020 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 2020 Series D Bonds are not registered in book-entry-only form, any redemption of less than all of a maturity of the 2020 Series D Bonds will be allocated among the registered owners of the 2020 Series D Bonds of such maturity, as nearly as practicable, taking into consideration the Authorized Denominations of the 2020 Series D Bonds, on a pro rata basis.

#### **Negotiable Instruments**

The 2020 Series 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 2020 Series Bonds.

#### **ESTIMATED SOURCES AND USES OF FUNDS**

The proceeds to be received from the sale of the 2020 Series Bonds will be applied approximately as follows:

**Sources of Funds:**2020 Series C Bonds      2020 Series D Bonds

Principal Amount of 2020 Series Bonds  
[Net] Original Issue [Premium] [Discount]  
Other Available Funds

**Total Sources of Funds****Uses of Funds:**

Deposit to Escrow Fund  
Deposit to 2020 Construction Fund  
Deposit to Capitalized Interest Account within  
2020 Construction Fund  
Costs of Issuance †

**Total Uses of Funds**

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† Includes fees and expenses of Bond Counsel, the Authority, University Counsel, the Underwriters, Municipal Advisor, the Verification Agent, the Trustee, rating agency fees, and other costs associated with the 2020 Series Bonds.

**SECURITY FOR THE 2020 SERIES BONDS****Special and Limited Obligations**

The 2020 Series 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 thereunder (except the Rebate Fund, the Project Fund and the Additional Loan Payments 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 2020 SERIES 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, redemption premium (if any) and interest on the 2020 Series 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. No specific pledge of tuition or any other revenues of the University is made with respect to the 2020 Series Bonds.

*Rate Covenant.* As additional security for the payment of the principal of, redemption premium, if any, and interest on the 2020 Series Bonds, and such other payments required by the Loan Agreement, the University covenants and agrees to impose such fees and other charges sufficient at all times to generate revenues, which together with the other legally available moneys of the University, will be sufficient to pay the cost of operating and maintaining the Project, to pay all payments required by the Loan Agreement and to pay all other obligations of the University as they become due and payable. The aggregate of the amounts comprising the annual payments due under the Loan Agreement shall be equal at least to one hundred percent (100%) of the amount of principal, sinking fund payments and interest becoming due in the then current year on the 2020 Series Bonds Outstanding, plus all fees and other amounts required to be paid pursuant to 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, redemption premium (if any) and interest on the 2020 Series 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 and to perform and observe the other agreements on its part contained in the Loan Agreement shall be absolute and unconditional and shall not be subject to diminution by set-off, counterclaim, abatement or otherwise.

*Maintenance and Operation of the Project.* 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 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 2020 Series Bonds, in addition to its obligations under the Loan Agreement, the University will be obligated pursuant to applicable loan agreements entered into with the Authority, to repay loans made to the University by the Authority from the proceeds of the Authority's: [(i) Revenue Refunding Bonds, Seton Hall University Issue, 2011 Series A (which are currently outstanding in the aggregate principal amount of \$5,270,000) (the "2011 Series A Bonds")]; [(ii) Revenue Bonds, Seton Hall University Issue, 2013 Series D (which are currently outstanding in the aggregate principal amount of \$35,800,000) (the "2013 Series D Bonds")]; [(iii) Revenue Refunding Bonds, Seton Hall University Issue, 2015 Series C (which are currently outstanding in the aggregate principal amount of \$19,905,000) (the "2015 Series C Bonds")]; [(iv) Revenue Bonds, Seton Hall University Issue, 2016 Series C (which are currently outstanding in the aggregate principal amount of \$36,265,000) (the "2016 Series C Bonds")]; [(v) Revenue Refunding Bonds, Seton Hall University Issue, 2017 Series D (Tax-Exempt) (which are currently outstanding in the aggregate principal amount of \$39,520,000) (the "2017 Series D Bonds")]; and [(vi) Revenue Refunding Bonds, Seton Hall University Issue, 2017 Series E (Federally Taxable) (which are currently outstanding in the aggregate principal amount of \$31,915,000) (the "2017 Series E Bonds" and, together with the [2011 Series A Bonds,] [the 2013 Series D Bonds,] the 2015 Series C Bonds, the 2016 Series C Bonds, the 2017 Series D Bonds, and the 2017 Series E Bonds, the "Prior Bonds"). Pursuant to the respective loan agreements, the University has a general obligation to satisfy its repayment obligations with respect to the Prior Bonds.

As additional security for its repayment obligations under the respective loan agreements or bond agreement, as applicable, entered into with respect to the Prior Bonds, the University has agreed and covenanted that, as long as the Prior Bonds are outstanding, the University shall not pledge or create or suffer to be created or exist upon tuition any additional lien, security interest or restriction; provided, however, that the University may seek the Authority's consent to create such pledge of tuition and provided further that if the Authority provides its written consent (which consent shall not be unreasonably withheld) to same, then such pledge of tuition shall then secure, on a parity basis, the Prior Bonds and such other obligations for which such consent was requested.

Pursuant to the Loan Agreement, the University has a general obligation to satisfy its repayment obligations with respect to the 2020 Series Bonds. The University has covenanted and agreed in the Loan Agreement that so long as the 2020 Series Bonds are outstanding, the University shall not pledge or create or suffer to be created or exist upon tuition any additional lien, security interest or restriction; provided, however, that the University may seek the Authority's consent to create such pledge of tuition and provided further that if the Authority provides its written consent (which consent shall not be unreasonably withheld) to same, then such pledge of tuition shall secure, on a parity basis, the University's payment obligations under the Loan Agreement and such other obligations for which such consent was requested.

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**

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, such Swap Agreements may be secured on parity with the University's payment obligations under the Loan Agreement.

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## ESTIMATED ANNUAL DEBT SERVICE

### Estimated Annual Debt Service Requirements on the 2020 Series Bonds and Other Issues<sup>(1)(2)(3)</sup>

12 MONTHS ENDING JUNE 30	OTHER ISSUES <sup>(4)</sup>	2020 SERIES C PRINCIPAL	2020 SERIES C INTEREST	2020 SERIES D PRINCIPAL	2020 SERIES D INTEREST <sup>(5)</sup>	TOTAL
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
2044						
2045						
2046						
2047						
2048						
2049						
2050						
<hr/>						
<b>Total</b>						

(1) As of June 1, 2020. Fiscal year 2020 reflects full principal and interest payments for the year.

(2) Dollar amounts have been rounded to the nearest whole dollar amount.

(3) Principal and interest payable on July 1 of each year is included in the preceding year ending June 30.

(4) Includes the 2011 Series A Bonds, the 2013 Series D Bonds, the 2015 Series C Bonds, the 2016 Series C Bonds, the 2017 Series D Bonds, the 2017 Series E Bonds and the University's portion of the Series 2014 B Capital Improvement Fund Bonds, the Series 2014 D Capital Improvement Fund Bonds, the Series 2014 B Equipment Leasing Fund Bonds, the Series 2016 A Capital Improvement Fund Bonds and the Series 2016 B Capital Improvement Fund Bonds. Excludes debt service on the Bonds to be Refunded, except for the July 1, 2020 interest payment.]

(5) A portion of the proceeds of the 2020 Series C Bonds and the 2020 Series D Bonds is being applied to fund capitalized interest through [July 1, 2022].

## **BONDHOLDERS' RISKS**

Purchase of the 2020 Series 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 2020 Series Bonds are an appropriate investment. Certain risks associated with the purchase of the 2020 Series 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 2020 Series Bonds. The discussion of risk factors is not, and is not intended to be, comprehensive or exhaustive. Prospective purchasers of the 2020 Series 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 2020 Series 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 2020 Series 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 2020 Series 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 2020 Series 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 2020 Series Bonds are subject to redemption prior to maturity in certain circumstances. Bondholders may not realize their anticipated yield on investment to maturity

because the 2020 Series 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 2020 Series C Bonds may become subject to federal income taxation retroactive to the date of issuance of the 2020 Series C Bonds, regardless of the date on which noncompliance or misrepresentation is ascertained. In the event that interest on the 2020 Series C Bonds should become subject to federal income taxation, the Loan Agreement does not provide for the redemption of 2020 Series C Bonds, or an increase in interest on the 2020 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 2020 Series 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 2020 Series 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 2020 Series 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 2020 Series 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 2020 Series 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 2020 Series Bonds are secured by payments to be made by the University under the Loan Agreement. 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. No specific pledge of University tuition or any other revenues of the University is made with respect to the 2020 Series Bonds.

[ADD Risk Factor Re: Construction of Capital Project and Status of Related Governmental Approvals]

### **Cybersecurity**

Like all higher education institutions, the University relies on electronic systems and technologies to conduct its operations in support of its finances and its research and educational

activities. In the past several years, a number of entities have sought to gain unauthorized access to electronic systems of various organizations for the purposes of misappropriating assets or personal, operational, financial or other sensitive information, or causing operational disruption. These attempts, which are increasing, include highly sophisticated efforts to electronically circumvent security measures as well as more traditional intelligence gathering aimed at obtaining information necessary to gain access.

The University maintains a security posture designed to deter “University attacks” and is committed to deterring attacks on its electronic systems and responding to such attacks to minimize their impact on operations. However, no assurances can be given that the University’s security measures will be able to prevent University-attacks on its electronic systems, and no assurances can be given that any University-attacks, if successful, will not have a material adverse effect on the operations or financial condition of the University.

### **COVID-19 Disclosure**

[University to update/revise as necessary] The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization. The University is closely monitoring the COVID-19 pandemic and its impact on the University community. To protect the health of its students, faculty and staff, the University has taken significant steps to promote social distancing in the University community. Since the week of \_\_\_\_\_, 2020, undergraduate and graduate course instruction has been conducted through virtual means. Most students have vacated the campus, with those who remain subject to “social distancing” measures and reduced on-campus services. Students will continue to meet their academic requirements virtually for the remainder of the 2019 – 20 academic year. While some faculty and staff are working on-campus to ensure continuity of essential research and operations, most faculty and staff have transitioned to remote work. Given the uncertainty over the progression of the virus and governmental emergency orders to close non-essential businesses, there is no timetable for when instruction, research and campus operations will return to normal.

The COVID-19 pandemic has negatively affected national, state, and local economies and global financial markets, and the higher education landscape in general. While the financial impact on the University cannot be quantified at this time, the pandemic may have a material adverse effect on the current and future financial profile and operating performance of the University. While the impact on the University’s endowment cannot be quantified at this time, investment performance will be impacted by the downturn in financial markets.

The University continues to monitor the course of the pandemic and is prepared to take additional measures to protect the health of the University community and promote the continuity of its research and academic mission. The full impact of the COVID-19 pandemic and the scope of any adverse impact on the University’s finances and operations cannot be determined at this time.

## **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 2020 Series Bonds or questioning or affecting the validity of the 2020 Series Bonds or the proceedings or authority under which the 2020 Series 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 2020 Series 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 2020 Series 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 2020 Series Bonds or the Loan Agreement.

## **RATINGS**

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P") have provided ratings for the 2020 Series Bonds of "\_\_\_" and "\_\_\_", respectively. These ratings reflect only the views of such organizations, and an explanation of the significance of such ratings may be obtained only from the rating agency furnishing such rating. There is no assurance that such ratings will be maintained for any given period of time or that such ratings will not be revised downward, suspended or withdrawn entirely by such rating agencies if, in their sole judgment, circumstances so warrant. Any such downward revision, suspension or withdrawal of such ratings may have an adverse effect on the market price or marketability of the 2020 Series Bonds.

## **VERIFICATION OF MATHEMATICAL CALCULATIONS**

Causey Demgen & Moore P.C. (the "Verification Agent") will deliver to the Authority on or before the date of issuance of the 2020 Series D Bonds, its verification report indicating that it has verified from the information provided to it the mathematical accuracy, as of the date of delivery of the 2020 Series D Bonds, of (i) the computations contained in the provided schedules to determine that the amounts on deposit in each of the 2011 Escrow Fund and 2013 Escrow Fund will be sufficient to pay, when due, the principal or Redemption Price of and interest on the Bonds to be Refunded and (ii) the mathematical computations supporting the conclusion of Bond Counsel that the 2020 Series D Bonds are not "arbitrage bonds" under Section 148 of the Code. The Verification Agent will express no opinion on the assumptions provided to it.

## **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 2020 Series 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 2020 Series Bonds.

## **MUNICIPAL ADVISOR TO THE UNIVERSITY**

Phoenix Advisors, LLC (the “Municipal Advisor”) has acted as Municipal Advisor to the University concerning the 2020 Series Bonds and will receive compensation contingent upon the sale and delivery of the 2020 Series Bonds. The Municipal 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 Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities

## **UNDERWRITING**

Pursuant to the terms of a bond purchase agreement by and among BofA Securities, Inc., as representative of the underwriters of the 2020 Series Bonds shown on the cover page hereof (the “Underwriters”), the Authority and the University, (i) the 2020 Series C Bonds are being purchased at an aggregate purchase price of \$\_\_\_\_\_ (said purchase price reflects the par amount of the 2020 Series C Bonds, [plus][less] [net] original issue [premium][discount] of \$\_\_\_\_\_ and less an Underwriters’ discount of \$\_\_\_\_\_) and (ii) the 2020 Series D Bonds are being purchased at an aggregate purchase price of \$\_\_\_\_\_ (said purchase price reflects the par amount of the 2020 Series D Bonds, less an Underwriters’ discount of \$\_\_\_\_\_). . The Underwriters will be obligated to purchase all of the 2020 Series Bonds if any 2020 Series Bonds are purchased. The Underwriters intend to offer the 2020 Series 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 2020 Series Bonds to certain dealers (including dealers depositing the 2020 Series Bonds into investment trusts) at yields higher than the public reoffering yields.

[The Underwriters are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Underwriters have, from time to time, performed and may in the future perform, various investment banking services for the University, for which they received or will receive customary fees and expenses. In the ordinary course of their business activities, the Underwriters may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for its own account and for their customers and may at any time hold long

and short positions in such securities and instruments. Such investment and securities activities may involve securities of the University.]

BofA Securities, Inc., has entered into a distribution agreement (the “MLPF&S Distribution Agreement”) with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated (“MLPF&S”). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the 2020 Series Bonds.

The Authority has not been furnished with any documents relating to the MLPF&S Distribution Agreement and makes no representations of any kind with respect thereto. The Authority is not a party to the MLPF&S Distribution Agreement and has not entered into any agreement or arrangement with MLPF&S with respect to the use of trade names or otherwise with respect to the offering and sale of the 2020 Series Bonds.

Drexel Hamilton, LLC (“Drexel”), one of the Underwriters of the 2020 Series Bonds, has entered into a distribution agreement (the “MBS Distribution Agreement”) with Multi-Bank Securities, Inc., (“MBS”). Under the MBS Distribution Agreement, MBS may purchase 2020 Series Bonds from Drexel at the original issue price less a negotiated portion of the selling concession applicable to any 2020 Series Bonds that MBS sells.

The Authority has not been furnished with any documents relating to the MBS Distribution Agreement and makes no representations of any kind with respect thereto. The Authority is not a party to the MBS Distribution Agreement and has not entered into any agreement or arrangement with MBS with respect to the use of trade names or otherwise with respect to the offering and sale of the 2020 Series Bonds.

Stern Brothers & Co. (“Stern Brothers”), one of the Underwriters of the 2020 Series Bonds has entered into negotiated dealer agreements (collectively, the “Dealer Agreements”) with 280 Securities LLC (“280”) and BNY Capital Markets LLC (“BNYCM”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Dealer Agreements, Stern Brothers may sell the Series 2020 Bonds to 280 and/or BNYCM and share with them a portion of the applicable selling concession.

The Authority has not been furnished with any documents relating to the Dealer Agreements and makes no representations of any kind with respect thereto. The Authority is not a party to the Dealer Agreements and has not entered into any agreement or arrangement with 280 or BNYCM with respect to the use of trade names or otherwise with respect to the offering and sale of the 2020 Series Bonds.

UBS Financial Services Inc. (“UBS FSI”), one of the Underwriters of the 2020 Series Bonds has entered into a distribution and service agreement (“UBS Securities Agreement”) with its affiliate UBS Securities LLC (“UBS Securities”) for the distribution of certain municipal securities offerings, including the 2020 Series Bonds. Pursuant to such agreement, UBS FSI will share a portion of its underwriting compensation with respect to the 2020 Series Bonds with UBS Securities. UBS FSI and UBS Securities are each subsidiaries of UBS Group AG.

The Authority has not been furnished with any documents relating to the UBS Securities Agreement and makes no representations of any kind with respect thereto. The Authority is not a party to the UBS Securities Agreement and has not entered into any agreement or arrangement with UBS FSI or UBS Securities respect to the use of trade names or otherwise with respect to the offering and sale of the 2020 Series Bonds.

### **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 2020 Series 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 2020 Series Bonds, to provide or cause a dissemination agent to provide certain financial information and operating data relating to the University not later than December 27<sup>th</sup> of each fiscal year, commencing with December 27, 2020, in respect of the fiscal year of the University ending June 30, 2020, and provide notice of certain enumerated events to the Municipal Securities Rulemaking Board through its electronic data program, Electronic Municipal Market Access (“EMMA”), or such other program required by Rule 15c2-12. The financial information to be provided generally will be consistent with the information set forth in APPENDIX B – FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS’ REPORT OF SETON HALL UNIVERSITY. The operating data to be provided will be similar to the statistical information set forth in APPENDIX A – CERTAIN INFORMATION REGARDING SETON HALL UNIVERSITY.

The Underwriters’ obligation to purchase and accept delivery of the 2020 Series Bonds is conditioned upon it receiving, at or prior to the delivery of the 2020 Series 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 2020 Series Bonds are limited to the remedies set forth in the Continuing Disclosure Agreement.

The Authority and the holders of the 2020 Series 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 2020 Series Bonds, as the case may be.

[\[ADDITIONAL DISCLOSURE COULD BE ADDED PENDING REVIEW OF EMMA FILINGS\]](#)



## TAX MATTERS

### 2020 Series C Bonds

#### *Exclusion of Interest on the 2020 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 2020 Series C Bonds in order to assure that interest on the 2020 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 2020 Series C Bonds to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the 2020 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 2020 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 2020 Series C Bonds and have covenanted not to take any action or fail to take any action that would cause interest on the 2020 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 2020 Series C Bonds from gross income for federal income tax purposes and with respect to the treatment of interest on the 2020 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 2020 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 2020 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 2020 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 2020 Series C Bonds ends with the issuance of the 2020 Series C Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority or the owners of the 2020 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 2020 Series C Bonds, under

current IRS procedures, the IRS will treat the Authority as the taxpayer and the beneficial owners of the 2020 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 2020 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 2020 Series C Bonds.

Payments of interest on tax-exempt obligations, including the 2020 Series C Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a 2020 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 2020 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 2020 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 2020 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 2020 Series C Bonds*

Prospective purchasers of the 2020 Series C Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the 2020 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 2020 Series C Bonds from gross income pursuant to Section 103 of the Code and interest on the 2020 Series C Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the 2020 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 2020 Series C Bonds.

#### *Changes in Federal Tax Law Regarding the 2020 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 2020 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 2020 Series C Bonds will not have an adverse effect on the tax status of interest on the 2020 Series C Bonds or the market value or marketability of the 2020 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 2020 Series C Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

## **2020 Series D Bonds**

### *General*

In the opinion of Bond Counsel, interest on the 2020 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 2020 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 2020 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 2020 Series D Bonds that are "U.S. holders" (as defined below), deals only with the 2020 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 2020 Series D Bonds.

As used herein, a "U.S. holder" is a "U.S. person" that is a beneficial owner of the 2020 Series D Bonds. A "non-U.S. investor" is a holder (or beneficial owner) of the 2020 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 2020 Series D Bonds*

An owner's tax basis for the 2020 Series D Bonds is the price such owner pays for the 2020 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 2020 Series D Bonds, measured by the difference between the amount realized and the 2020 Series D Bonds' basis as so adjusted, will generally give rise to capital gain or loss if the 2020 Series D Bonds are held as a capital asset.

### *Possible Recognition of Taxable Gain or Loss Upon Defeasance of 2020 Series D Bonds*

Defeasance of any 2020 Series D Bonds may result in a deemed exchange under Section 1001 of the Code, in which event the holder of such 2020 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 2020 Series D Bonds.

#### *Backup Withholding*

An owner of the 2020 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 2020 Series D Bonds. This withholding generally applies if the owner of the 2020 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 2020 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 2020 Series D Bonds will be reported to the 2019 Series D Bond owners and to the IRS.

#### *Foreign 2020 Series D Bonds Owners*

Under the Code, interest and original issue discount income with respect to the 2020 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 2020 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 2020 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 2020 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 2020 Series D Bonds.

## **2020 Series Bonds**

### *State Taxation*

Bond Counsel is of the opinion that, based upon existing law, interest on the 2020 Series 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 2020 SERIES BONDS ARE BASED UPON EXISTING LAWS AND REGULATIONS AS INTERPRETED BY RELEVANT JUDICIAL AND REGULATORY CHANGES AS OF THE DATE OF ISSUANCE OF THE 2020 SERIES 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 2020 SERIES BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION.

## **CERTAIN RELATIONSHIPS**

Ballard Spahr LLP, which is acting as Counsel to the Underwriters in connection with the issuance of the 2020 Series Bonds, represents the University from time to time in matters unrelated to the issuance of the 2020 Series Bonds.

## **OTHER LEGAL MATTERS**

Legal matters incident to the authorization and issuance of the 2020 Series Bonds are subject to the approving 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, Connell Foley LLP, Roseland, 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 2020 Series 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 2020 Series 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 2020 Series Bonds, together with interest thereon, are fully paid and discharged and such other contracts are fully performed on the part of the Authority.

### **INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

The financial statements of the University as of June 30, 2018 and 2019 and for the years then ended, included as APPENDIX B in this Official Statement, have been audited by Grant Thornton LLP, independent certified public accountants, 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 2020 Series 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 2020 Series Bonds. Except as otherwise stated, the Authority makes no representations or warranties whatsoever with respect to the information contained herein. The 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 2020 Series Bonds.

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

The financial statements and independent auditors’ report of the University contained in APPENDIX B attached hereto have been furnished by the University.

Information herein regarding DTC has been provided by DTC.



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

**SETON HALL UNIVERSITY**

**NEW JERSEY EDUCATIONAL  
FACILITIES AUTHORITY**

By: \_\_\_\_\_  
Stephen Graham  
Vice President for Finance and  
Chief Financial Officer

By: \_\_\_\_\_  
Eric D. Brophy, Esq.  
Executive Director

Dated: June \_\_, 2020

**APPENDIX A**

**CERTAIN INFORMATION REGARDING  
SETON HALL UNIVERSITY**

**APPENDIX B**

**FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT OF  
SETON HALL UNIVERSITY**

**APPENDIX C**

**FORMS OF CERTAIN LEGAL DOCUMENTS**

**APPENDIX D**

**FORM OF CONTINUING DISCLOSURE AGREEMENT**

**APPENDIX E**

**FORM OF OPINION OF BOND COUNSEL**

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
RELATING TO INITIAL AND ANNUAL FEES**

**Adopted: April 14, 2020**

- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") was duly created and now exists under the New Jersey Educational Facilities Authority Law, Public Laws of 1967, Chapter 271, *N.J.S.A.* 18A:72A-1 et seq., as amended (the "Act") for the purpose of issuing its obligations to obtain funds to finance eligible educational facilities as such may be required for the purposes of public and private institutions of higher education, private colleges and public libraries, (collectively, "Borrowers") 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:** Pursuant to Chapter 271, *N.J.S.A.* 18A:72A-5(m), the Authority has the power to fix and revise from time to time and to charge Borrowers fees for the use of and for the services furnished to a project or any portion thereof and to contract with holders of its bonds and with any other person, party, association, corporation or other body, public or private, in respect thereof; and
- WHEREAS:** Historically, the Authority's fee schedule has been structured to ensure that the Authority collects only the fees it needs to fulfill its mission to provide efficient, low cost financing to Borrowers in the State of New Jersey and to match, as closely as possible, the services provided to the Borrowers with the costs to the Authority; and
- WHEREAS:** The Authority's current fee structure was last revised by Resolution adopted on November 27, 2018; and
- WHEREAS:** The Resolution adopted on November 27, 2018, provided that in order to ensure that the Authority's fee structure is sufficient to ensure fulfillment of its mission while minimizing the financial burden to institutions that access the Authority's services, the Authority's Finance Committee will evaluate the Authority's fee structure at least on an annual basis; and
- WHEREAS:** The Authority's revenue, in particular stand-alone transaction Annual Fee revenue, has been declining in recent years as a result of: (i) combined plans of finance that include a new money component along with refunding of prior debt; (ii) roll-up refunding transactions resulting in a loss of fees tied to each refunded series of bonds; (iii) refunding transactions and defeasances by New Jersey's research institutions that have previously issued through the Authority; (iv) increased competition from other conduit issuers; and (v) less frequent but significantly larger par value transactions; and

**WHEREAS:** To stabilize revenue losses in response to the changing business environment and associated declining revenues, the Authority Staff over the last year has undergone an examination of its financial operations and Initial and Annual Fee structures, including: (i) a ten (10) year review of the Authority's financial history; (ii) an analysis of lost fee revenue associated with refundings, including rollups; (iii) an analysis of lost fee revenue due to refundings of Authority bonds at competitor issuers; (iv) an analysis of future expected refundings through 2027; (v) the impact of five (5) different fee structure scenarios; (vi) a comparison of fees among competitor conduit issuers; and (vii) consideration of the potential impact on Authority revenues and burden on individual Borrowers; and

**WHEREAS:** The Authority's Finance Committee reviewed the analysis and determined that in response to the current condition of Authority operations and changes in the higher education issuer market, it was in the best interest of the Authority, and consistent with the mission of the Authority, to change its current fee structure for Annual Fees by lowering the Annual Fee from ten (10) basis points to seven (7) basis points per series of declining par amount of bonds outstanding and eliminating the current fee cap on annual fees.

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

**SECTION 1.** The Authority hereby reaffirms its current fee structure for Initial Fees, which will continue at twenty (20) basis points per series of par amount of bonds issued, with a fee cap of \$125,000.

**SECTION 2.** The Authority authorizes a change to its current fee structure for Annual Fees, which shall be lowered from ten (10) basis points to seven (7) basis points per series of declining par amount of bonds outstanding, with elimination of the current fee cap.

**SECTION 3.** The Authority hereby authorizes an effective date for the changes set forth in Section 2 above for all new bond financings that close on or after July 1, 2020.

**SECTION 4.** In order to ensure that the Authority's fee structure is sufficient to ensure fulfillment of its mission while minimizing the financial burden to institutions that access the Authority's services, the Authority's Finance Committee will evaluate the Authority's fee structure at least on an annual basis in conjunction with its consideration and recommendation to the Members of the Authority's annual operating budget for adoption.

**SECTION 5.** The Members hereby authorize the Chair, Vice-Chair, the Executive Director, the Deputy Executive Director, the Director of Finance, and the Director of Project Management, including any of the foregoing authorized officers serving in an



interim or acting capacity, to take and do any and all acts and things as may be necessary or desirable in connection with this Resolution.

**SECTION 6.** This Resolution shall take effect immediately in accordance with the Act.

\_\_\_\_\_ Mr. Hutchinson \_\_\_\_\_ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by \_\_\_\_\_ Mr. Feeney \_\_\_\_\_ and upon roll call the following members voted:

**AYE:** Joshua Hodes  
Ridgeley Hutchinson  
Louis Rodriguez  
Elizabeth Maher Muoio (represented by Ryan Feeney)  
Zakiya Smith Ellis

**NAY:** None

**ABSTAIN:** None

**ABSENT:** None

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



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### BOND SALE SUMMARY

**Borrower:** Stockton University, Galloway, New Jersey

**Issue:** Series 2020 A

**Amount:** \$5,935,000

**Purpose:** The Series 2020 A Bonds are being issued to provide funds to: (i) finance the acquisition by the University of a currently leased 126 bed residence facility located approximately two miles from the University's main campus in Galloway; and, (ii) to pay certain costs of issuance.

**Structure:** Direct Purchase, Fixed Rate

**Final Maturity:** February 1, 2035

**True Interest Cost:** 2.17%

**Closing:** February 12, 2020

#### **Professionals on the Transaction:**

<b>Bond Counsel:</b>	McManimon Scotland & Baumann LLC
<b>Authority's Counsel:</b>	Attorney General of the State of New Jersey
<b>Borrower's Financial Advisor:</b>	Janney Montgomery Scott LLC
<b>Purchaser:</b>	TD Bank, N.A.
<b>Purchaser's Counsel:</b>	Windels Marx Lane & Mittendorf, LLP

### Executive Summary: Seton Hall University Transaction Approval

The Authority is seeking Board authorization for the issuance of NJEFA Revenue Bonds, Seton Hall University Issue, 2020 Series C (Tax-Exempt) and 2020 Series D (Federally Taxable) (the "Bonds") in an amount not to exceed \$140,000,000.

The proceeds of the Bonds will be used to provide funds to: (i) finance the Capital Project up to \$100 million, which consists of the demolition of certain buildings, the construction and equipping of a multi-story student housing facility (which may include commercial space), the renovation, construction, and equipping of athletic facilities located in and around the Richie Regan Recreation and Athletic Center, the renovation and equipping of the University Center, the renovation and equipping of the Boland Hall dormitory, and various campus landscaping and hardscaping improvements; (ii) pay the cost of refunding all or a portion of the outstanding Prior Bonds, which consists of Revenue Refunding Bonds, Seton Hall University Issue, 2011 Series A and its Revenue Bonds, Seton Hall University Issue, 2013 Series D (iii) fund capitalized interest, if necessary; (iv) fund a debt service reserve fund, if necessary; and (v) pay certain costs of issuance of the Bonds, all as presented, submitted and approved by the Seton Hall University's Board of Regents.

In accordance with its policies and procedures, the Authority distributed and evaluated RFPs for Senior Manager, Co-Senior Manager and Co-Manager(s), Trustee, and Verification Agent Services. Based on the results of the evaluations, the Authority recommends that BofA Securities, Inc. be appointed as Senior Manager, Drexel Hamilton, LLC, Stern Brothers & Co. and UBS Financial Services, Inc. be appointed as Co-Managers, the Bank of New York Mellon be appointed as Trustee and Causey, Demgen & Moore P.C. be appointed as Verification Agent. The Bank of New York Mellon will serve as Escrow Agent for the 2013 Series D Bonds and U.S. Bank National Association will serve as Escrow Agent for the 2011 Series A Bonds. The Escrow Agent role is not subject to an RFP process. McManimon, Scotland & Baumann, LLC has been selected to serve as Bond Counsel.



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### BOND SALE SUMMARY

<b>Borrower:</b>	Stevens Institute of Technology, Hoboken, New Jersey
<b>Issue:</b>	2020 Series A and 2020 Series B
<b>Amount:</b>	Series A: \$174,315,000 Series B: \$26,485,000
<b>Purpose:</b>	<p>Series A: To provide funds to (i) finance or refinance the Capital Project, which consists of (a) the construction, renovation, and equipping of the new Student Housing and University Center 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; (ii) fund capitalized interest for the 2020 Series A Bonds; and, (iii) pay certain costs of issuing the 2020 Series A Bonds.</p> <p>Series B: To provide funds to (i) finance capital improvements to the Private University's campus located in the municipality of Hoboken, County of Hudson, in the State, (ii) to finance working capital, and (iii) to pay certain costs of the issuance of the Bond.</p>
<b>Structure:</b>	Series A: Negotiated Sale, Fixed Rate Series B: Direct Purchase, Fixed Rate
<b>Final Maturity:</b>	Series A: July 1, 2050 Series B: July 1, 2031
<b>True Interest Cost:</b>	Series A: 3.12% Series B: 2.52%
<b>Bond Ratings:</b>	BBB+ (S&P Global Ratings)

**Priced:** Series A: February 19, 2020

**Closed:** Series A: March 11, 2020  
Series B: February 12, 2020

**Professionals on the Transaction:**

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