



103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540
PHONE 609-987-0880 • FAX 609-987-0850 • jspector@njefa.com

JEREMY A. SPECTOR
Executive Director

**MINUTES OF THE MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON TUESDAY, JULY 25, 2017**

The meeting was called to order at 10:03 a.m. by Chairman Hodes. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on June 15, 2017, 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
Katherine Ungar, Vice Chair (via phone)
Ford M. Scudder, State Treasurer, Treasurer (represented by David Moore)
Rochelle Hendricks, Secretary of Higher Education
Louis Rodriguez

AUTHORITY MEMBERS ABSENT:

Ridgeley Hutchinson

STAFF PRESENT:

Jeremy A. Spector, Executive Director
Sheryl A. Stitt, Deputy Executive Director
Steven Nelson, Director of Project Management
Brian Sootkoos, Director of Finance-Controller
Zachary Barby, Communications/Special Projects Assistant
Rebecca Clark, Project Management Assistant
Matthew Curtis, Information Technology Manager
Carl MacDonald, Project Manager
Jacqueline McFadyen, Associate Project Manager
Jamie O'Donnell, Senior Communications Manager

Debra Paterson, Senior Compliance Manager
Sheila Toles, Exec. Assistant/Human Resources Manager
Lisa Walker, Accountant
Ellen Yang, Compliance Manager

ALSO PRESENT:

Clifford Rones, Esq., Deputy Attorney General
Mary Maples, Esq., Governor's Authorities Unit

ITEMS OF DISCUSSION

1. Approval of the Minutes of the Meeting of June 27, 2017

The minutes of the meeting of June 27, 2017 were delivered via United Parcel Service to Governor Chris Christie under the date of June 28, 2017. Secretary Hendricks moved that the minutes of the meeting be approved as presented; the motion was seconded by Mr. Rodriguez and passed unanimously.

2. Executive Director's Report

Mr. Spector reported that the Authority had been very active and expected to complete the issuance of over \$800 million in bonds for five institutions and that it would exceed the Authority's debt issuance in 2015.

Mr. Spector reported that the Authority continued to make substantial progress on improvements to its internal operations and staff management. He reported that staff had worked with the Authority's advisors and the New Jersey Division of Investment to present an exceptional investment policy to the Members for their consideration.

Mr. Spector reported that the Authority's Communications team would be presenting the Authority's redesigned website and that production had been completed on the Authority's 2016 Fiftieth Anniversary Annual Report.

Mr. Spector thanked Authority staff for their hard work and dedication. He also thanked Chairman Hodes and the other Members for dedicating their time and effort to the mission of the Authority.

3. Report on the Authority's Website Redesign

Mr. Barby gave a report and demonstration on the Authority's redesigned website. He advised that staff expected to go live with the website the second week of August. Mr. Barby thanked staff of the Office of Information and Technology for their assistance with redesigning the website. Ms. Stitt commended Mr. Barby and Ms. O'Donnell on their exceptional work on the redesign.

4. Report on Project Management Activity

Mr. Nelson reported that the Authority kicked off its most recent transaction for William Paterson University recently. He reported that the transaction would finance the construction of a new residence hall on campus and that staff expected to price the issue in August and close in early September.

Mr. Nelson reported that with respect to recently closed financings, the Authority recently closed the Seton Hall University transaction on June 29, 2017. He reported that the \$71,435,000 financing, which was priced by Bank of America Merrill Lynch as senior manager, and FTN, Siebert and Ramirez as co-managers, was rated A3/A- and had a true interest cost of 3.87%.

Mr. Nelson reported that staff had been actively visiting higher education institutions and meeting with various professionals. He reported that staff had met with eight institutions since June 1, 2017 and had scheduled two additional campus visits.

A summary of the anticipated and closed projects are appended as Exhibit I.

5. Resolution Amending and Restating the Authority's Investment Policy

Mr. Sootkoos reported that the Authority had engaged the services of PFM Asset Management, LLC to advise the Authority on the investment of the proceeds of the Authority's bonds to obtain optimal return while taking into account required liquidity and credit risk. He reported that based on the Authority's goals and needs and discussions with the Division of Investment and PFM it was determined that the Authority needed to update its existing investment policy, which had been adopted by resolution on May 23, 2001.

Mr. Sootkoos explained that the updated investment policy provided a detailed description of procedures, objectives, authorized financial institutions and depositories and a listing of suitable and authorized investments including specific minimum ratings requirements and sector and issuer diversification limits across the permissible investments.

Mr. Sootkoos explained that the policy would apply prospectively, as of the effective date, to all financial assets for which the Authority retains direct or indirect daily control, including proceeds of bonds issued by the Authority.

Mr. Sootkoos invited Steven Faber, Managing Director of PFM Asset Management to give an overview of the revised policy to the Members.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY AMENDING AND RESTATING THE AUTHORITY'S
INVESTMENT POLICY

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

The adopted resolution and amended policy is appended as Exhibit II.

6. **Resolution and Form of Legal Documents for the Sale of NJEFA Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2017 B, In a Principal Amount Not to Exceed \$40,000,000**

Mr. Nelson reported that The William Paterson University of New Jersey had asked the Authority to procure professionals for a new money financing designated the Series 2017 B bonds. He reported that the Attorney General's Office had selected GluckWalrath, LLP to serve as bond counsel. Mr. Nelson reported that the Authority issued an RFP to its pool of financial advisors. The evaluation team consisting of the University and the Authority reviewed seven responses and based on the scores, it was recommended that Acacia Financial Group be named financial advisor.

Mr. Nelson reported that a competitive process had been undertaken and based on the lowest fee quotes received, it was recommended that US Bank, N.A. be selected as trustee on the financing.

Mr. Nelson reported that an evaluation team consisting of the University, the Office of Public Finance and the Authority scored proposals from its underwriting pool to select a firm to serve as senior manager and that based on the scores, it was recommended that CitiGroup Global Markets, Inc. be named senior manager.

Stephen Bolyai, Senior Vice President for Administration and Finance of The William Paterson University of New Jersey thanked the staff and professionals and described the project.

James Fearon, Esq. of GluckWalrath, LLP, bond counsel, described the resolution for the Members' consideration. Mr. Fearon noted that since the resolution had been distributed to the Members, there had been two minor changes and that the purpose of the changes was to permit flexibility to modify the documents with the investment policy adopted at today's meeting.

Mr. Fearon explained that there was a need to add to the resolution that Acacia Financial Group was being appointed by the Authority. He then requested to read into the record a sentence that would be added to the resolution. He then stated that "Acacia Financial is hereby appointed to act as financial advisor for the Authority in connection with this transaction". Chairman Hodes requested a motion approving the resolution as amended.

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

RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, THE
WILLIAM PATERSON UNIVERSITY OF NEW JERSEY ISSUE, SERIES
2017 B

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

The procurement memo, term sheet and adopted resolution are appended as Exhibit III.

7. **Resolution Authorizing All Necessary Approvals, Consents and Documents for the Release and Conveyance of Certain Real Property to Montclair State University**

Ms. Paterson reminded the Members that the Authority owns the parcels on which Montclair State University's Yogi Berra Stadium and the Floyd Hall Arena are located and that the Authority leases the parcels to the University. She explained that the University in turn sub-leases the parcels to private parties for the use and operation of the Stadium and the Arena.

Ms. Paterson advised that the Authority and the University had determined that it would be in the best interest of both parties if the University retained title to the parcels to alleviate the need for the Authority to continue to consent and provide ongoing approvals for such use and occupancy. She explained that the resolution would approve the amendment of the lease agreement to authorize the early termination of the agreement; the execution of the amendment; the acknowledgment of the termination of the lease agreement and the deeds to convey the parcels to the University. She explained that the resolution would also authorize the taking of any and all such other actions necessary to effectuate the conveyance of the parcels to the University.

Maria Anderson, Associate University Counsel for Montclair State University was on the phone to answer questions.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY AUTHORIZING ALL NECESSARY APPROVALS, CONSENTS
AND DOCUMENTS FOR THE RELEASE AND CONVEYANCE OF
CERTAIN REAL PROPERTY TO MONTCLAIR STATE UNIVERSITY

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

The adopted resolution is appended as Exhibit IV.

8. **Resolution Designating an Equal Employment Opportunity/Affirmative Action Officer**

Mr. Spector reported that New Jersey State policy requires that State agencies, including authorities, designate an Equal Employment Opportunity/Affirmative Action Officer (EEO/AA Officer) and an alternate person to receive and investigate complaints of discrimination or harassment and to recommend appropriate remediation of such complaints.

Mr. Spector explained that the resolution would authorize the Executive Director to designate an existing employee of the Authority to serve as the EEO/AA Officer, a second existing employee of the Authority to serve as the alternate EEO/AA Officer, and to designate another EEO/AA Officer or alternate in the event of a vacancy. He advised that the resolution would provide that such written designations would be filed with the minutes of the Authority.

Mr. Spector reported that to ensure that the Authority is compliant with State law, regulations and policies, and in line with the Authority's continued efforts to update human resource policies and procedures, he recommended that Sheryl Stitt, Deputy Executive Director be designated as the EEO/AA Officer and Ellen Yang, Compliance Manager be designated as the alternate.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY DESIGNATING AN EQUAL EMPLOYMENT
OPPORTUNITY/AFFIRMATIVE ACTION OFFICER

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

The adopted resolution is appended as Exhibit V.

9. Report on Operating and Construction Fund Statements and Disbursements

Mr. Sootkoos reviewed the Results of Operations and Budget Variance Analysis and reported on the status of construction funds and related investments for June 30, 2017.

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

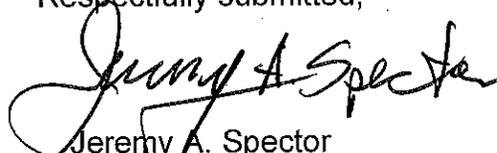
The reports are appended as Exhibit VI.

10. Next Meeting Date

Mr. Hodes reminded everyone that the next regularly scheduled meeting would be on Tuesday, September 26th at 10:00 a.m. at the Authority offices and requested a motion to adjourn.

Ms. Hendricks moved that the meeting be adjourned at 10:53 a.m. The motion was seconded by Mr. Moore and passed unanimously.

Respectfully submitted,


Jeremy A. Spector
Secretary

New Jersey Educational Facilities Authority Anticipated Projects as of July 25, 2017

Anticipated 2017 Transactions

Institution	Project	Transaction Type	Expected Par	Expected PV Savings	Expected Closing
<u>Public Institutions</u> William Paterson University	New money	Negotiated	\$30,000,000	n/a	September 2017
<u>Private Institutions</u>					

New Jersey Educational Facilities Authority Closed Projects as of July 25, 2017

Institution	Project	Transaction		PV Savings	Closed
		Type	Par		
<u>Public Institutions</u>					
Ramapo College of New Jersey	Refund 2006i and new money	Negotiated	\$99,450,000	\$4,021,116	April 2017
<u>Private Institutions</u>					
Stevens Institute of Technology	Refund 1998i/2007A and new money	Negotiated	\$119,905,000	\$7,332,079	April 2017
Princeton University	Refund 2007E/2007F/2008K	Negotiated	\$342,240,000	\$52,965,640	April 2017
Princeton University	New money	Competitive	\$141,095,000	n/a	April 2017
Seton Hall University	Refund 2008D and new money	Negotiated	\$71,435,000	n/a	June 2018

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY AMENDING AND RESTATING THE AUTHORITY'S
INVESTMENT POLICY**

Adopted: July 25, 2017

- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") was created pursuant to the New Jersey Educational Facilities Authority Law, P.L. 1967, c. 271, N.J.S.A. 18A:72A-1 et seq., as amended and supplemented (the "Act") and is authorized to issue its bonds and other obligations (the "Authority's Bonds") to provide a means for New Jersey public and private colleges and universities to obtain financing to construct educational facilities as defined in the Act; and
- WHEREAS:** The Authority's General Revenue Bond Resolution, adopted on October 10, 1968, and amended on January 12, 1971 and the Authority's General Higher Education Educational Facilities Revenue Bond Resolution, adopted on October 10, 1968, and amended on April 13, 1971 (the "General Resolutions"), set forth the Authority's procedures as to the investment of moneys with respect to each series of the Authority's Bonds, unless otherwise provided by the applicable series resolution; and
- WHEREAS:** On May 23, 2001, the Authority adopted a resolution with respect to its investment policy for the investment of proceeds related to the Authority's Bonds and its operating fund (the "2001 Resolution"); and
- WHEREAS:** On December 12, 2008, the Authority adopted a resolution entitled "Resolution of the New Jersey Educational Facilities Authority Authorizing Exercise by the Authority of Remedies Upon Occurrence of Defaults or Other Specified Events Under Certain Investment Agreements" (the "2008 Resolution"); and
- WHEREAS:** On December 13, 2016, the Authority adopted a resolution entitled "Resolution of the New Jersey Educational Facilities Authority Authorizing Certain Permissible Investments for Bond Proceeds" (the "2016 Resolution" and together with the General Resolutions, the 2001 Resolution and the 2008 Resolution, "the "Investment Resolutions"); and
- WHEREAS:** The implementation of the 2016 Resolution was contingent upon agreement by the Division of Investment of the New Jersey Department of Treasury (the "Division of Investment") that the investments identified in Exhibit A to the 2016 Resolution were acceptable investments for the Authority's Bonds; and
- WHEREAS:** The Authority has engaged the services of PFM Asset Management, LLC ("PFMAM") to advise the Authority on the investment of the proceeds of the Authority's Bonds to obtain the optimal return; and

WHEREAS: After consultation with the Division of Investment and in view of the Authority's goals and needs, the Authority's staff determined that it would be advisable to amend the existing investment policies as adopted by the Investment Resolutions, contemporaneously with amending the list of permitted investments; and

WHEREAS: The Authority's staff requested that PFMAM undertake a review of the Authority's existing investment policies as adopted by the Investment Resolutions with respect to bond-related funds and the operating fund and their impact on current and future financings and the Authority's operations, and to amend the permitted investments identified in Exhibit A to the 2016 Resolution by providing additional, descriptive specifications; and

WHEREAS: The Authority's staff consulted with the Authority's Independent Registered Municipal Advisor regarding the same review of the Authority's existing investment policies and amendments to the list of permitted investments identified in Exhibit A to the 2016 Resolution; and

WHEREAS: PFMAM, having undertaken such a review, has recommended that the Authority amend the list of permitted investments identified in Exhibit A to the 2016 Resolution and incorporate the amended list of permitted investments into an amended and restated investment policy for the investment of proceeds of the Authority's Bonds and the Authority's operating fund, attached hereto as **EXHIBIT A** and incorporated herein by reference (the "Amended Investment Policy"); and

WHEREAS: The Authority has determined that it is in its best interest as well as the best interest of its client colleges and universities to adopt the Amended Investment Policy; and

WHEREAS: The Authority has determined that to the extent any portions of the 2016 Resolution contradict the Amended Investment Policy, that those portions shall be superseded by the Amended Investment Policy; and

WHEREAS: The Amended Investment Policy shall apply prospectively as of the date of adoption of the within resolution as provided for by the Amended Investment Policy in Section III, entitled "Scope"; and

WHEREAS: The Members have determined that it advisable and beneficial for the Members to approve and adopt the Amended Investment Policy under the terms and conditions set forth herein; and

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

SECTION 1. The Authority hereby approves and adopts the Amended Investment Policy as set forth on **EXHIBIT A** attached hereto in connection with the Authority's investment of the funds related to the Authority's Bonds and the Authority's operating fund.

SECTION 2. The Authority hereby authorizes the Executive Director, the Deputy Executive Director and the Director of Finance/Controller to take and do any and all acts and things as may be necessary or desirable to implement the provisions of the Amended Investment Policy and this resolution.

SECTION 3. This Resolution shall take effect in accordance with the Act.

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

AYE: Joshua Hodes
Katherine Ungar
Louis Rodriguez
Rochelle Hendricks
Ford M. Scudder (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

New Jersey Educational Facilities Authority Investment Policy

I. Introduction

The intent of the Investment Policy ("Policy") of the New Jersey Educational Facilities Authority ("NJEFA" or the "Authority") is to define the parameters within which funds are to be invested and managed. In methods, procedures and practices, the Policy formalizes the framework for the Authority's investment activities that must be exercised to ensure effective and judicious fiscal and investment management of NJEFA's bond and operating funds. The guidelines are intended to be broad enough to allow the Investment Officer(s) (as hereinafter defined) to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the Authority's investment assets.

The Authority has two groups of funds to invest: (i) bond related funds; and, (ii) operating funds. Bond related funds pertain to the various financing transactions the Authority undertakes on behalf of the colleges and universities within the State of New Jersey. Operating funds are the monies used to pay Authority expenses and the monies flowing into this fund represent the initial and annual fees paid to the Authority in connection with the financings that it undertakes.

II. Governing Authority

The investment program shall be operated in conformance with all applicable NJEFA policies, State statutes, and federal regulations which govern the investment of public funds. The Authority's Board (the "Board") has adopted and is authorized to make changes to this Policy.

III. Scope

This Policy applies prospectively as of the Effective Date (as hereinafter defined) to all financial assets for which NJEFA retains direct or indirect daily control, including proceeds of bonds issued by the Authority. Bond related funds from issues closed prior to the Effective Date are subject to the terms and conditions as defined in the respective bond documents for those issues. Escrowed funds are exempt from this Policy and remain subject to the terms defined in the bond series resolution and escrow deposit agreement. Investment maturity limitations, if any, appearing in the bond documents, shall be treated as if set forth in this Policy. Funds for which the Authority has retained outside investment management services shall also be governed by this Policy.

IV. General Objectives

The primary objectives of investment activities, in order of importance shall be:

Safety

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements, including drawdown requirements for bond-financed funds that may be reasonably anticipated.

Return

The investment portfolio shall be designed with the objective of attaining a reasonable market rate of return throughout budgetary and economic cycles, taking into account the nature of funds being invested and the previously stated priorities of safety and liquidity.

V. Standards of Care

Prudence

The standard of prudence to be used by Investment Officers shall be the "prudent person" standard in conformance with the New Jersey Prudent Investor Act, N.J.S.A. 3B:20-11.3 and shall be applied in the context of managing an overall portfolio. Investment Officers acting in accordance with written procedures and this Policy and exercising due diligence shall be relieved of personal liability for an individual security's credit risk or market price changes; provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

Ethics and Conflicts of Interest

Officers, members, and employees of the Authority involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Officers, members, and employees involved in the investment process shall disclose to the Director of Finance/Controller and the Authority's Ethics Liaison Officer any material financial interests they have in financial institutions that conduct business with the Authority, and shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Officers, members, and employees involved in the investment process shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the NJEFA.

Delegation of Authority and Responsibilities

A. Governing Body

The Board will retain ultimate fiduciary responsibility for the portfolios. The governing body will receive monthly reports, designate Investment Officers and/or registered Investment Advisors (as hereinafter defined), and annually review the Policy making any changes necessary by adoption of a resolution.

B. Investment Officer

The authority to manage the investment program is granted to the Authority's Director of Finance/Controller, any such officer designated as "acting" or "interim", and any other person designated by the Executive Director (the "Investment Officer" or "Investment Officers" as the context may require). Responsibility for the operation of the investment program is hereby delegated to the Investment Officer who shall act in accordance with the established written procedures and internal controls for the operation of the investment program consistent with and as stated in this Policy, designed to prevent loss of public funds due to fraud, error, misrepresentation, and imprudent actions. The Investment Officer will be responsible for preparing monthly investment reports and other special reports as may be deemed necessary. The Investment Officer may delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other staff members. No person may engage in an investment transaction except as provided under the terms of this Policy.

All participants in the investment process shall seek to act responsibly as custodians of the public trust. No officer or designee may engage in an investment transaction except as provided under the terms of this Policy and supporting procedures.

C. Investment Advisor

The Authority may engage the services of an external investment manager ("Investment Advisor") through a procurement process to assist in the management of NJEFA's investment portfolio in a manner consistent with the Authority's objectives. Such external manager may be granted discretion by the Board to purchase and sell investment securities in accordance with this Policy. Such Investment Advisor must be registered under the Investment Advisers Act of 1940.

VI. Authorized Financial Institutions, Depositories, and Broker/Dealers

Authorized Financial Institutions and Depositories

A. The Investment Officer through a procurement process shall determine which financial institutions are authorized to provide investment services to the NJEFA. Institutions eligible to transact investment business with the NJEFA may include:

1. Primary government dealers as designated by the Federal Reserve Bank;
2. Nationally or state-chartered banks;
3. The Federal Reserve Bank; and,
4. Direct issuers of securities eligible for purchase.

B. All financial institutions who desire to become depositories must supply the following (as appropriate):

1. Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines;
2. Proof of State Registration; and,
3. Evidence of adequate insurance coverage.

Broker/Dealers

- A. All broker/dealers who desire to become qualified for investment transactions must supply the following to the Authority.
 1. Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines;
 2. Proof of FINRA certification;
 3. Proof of State Registration;
 4. Evidence of adequate insurance coverage; and,
 5. Certification of having read, understood and agreeing to comply with this Policy.
- B. If the Authority hires an Investment Advisor to provide investment management services, the Investment Advisor may use any brokers that it deems prudent and who satisfy the above criteria A.1-A.4.

Competitive Transactions

The NJEFA has established the following procedures:

- A. The Investment Officer or Investment Advisor shall seek to obtain competitive bid information on all purchases of investment instruments purchased on the secondary market. A competitive bid can be executed through a bidding process involving at least three separate brokers/financial institutions or through the use of a nationally recognized trading platform.
- B. If the NJEFA is offered a security for which there is no readily available competitive offering on the same specific issue, then the Investment Officer or Investment Advisor shall document quotations for comparable or alternative securities. When purchasing original issue instrumentality securities, documentation of competitive offerings may include multiple dealers in the selling group.

VII. Safekeeping and Custody

Delivery vs. Payment

All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the NJEFA's safekeeping institution prior to the release of funds.

Third-Party Safekeeping

Securities will be held by an independent third-party safekeeping institution selected by the NJEFA. All securities will be evidenced by safekeeping receipts in the NJEFA's name. The safekeeping institution shall annually provide a copy of its most recent report on internal controls - Service Organization Control Reports (formerly 70, or SAS 70) prepared in accordance with the Statement on Standards for Attestation Engagements (SSAE) No. 16 (effective June 15, 2011).

Internal Controls

Management shall establish a system of internal controls, which shall be documented in writing. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, and imprudent actions by officers, members, and employees of the Authority.

VIII. Suitable and Authorized Investments

Investment Types

The NJEFA will be permitted by this Policy to invest public funds in accordance with all applicable NJEFA policies, State statutes, and federal regulations in the following security types:

- A. U.S. Treasury and other government obligations that carry the full faith and credit guarantee of the United States for the payment of principal and interest.
- B. Federal Agency or U.S. government sponsored enterprises (GSE) obligations, participations or other instruments.
- C. Bonds or notes issued by any state or municipality.
- D. Negotiable bank certificates of deposit, deposit notes or other deposit obligations issued by a nationally or state chartered bank, credit union or savings association, or by a federally or state-licensed branch of a foreign bank or financial institution.
- E. Commercial paper.
- F. Corporate bonds and medium term notes.
- G. Asset-backed securities.
- H. Investment agreements or guaranteed investment contracts (GICs).
- I. Certificates of deposit of any bank, savings and loan or trust company organized under the laws of the United States or any state thereof, including the trustee or any Holder of the Bonds, provided that such certificates of deposit shall be fully collateralized (with a prior perfected security interest), to the extent they are not insured by the Federal Deposit Insurance Corporation (FDIC), by Investment Obligations described in (A) and (B) above having a market value at all times equal to the uninsured amount of such deposit.
- J. Repurchase agreements that meet the following requirements:
 - a. Must be governed by a written SIFMA Master Repurchase Agreement which specifies securities eligible for purchase and resale, and which provides the unconditional right to liquidate the underlying securities should the counterparty default or fail to provide full timely repayment.

- b. Counterparty must be a Federal Reserve Bank, a Primary Dealer as designated by the Federal Reserve Bank of New York, or a nationally chartered commercial bank.
 - c. Securities underlying repurchase agreements must be delivered to a third party custodian under a written custodial agreement that may be of deliverable or tri-party form. Securities must be held in the Authority's custodial account or in a separate account in the name of the Authority.
 - d. Acceptable underlying securities include only securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States, including U.S. Agency-issued mortgage-backed securities.
 - e. Underlying securities must have an aggregate current market value, including accrued interest, of at least 102% (or 100% if the counterparty is a Federal Reserve Bank) of the purchase price plus current accrued price differential at the close of each business day.
- K. Shares in open-end and no-load money market mutual funds that are backed by U.S. government securities, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7.
 - L. New Jersey Cash Management Fund.

Collateralization

All demand deposits, time deposits, and certificates of deposit shall be collateralized for amounts over and above Federal Deposit Insurance Corporation coverage. All collateral shall be permitted investments as set out in Section IX. There shall be a written custodial agreement that, among other things, specifies the circumstances under which collateral may be substituted. The Authority should not accept a pledge of a proportionate interest in a pool of collateral. The market value and accrued interest of collateral should, at least, equal the value of the investment and any accrued interest at all times. The recorded value of collateral backing any investment should be compared with current market values (mark-to-market) at the time of the initial investment and monthly thereafter to be certain that it continues to be at least equal to the value of the investment plus accrued interest. The mark-to-market reviews should use "bid" prices from a constant source.

IX. Investment Parameters

Mitigating Credit Risk in the Portfolio

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to a real or perceived change in the ability of the issuer to repay its debt. It is the policy of the Authority to diversify its investment portfolios to minimize risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or class of securities.

The following diversification parameters have been established and are to be applied at the individual portfolio level. Investment maturities should coincide with payment requirements for daily operations or project completion. These parameters will be reviewed periodically by the Investment Officer for all funds:

Sector Type	Sector Max (%)	Issuer Max (%)	Minimum Ratings Requirement ¹	Max Maturity
US Treasury	100%	N/A	N/A	10 Years
Federal Agency	25%	5%	N/A	10 Years
Municipals	25%	5%	Two Highest LT Rating Categories (AA-/Aa3/AA-)	10 Years
Negotiable CDs	50% in aggregate ²	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Commercial Paper		5%	Highest ST Rating Category (A-1/P-1/F-1)	270 Days
Corporate Bonds & Medium Term Notes		5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Asset Backed Securities	20%	5%	Highest LT Rating (AAA/Aaa/AAA)	10 Year Avg. Life
Certificates of Deposit	25%	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Repurchase Agreements	20%	5%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the highest ST Rating category (A-1/P-1/F-1). If the counterparty is a Federal Reserve Bank, no rating is required.	90 Days
Government Money Market Funds	100%	25%	Highest rating by all NRSROs who rated the fund (AAAm or equivalent)	N/A
New Jersey Cash Management Fund	100%	N/A	N/A	N/A
¹ Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO"), unless otherwise noted. In the case of split-rated issuers, the lowest rating shall prevail. ST= Short-term; LT=Long-term. ² Funds invested in the credit sector may exceed the 50% target only with the written permission of NJEFA and the borrowing institution				

In addition, the diversification parameters for investment agreements or guaranteed investment contracts ("GICs") are as follows:

- Investment agreements or GICs with any financial institution whose senior long term debt obligations, or whose obligations under such an investment agreement or GIC are guaranteed by a financial institution whose senior long term debt obligations, have a rating (at the time the agreement or contract is entered into) of "Aa3" or higher by Moody's and "AA-" or higher by S&P.

Subsequent Credit Downgrades

In the event of a downgrade of a security below the minimum credit standards, the Investment Officer shall promptly notify the Executive Director and Deputy Executive Director and recommend a course of action. If the NJEFA has retained a professional Investment Advisor, in the event of a downgrade below the minimum credit standards, the Investment Advisor shall promptly notify the Executive Director, Deputy Executive Director and Investment Officer and recommend a course of action.

X. Performance Standards/ Evaluation

The investment portfolio will be managed to earn a reasonable market rate of return taking into account the nature of funds being invested and the priorities of safety and liquidity as stated in Section IV above.

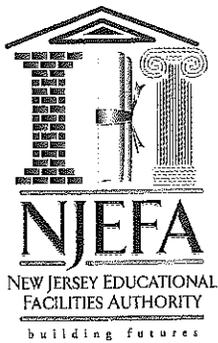
XI. Reporting/Disclosure

Monthly reports of NJEFA's investment activity will be prepared under the direction of the Investment Officer for review and recommendation of approval by the Board. These reports will include investments, types, amounts, maturities, and yields.

XII. Policy Considerations

This Policy shall be reviewed on an annual basis. Any changes must first be approved by the Investment Officer and Executive Director before presentation to the Board for its review and approval.

Investment Policy Effective Date: July 25, 2017 (the "Effective Date").



103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540
 PHONE 609-987-0880 • FAX 609-987-0850

Date: July 25, 2017

To: Members of the Authority

Issue: The William Paterson University of New Jersey, Series 2017 B

Below please find the procurement procedures that were undertaken with respect to the various professional appointments in connection with The William Paterson University of New Jersey, Series 2017 B transaction and staff's recommendations with respect thereto.

Bond Counsel

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

Financial Advisor

On April 17, 2017, the New Jersey Educational Facilities Authority (the "Authority") distributed a Request for Proposals for Financial Advisory services to the nine members of the Authority's Financial Advisor pool. We received seven responses from firms seeking appointment as Financial Advisor. Two firms from the Financial Advisor Pool declined to respond.

The evaluation of the Financial Advisor responses was performed by three evaluators (two staff members from the Authority and one staff member from the University). The responsive firms and their respective scores are as follows:

Firm	<u>Evaluator #1</u>	<u>Evaluator #2</u>	<u>Evaluator #3</u>	<u>Average Score</u>	<u>Final Ranking</u>	<u>Fee</u>
Acacia Financial Group, Inc.	9.38	8.53	7.26	8.39	1	\$20,000
Fairmount Capital Advisors, Inc.	7.79	7.14	4.04	6.32	4	\$25,500
FirstSouthwest	7.19	7.94	3.77	6.30	5	\$19,500
GATES Capital Corporation	4.52	5.47	2.49	4.16	7	\$30,000
NW Financial Group, LLC	5.85	6.40	4.23	5.50	6	\$11,500
PFM Financial Advisors, LLC	7.14	7.89	5.19	6.74	3	\$35,000
Phoenix Advisors, LLC	7.31	7.81	5.26	6.79	2	\$22,900

Recommendation: Acacia Financial Group, Inc.

Senior/Co-Senior Manager and Co-Managers

On April 17, 2017, the staff of the Authority distributed a Request for Proposals for Investment Banking Services: Senior/Co-Senior Manager and Co-Manager(s) to a distribution list of 12 firms which are members of the Authority's Senior Manager Pool and six 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/Co-Senior Manager. Three 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. One firm 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:

<u>Firm</u>	<u>Evaluator #1</u>	<u>Evaluator #2</u>	<u>Evaluator #3</u>	<u>All Evaluators</u>	<u>Final Ranking</u>	<u>Proposed Fee</u>
Bank of America Merrill Lynch	84.20	69.20	88.70	242.09	3	\$4.02
Citigroup	89.75	81.00	94.25	265.00	1	\$3.46
Janney Montgomery Scott	84.50	57.50	82.50	224.49	7	\$2.70
J.P. Morgan	85.44	62.69	87.94	236.07	5	\$3.82
Morgan Stanley	88.11	81.36	89.61	259.07	2	\$4.32
Raymond James	82.65	72.15	81.65	236.46	4	\$3.62
RBC Capital Markets	78.12	57.87	80.62	216.62	8	\$3.49
Siebert Cisneros Shank	75.16	56.16	76.16	207.49	9	\$4.58
Wells Fargo	80.09	61.59	86.59	228.26	6	\$3.50

Recommendation: Citigroup Global Markets, Inc. (Senior Manager)

Co-Senior Manager/Co-Managers

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

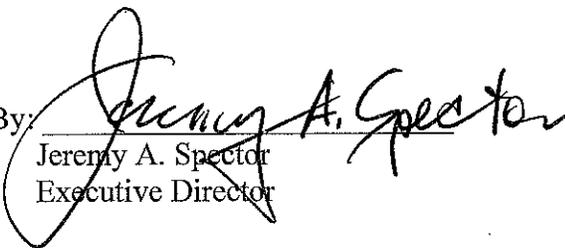
Trustee, Bond Registrar and Paying Agent

On April 17, 2017, the Authority distributed a Request for Proposals for Trustee Services to the four members of the Authority’s Trustee Pool. We received two responses from firms seeking appointment as Trustee for this transaction. The responsive firms and their respective fees are as follows:

<u>Firm</u>	<u>Acceptance</u>	<u>Annual</u>	<u>Counsel</u>	<u>Total</u>
US Bank, National Association	\$0	\$1,000 per series	\$3,500 per series	\$4,500
BNY Mellon	\$0	\$900	\$5,000	\$5,900

U.S. Bank, National Association provided the lowest overall fee quote of \$1,000 annually and \$3,500 for counsel, 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 U.S. Bank, National Association to serve as Trustee, Bond Registrar and Paying Agent for this transaction.

The Authority’s staff involvement in the procurement processes related to the above referenced professionals was completed as of the 17th day of July 2017.

By: 
Jeremy A. Spector
Executive Director



103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540
PHONE 609-987-0880 • FAX 609-987-0850

TERM SHEET

Borrower: The William Paterson University of New Jersey, Wayne, New Jersey

Issue: Series 2017 B

Amount: Not to Exceed \$40,000,000

Purpose: To provide funds to finance a project consisting of: (i) the construction and equipping of a new residence hall, including site improvements and other costs related thereto on its campus in Wayne, New Jersey; (ii) fund capitalized interest for the Bonds; and, (iii) pay certain costs of issuance of the Bonds.

Security: General Obligation of the University

Structure: Negotiated Sale, Fixed Rate

Term: No later than July 1, 2048

True Interest Cost: Not to Exceed 6.00%

Expected Bond Ratings: A2 (Moody's Investors Service)
A+ (Fitch Ratings)

Tentative Sale Date: August 17, 2017

Tentative Closing: September 7, 2017

The Authority Members will be asked to adopt the Series 2017 B Series Resolution pertaining to the Series 2017 B Bonds (the "Bonds") which outlines the various parameters of the financing; authorizes the issuance of the Bonds; authorizes and approves the form of and entry into all legal documents necessary for the financing; and delegates to any Authorized Officer of the Authority the ability to take all actions as may be necessary to sell, award and issue the Bonds and execute all necessary bond documents to finalize this transaction.

Professionals on the Transaction:

Bond Counsel:	GluckWalrath LLP
Authority's Counsel:	Attorney General of the State of New Jersey
Authority's Financial Advisor:	Acacia Financial Group, Inc.
Trustee:	U.S. Bank, National Association
Trustee's Counsel:	M. Jeremy Ostow, <i>Esq.</i>
Senior Manager:	Citigroup Global Markets, Inc.
Co-Senior Manager:	TBD
Co-Manager(s):	TBD
Underwriter's Counsel:	Connell Foley LLP
Printer:	ImageMaster LLC

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

**RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, THE
WILLIAM PATERSON UNIVERSITY OF NEW JERSEY ISSUE, SERIES
2017 B**

Adopted: July 25, 2017

RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY ISSUE, SERIES 2017 B

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 Board of Trustees of The William Paterson University of New Jersey (the "Public University") has determined that it is necessary and advisable to undertake a capital project consisting of the construction and equipping of a new residence hall for the Public University, including site improvements and other costs related thereto on its campus in Wayne, New Jersey (the "Series 2017 B Project"); and

WHEREAS, the Public University has requested that the Authority issue, and the Authority has determined that it is necessary and in keeping with its authorized purposes to issue, one or more series of bonds as described herein (the "Bonds") for the purpose of providing funds to (i) pay a portion of the cost of the Series 2017 B Project, (ii) fund capitalized interest on the Bonds, if any, and (iii) pay certain costs incidental to the issuance and sale of the Bonds (collectively, the "Project"); and

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

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

WHEREAS, the Authority desires to approve the form of and authorize the preparation and distribution of one or more Preliminary Official Statements relating to the Bonds, to authorize the appropriate officers of the Authority to deem said Preliminary Official Statement(s) final, and to authorize the preparation and distribution of one or more final Official Statements 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 Trust Indenture herein authorized for the purpose of financing all or any combination of the purposes enumerated above, and to authorize certain actions and the execution and delivery of certain documents in connection therewith; and

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

WHEREAS, the Public University has indicated that it may pay for certain costs of the Series 2017 B Project (the “Project Costs”) prior to the issuance of the Bonds with funds of the Public University which are not proceeds of tax-exempt bonds;

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

**ARTICLE I
AUTHORIZATION OF BONDS; APPROVAL OF DOCUMENTS**

1.1 Purpose and Issuance of the Bonds.

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

1.2 Authorization of the Bonds.

(a) The Authority hereby authorizes the issuance of the Bonds, in an aggregate principal amount not to exceed \$40,000,000, in one or more series, in order to finance, on behalf of the Public University, the costs of the Project, in whole or in part. The Bonds (which may consist of one or more series of tax-exempt and/or taxable Bonds issued at the same time) shall be designated “New Jersey Educational Facilities Authority Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2017 B” or such other or additional designation or designations as shall be set forth in the Trust Indenture or as an Authorized Officer may determine.

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

(c) Based upon the Authority’s competitive RFP process 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 Citigroup Global Markets Inc. as the underwriter for the Bonds. Any Authorized Officer is hereby authorized to execute and deliver on behalf of the Authority one or more contracts of purchase (collectively, the “Purchase Contract”) by and among the Authority, the Public University and Citigroup Global Markets Inc., on behalf of itself and any other members of an underwriting syndicate headed by such firm (collectively, the “Underwriters”), in substantially the form presented to this meeting with such changes as shall be approved by any Authorized Officer, with the advice of Bond Counsel and the

Attorney General of the State (such approval to be evidenced conclusively by such Authorized Officer's execution thereof), for the purchase of the Bonds at the price or prices to be agreed upon; provided, however, that the Underwriters' discount for the Bonds shall not exceed \$6.00 per \$1,000 of principal amount. A copy of the Purchase Contract as executed shall be filed with the records of the Authority.

(d) The Chair, the Vice-Chair, the Executive Director, the Deputy Executive Director or the Director of Project Management are hereby authorized to select and appoint any additional underwriters, if necessary, in connection with the financing in accordance with Executive Order No. 26, Executive Order No. 37 and the Authority's competitive RFP process under its standard procurement policies and procedures, to purchase the Bonds as members of an underwriting syndicate headed by Citigroup Global Markets Inc.

(e) The Bonds shall be issued in fully registered form, shall be in the denominations, and shall be numbered as shall be provided in the Trust Indenture. The Bonds shall be dated initially, bear interest from the date of issuance thereof at the rates set forth in the Trust Indenture, mature and be executed and authenticated as shall be set forth in the Trust Indenture; *provided, however*, that the final maturity date of the Bonds will be no later than July 1, 2048. The Bonds shall bear interest at one or more fixed interest rates as set forth in the Trust Indenture, with a true interest cost not to exceed 6.00%. The Bonds shall be subject to redemption as provided in the Trust Indenture; *provided, however*, the redemption premium on the Bonds, if any, shall not exceed 5%.

1.3 Form of Bonds.

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

1.4 Delivery of the Bonds.

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

1.5 Approval of the Preliminary Official Statement and Official Statement.

The distribution of one or more Preliminary Official Statements relating to the Bonds (a draft of which is presented to this meeting and shall be filed with the records of the Authority)

(collectively, the “Preliminary Official Statement”) is hereby approved in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as approved by any 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.

Any Authorized Officer is hereby authorized and directed to execute and deliver one or more final Official Statements (collectively, 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 exclusively by the execution thereof by such Authorized Officer.

1.6 Approval of Agreement.

The form of the Agreement presented to the meeting at which this Resolution is adopted (a copy or copies of which shall be filed with the records of the Authority) is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to the Agreement in substantially such form, with such changes therein (including, without limitation, the date thereof, and any acceptable covenants or provisions that may be required by the Underwriters 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 by such Authorized Officer’s execution thereof.

1.7 Approval of Trust Indenture.

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

1.8 Appointment.

U.S. Bank National Association is hereby appointed to act as the initial Trustee, Bond Registrar and Paying Agent for the Bonds under the Trust Indenture. The Trustee shall signify its

acceptance of the duties and obligations imposed upon it by the Trust Indenture by the Trustee's execution and delivery thereof.

Acacia Financial Group, Inc. is hereby appointed to serve as financial advisor to the Authority in connection with the Bonds.

1.9 Book-Entry System for the Bonds.

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

(b) Unless a blanket DTC Representation Letter has theretofore been executed by the Authority and filed with DTC, at or prior to settlement for the Bonds, the Authority and the Trustee shall execute or signify their approval of a DTC Representation Letter. Any Authorized Officer is hereby authorized to execute and deliver a DTC Representation Letter to DTC.

1.10 Bond Insurance Authorized.

Any Authorized Officer is hereby authorized, pursuant to a competitive solicitation process and in accordance with applicable law, to select and accept one or more commitments for a financial guaranty insurance policy insuring payment of principal of and interest on all or part of the Bonds when due on such terms and conditions acceptable to such Authorized Officer with the advice of Bond Counsel and the Attorney General of the State, provided that the Underwriters 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, such approval to be evidenced conclusively by such Authorized Officer's execution thereof, and to take all steps necessary to effect the issuance of such policy, including executing and delivering one or more commitments for such bond insurance, causing payment of the premium therefor (but only from proceeds of the Bonds or other funds provided by the Public University) and to cause provisions relating to such bond insurance policy to be included in the Trust Indenture, the Agreement, the Preliminary Official Statement, the Official Statement or other applicable documents, instruments or certificates relating to the Bonds.

1.11 Continuing Disclosure.

Pursuant to the Agreement, the Public 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 presented to the meeting at which this Resolution is adopted (a copy or copies of which shall be filed with the records of the Authority), is hereby approved. The Trustee shall be appointed to act as Dissemination Agent under the Continuing Disclosure Agreement(s), and shall comply with and carry out all of the obligations imposed on the Dissemination Agent under the Continuing Disclosure Agreement(s) and the Agreement. Notwithstanding any other provision of this Resolution, the Trust Indenture or the Agreement, failure of the Public University or the Dissemination Agent to comply with the Continuing Disclosure

Agreement(s) shall not be considered an event of default under this Resolution, the Trust Indenture or the Agreement.

1.12 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 Agreement, the Trust Indenture and such other agreements, documents or certificates as may be necessary and appropriate to conform same to the bond insurance requirements of the issuer of a financial guaranty insurance policy insuring payment of principal of and interest on the Bonds when due, if any, and modifications to the permitted investments so as to be consistent with the Authority's investment policies as in effect from time to time, with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

ARTICLE II MISCELLANEOUS

2.1 Authorization to Invest Bond Proceeds.

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

2.2 Reimbursement.

(a) The Authority reasonably expects the Public University to reimburse its expenditure of Project Costs paid prior to the issuance of the Bonds with proceeds of the Bonds.

(b) This resolution is intended to be and hereby is a declaration of official intent to reimburse the expenditures for Project Costs paid prior to the issuance of the Bonds with the proceeds of the Bonds in accordance with Treasury Regulations Section 1.150-2.

(c) The maximum principal amount of Bonds expected to be issued to finance the Series 2017 B Project is \$40,000,000 (exclusive of capitalized interest and costs of issuance), which Bonds may be issued in one or more transactions over the next three years.

(d) The Project Costs to be reimbursed with the proceeds of the Bonds will be "capital expenditures" in accordance with the meaning of Section 150 of the Internal Revenue Code of 1986, as amended (the "Code").

2.3 Incidental Action.

(a) The Authorized Officers are hereby authorized and directed to execute and deliver such other documents, certificates, directions and notices, and to take such other action as may be necessary or appropriate in order: (i) to effectuate the financing of the Project; (ii) to effectuate the execution and delivery of the Purchase Contract, the Agreement, the Trust Indenture and the Official Statement, and the issuance and sale of the Bonds, including, without limitation, documents necessary to effectuate the issuance and sale of the Bonds; (iii) to implement the DTC book-entry only system for the Bonds; and (iv) to maintain the tax-exempt status of the interest on the Bonds (including the preparation and filing of any information reports or other documents with respect to the Bonds as may at any time be required under Section 149 of the Code, and any regulations thereunder).

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

2.4 Prior Resolutions.

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

2.5 Effective Date.

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

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

AYE: Joshua Hodes
Katherine Ungar
Louis Rodriguez
Rochelle Hendricks
Ford M. Scudder (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

Blacklined Revisions as of 7/24/17

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

**RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, THE
WILLIAM PATERSON UNIVERSITY OF NEW JERSEY ISSUE, SERIES
2017 B**

Adopted: July 25, 2017

RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY ISSUE, SERIES 2017 B

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 Board of Trustees of The William Paterson University of New Jersey (the "Public University") has determined that it is necessary and advisable to undertake a capital project consisting of the construction and equipping of a new residence hall for the Public University, including site improvements and other costs related thereto on its campus in Wayne, New Jersey (the "Series 2017 B Project"); and

WHEREAS, the Public University has requested that the Authority issue, and the Authority has determined that it is necessary and in keeping with its authorized purposes to issue, one or more series of bonds as described herein (the "Bonds") for the purpose of providing funds to (i) pay a portion of the cost of the Series 2017 B Project, (ii) fund capitalized interest on the Bonds, if any, and (iii) pay certain costs incidental to the issuance and sale of the Bonds (collectively, the "Project"); and

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

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

WHEREAS, the Authority desires to approve the form of and authorize the preparation and distribution of one or more Preliminary Official Statements relating to the Bonds, to authorize the appropriate officers of the Authority to deem said Preliminary Official Statement(s) final, and to authorize the preparation and distribution of one or more final Official Statements 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 Trust Indenture herein authorized for the purpose of financing all or any combination of the purposes enumerated above, and to authorize certain actions and the execution and delivery of certain documents in connection therewith; and

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

WHEREAS, the Public University has indicated that it may pay for certain costs of the Series 2017 B Project (the “Project Costs”) prior to the issuance of the Bonds with funds of the Public University which are not proceeds of tax-exempt bonds;

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

**ARTICLE I
AUTHORIZATION OF BONDS; APPROVAL OF DOCUMENTS**

1.1 Purpose and Issuance of the Bonds.

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

1.2 Authorization of the Bonds.

(a) The Authority hereby authorizes the issuance of the Bonds, in an aggregate principal amount not to exceed \$40,000,000, in one or more series, in order to finance, on behalf of the Public University, the costs of the Project, in whole or in part. The Bonds (which may consist of one or more series of tax-exempt and/or taxable Bonds issued at the same time) shall be designated “New Jersey Educational Facilities Authority Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2017 B” or such other or additional designation or designations as shall be set forth in the Trust Indenture or as an Authorized Officer may determine.

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

(c) Based upon the Authority’s competitive RFP process 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 Citigroup Global Markets Inc. as the underwriter for the Bonds. Any Authorized Officer is hereby authorized to execute and deliver on behalf of the Authority one or more contracts of purchase (collectively, the “Purchase Contract”) by and among the Authority, the Public University and Citigroup Global Markets Inc., on behalf of itself and any other members of an underwriting syndicate headed by such firm (collectively, the “Underwriters”), in substantially the form presented to this meeting with such changes as shall be approved by any Authorized Officer, with the advice of Bond Counsel and the

Attorney General of the State (such approval to be evidenced conclusively by such Authorized Officer's execution thereof), for the purchase of the Bonds at the price or prices to be agreed upon; provided, however, that the Underwriters' discount for the Bonds shall not exceed \$6.00 per \$1,000 of principal amount. A copy of the Purchase Contract as executed shall be filed with the records of the Authority.

(d) The Chair, the Vice-Chair, the Executive Director, the Deputy Executive Director or the Director of Project Management are hereby authorized to select and appoint any additional underwriters, if necessary, in connection with the financing in accordance with Executive Order No. 26, Executive Order No. 37 and the Authority's competitive RFP process under its standard procurement policies and procedures, to purchase the Bonds as members of an underwriting syndicate headed by Citigroup Global Markets Inc.

(e) The Bonds shall be issued in fully registered form, shall be in the denominations, and shall be numbered as shall be provided in the Trust Indenture. The Bonds shall be dated initially, bear interest from the date of issuance thereof at the rates set forth in the Trust Indenture, mature and be executed and authenticated as shall be set forth in the Trust Indenture; *provided, however*, that the final maturity date of the Bonds will be no later than July 1, 2048. The Bonds shall bear interest at one or more fixed interest rates as set forth in the Trust Indenture, with a true interest cost not to exceed 6.00%. The Bonds shall be subject to redemption as provided in the Trust Indenture; *provided, however*, the redemption premium on the Bonds, if any, shall not exceed 5%.

1.3 Form of Bonds.

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

1.4 Delivery of the Bonds.

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

1.5 Approval of the Preliminary Official Statement and Official Statement.

The distribution of one or more Preliminary Official Statements relating to the Bonds (a draft of which is presented to this meeting and shall be filed with the records of the Authority)

(collectively, the “Preliminary Official Statement”) is hereby approved in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as approved by any 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.

Any Authorized Officer is hereby authorized and directed to execute and deliver one or more final Official Statements (collectively, 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 exclusively by the execution thereof by such Authorized Officer.

1.6 Approval of Agreement.

The form of the Agreement presented to the meeting at which this Resolution is adopted (a copy or copies of which shall be filed with the records of the Authority) is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to the Agreement in substantially such form, with such changes therein (including, without limitation, the date thereof, and any acceptable covenants or provisions that may be required by the Underwriters 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 by such Authorized Officer’s execution thereof.

1.7 Approval of Trust Indenture.

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

1.8 Appointment.

U.S. Bank National Association is hereby appointed to act as the initial Trustee, Bond Registrar and Paying Agent for the Bonds under the Trust Indenture. The Trustee shall signify its

acceptance of the duties and obligations imposed upon it by the Trust Indenture by the Trustee's execution and delivery thereof.

1.9 Book-Entry System for the Bonds.

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

(b) Unless a blanket DTC Representation Letter has theretofore been executed by the Authority and filed with DTC, at or prior to settlement for the Bonds, the Authority and the Trustee shall execute or signify their approval of a DTC Representation Letter. Any Authorized Officer is hereby authorized to execute and deliver a DTC Representation Letter to DTC.

1.10 Bond Insurance Authorized.

Any Authorized Officer is hereby authorized, pursuant to a competitive solicitation process and in accordance with applicable law, to select and accept one or more commitments for a financial guaranty insurance policy insuring payment of principal of and interest on all or part of the Bonds when due on such terms and conditions acceptable to such Authorized Officer with the advice of Bond Counsel and the Attorney General of the State, provided that the Underwriters 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, such approval to be evidenced conclusively by such Authorized Officer's execution thereof, and to take all steps necessary to effect the issuance of such policy, including executing and delivering one or more commitments for such bond insurance, causing payment of the premium therefor (but only from proceeds of the Bonds or other funds provided by the Public University) and to cause provisions relating to such bond insurance policy to be included in the Trust Indenture, the Agreement, the Preliminary Official Statement, the Official Statement or other applicable documents, instruments or certificates relating to the Bonds.

1.11 Continuing Disclosure.

Pursuant to the Agreement, the Public 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 presented to the meeting at which this Resolution is adopted (a copy or copies of which shall be filed with the records of the Authority), is hereby approved. The Trustee shall be appointed to act as Dissemination Agent under the Continuing Disclosure Agreement(s), and shall comply with and carry out all of the obligations imposed on the Dissemination Agent under the Continuing Disclosure Agreement(s) and the Agreement. Notwithstanding any other provision of this Resolution, the Trust Indenture or the Agreement, failure of the Public University or the Dissemination Agent to comply with the Continuing Disclosure Agreement(s) shall not be considered an event of default under this Resolution, the Trust Indenture or the Agreement.

1.141.12 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 Agreement, the Trust Indenture and such other agreements, documents or certificates as may be necessary and appropriate to conform same to the bond insurance requirements of the issuer of a financial guaranty insurance policy insuring payment of principal of and interest on the Bonds when due, if any, and modifications to the permitted investments so as to be consistent with the Authority's investment policies as in effect from time to time, with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

**ARTICLE II
MISCELLANEOUS**

2.1 Authorization to Invest Bond Proceeds.

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

2.2 Reimbursement.

(a) The Authority reasonably expects the Public University to reimburse its expenditure of Project Costs paid prior to the issuance of the Bonds with proceeds of the Bonds.

(b) This resolution is intended to be and hereby is a declaration of official intent to reimburse the expenditures for Project Costs paid prior to the issuance of the Bonds with the proceeds of the Bonds in accordance with Treasury Regulations Section 1.150-2.

(c) The maximum principal amount of Bonds expected to be issued to finance the Series 2017 B Project is \$40,000,000 (exclusive of capitalized interest and costs of issuance), which Bonds may be issued in one or more transactions over the next three years.

(d) The Project Costs to be reimbursed with the proceeds of the Bonds will be "capital expenditures" in accordance with the meaning of Section 150 of the Internal Revenue Code of 1986, as amended (the "Code").

2.3 Incidental Action.

(a) The Authorized Officers are hereby authorized and directed to execute and deliver such other documents, certificates, directions and notices, and to take such other action as may be necessary or appropriate in order: (i) to effectuate the financing of the Project; (ii) to effectuate the execution and delivery of the Purchase Contract, the Agreement, the Trust Indenture and the Official Statement, and the issuance and sale of the Bonds, including, without limitation, documents necessary to effectuate the issuance and sale of the Bonds; (iii) to implement the DTC book-entry only system for the Bonds; and (iv) to maintain the tax-exempt status of the interest on the Bonds (including the preparation and filing of any information reports or other documents with respect to the Bonds as may at any time be required under Section 149 of the Code, and any regulations thereunder).

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

2.4 Prior Resolutions.

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

2.5 Effective Date.

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

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

AYE:

NAY:

ABSTAIN:

ABSENT:

LEASE AND AGREEMENT

BY AND BETWEEN

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

AND

THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY

DATED AS OF

SEPTEMBER 1, 2017

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LEASE AND AGREEMENT

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

THIS LEASE AND AGREEMENT (THIS "AGREEMENT"), MADE AS OF SEPTEMBER 1, 2017, BY AND BETWEEN THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (THE "AUTHORITY") AND THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY (THE "PUBLIC UNIVERSITY")

WITNESSETH:

WHEREAS, the Public University has determined it is necessary and advisable to undertake a project (collectively, the "Project") consisting of (i) the constructing and equipping of a new residence hall for the Public University, including site improvements and other costs related thereto on its campus in Wayne, New Jersey (the "Series 2017 B Project"), (ii) funding capitalized interest on a portion of the Bonds (as hereinafter defined) and (iii) paying certain costs incidental to the issuance and sale of the Bonds; and

WHEREAS, pursuant to a Resolution duly adopted on July 25, 2017, the Authority determined that it was necessary and in keeping with its authorized purposes to authorize the issuance of a series of bonds to be designated "New Jersey Educational Facilities Authority Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2017 B" (the "Bonds") pursuant to the terms of a Trust Indenture dated as of September 1, 2017 (the "Indenture") by and between the Authority and U.S. Bank National Association, as trustee, for the purpose of providing funds, together with other available funds, to finance all or a portion of the Project; and

WHEREAS, the repayment of the Bonds will be secured by this Agreement pursuant to which the Authority will lease the Leased Facilities (as hereinafter defined) to the Public University; and

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

WHEREAS, the Leased Facilities constitute the Project Facilities (as hereinafter defined); and

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

NOW, THEREFORE, in consideration of the rents, covenants and agreements herein reserved, mentioned and contained on the part of the Public University, its successors and assigns, to be paid, kept and performed, and other good and valuable consideration, the receipt of

which is hereby acknowledged, the Authority by these presents does lease, demise and let the Leased Facilities to the Public University, and the Public University does hereby consent to said leasing and hereby takes the Leased Facilities upon and subject to the conditions hereinafter expressed.

ARTICLE I

DEFINITIONS

SECTION 1.01 Definitions.

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

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

“Agreement” means this Lease and Agreement dated as of September 1, 2017, executed by and between the Authority and the Public University, in connection with the issuance of the Bonds and relating to the Leased Facilities and the Project Facilities.

“Annual Administrative Fee” means the annual fee for the general administrative services of the Authority including without limitation, the cost of attendance at Authority events, in an amount equal to 1/10 of 1% of the outstanding principal amount of the Bonds with a maximum Annual Administrative Fee of \$50,000.

“Applicable Environmental Laws” means (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. 9601 *et seq.* (“CERCLA”); (ii) the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. 6901 *et seq.* (“RCRA”); (iii) the New Jersey Industrial Site Recovery Act, as amended, N.J.S.A. 13:1K-6 *et seq.* (“ISRA”); (iv) the New Jersey Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11b *et seq.* (“Spill Act”); (v) the New Jersey Underground Storage of Hazardous Substances Act, as amended, N.J.S.A. 58:10A-21 *et seq.* (“UST”); (vi) the New Jersey Solid Waste Management Act, as amended, N.J.S.A. 13:1E-1 *et seq.*; (vii) the New Jersey Toxic Catastrophe Prevention Act, as amended, N.J.S.A. 13:1K-19 *et seq.*; (viii) the New Jersey Water Pollution Control Act, as amended, N.J.S.A. 58:10A-1 *et seq.*; (ix) the Clean Air Act, as amended, 42 U.S.C. 7401 *et seq.*; (x) the New Jersey Air Pollution Control Act, as amended, N.J.S.A. 26:2C-1 *et seq.*; and (xi) any and all federal, regional, State, county and local laws, regulations, executive orders, rules, ordinances, codes, guidance, consent decrees, orders, judgments and directives pertaining to pollution or protection of the Environment (including laws, regulations and other requirements relating to Environmental Conditions and Releases or threatened Releases of Hazardous Substances into the Environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, Release, transport or handling of Hazardous Substances), as the same may be amended or supplemented from time to time. Any capitalized terms referred to in Section 5.11 hereof not otherwise defined herein which are defined in any Applicable Environmental Law shall have the meanings ascribed to such terms in said laws; provided, however, that if any of such laws are amended so as to broaden any term defined therein, such broader meaning shall apply subsequent to the effective date of such amendment.

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

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

“Basic Lease Payment Date” means (i) with respect to the Principal Portion of a Basic Lease Payment, December 20 and June 20 prior to any regularly scheduled Principal Payment Date or, if such date is not a Business Day, the Business Day next preceding such date, (ii) with respect to the Interest Portion of a Basic Lease Payment, December 20 and June 20, as applicable, prior to any regularly scheduled Interest Payment Date or, if such date is not a Business Day, the Business Day next preceding such date, (iii) with respect to Swap Payment Obligations and any Swap Termination Payments, two (2) Business Days prior to any payment dates therefor set forth in the Swap Agreement and (iv) with respect to a prepayment or acceleration, the date of payment of the Purchase Option Price or Mandatory Purchase Price, as the case may be.

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

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

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

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

“Construction Fund” means the fund created and established by the Indenture, to be used for the purpose of paying (i) from the “Capitalized Interest Account” therein, capitalized interest on the Bonds, (ii) from the “Costs of Issuance Account” therein, the costs of issuance relating to the Bonds, and (iii) from the “Project Account” therein, the costs of acquiring, constructing, renovating and/or equipping the Series 2017 B Project.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement executed by and between the Public University and the Trustee, as dissemination agent, pertaining to the Bonds, as may be amended or supplemented.

“Cost” of the Project shall include, together with any other proper item of cost not specifically mentioned herein, the cost of acquisition, construction, development and financing thereof, including capitalized interest on the Bonds, if any, issued by the Authority to finance the cost of the Series 2017 B Project, the Initial Fee, the cost of any indemnity and surety bonds and premiums for insurance during construction, administrative expenses of the Authority, legal fees, fees and expenses of the Trustee and other fiduciaries, depositories, and paying agents, the costs of issuance of the Bonds by the Authority and fees and expenses of financial advisors and consultants in connection therewith properly chargeable to the Series 2017 B Project, the cost of

insurance or other financial facility securing the payment of the Bonds, the cost of audits, the cost of all machinery, apparatus and equipment, the cost of engineering and architectural services, plans, specifications and surveys, estimates of costs, the reimbursement of all moneys advanced or applied by the State, or any agency, instrumentality, commission or officer thereof, or otherwise, if required, for the payment of any item or items of cost of the Series 2017 B Project, and all other expenses necessary or incidental to determining the feasibility or practicability of the Series 2017 B Project, and such other expenses not specified herein as may be necessary or incident to the acquisition, construction and development of the Series 2017 B Project, the financing thereof and the placing of the same in operation.

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

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

“Financing Documents” means, collectively, the Indenture, the Resolution, this Agreement, any Swap Agreement, the Continuing Disclosure Agreement and the Tax Agreement.

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

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

“Indenture” means the Trust Indenture dated as of September 1, 2017, by and between the Authority and the Trustee.

“Initial Fee” means the fee paid or payable to the Authority for its services in connection with the issuance of the Bonds, calculated at the rate of 1/5 of 1% of the aggregate principal amount of the Bonds, with a maximum initial fee of \$100,000.

“Interest Payment Date” means the dates on which interest on the Bonds is required to be paid to the Holders thereof or the date of any redemption or acceleration of the Bonds.

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

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

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

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

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

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

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

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

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

“Principal Portion” means, with respect to any Basic Lease Payments due on any regularly scheduled Basic Lease Payment Date, one half (1/2) of the principal or any mandatory sinking fund redemption installment, if any, of the Bonds due and owing on the immediately succeeding regularly scheduled Principal Payment Date thereof, less any credits thereto as contemplated by this Agreement.

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

“**Project Facilities**” means the facilities comprising the Series 2017 B Project, including any additions, improvements, modifications, substitutions and renewals thereof, and further includes other facilities and uses as are permitted by the Act and this Agreement.

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

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

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

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

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

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

“**Series 2017 B Project**” shall have the meaning set forth in the Recitals hereto, as it may be amended pursuant hereto.

“**State**” means the State of New Jersey.

“**Swap**” or “**Swap Agreement**” means any agreement between the Authority and a Swap Provider, entered into on behalf of the Public University, confirming a transaction which 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 agreement.

“Swap Payment Obligations” means all net amounts payable by the Authority under any Swap (excluding any Swap Termination Payment payable by the Authority).

“Swap Provider” means the Authority’s counterparty under a Swap Agreement, which counterparty must be rated at least A-/A3 or better by S & P and Moody’s, respectively.

“Swap Revenues” means all amounts received by the Authority or the Trustee pursuant to any Swap, including without limitation any Swap Termination Payment, whether such amounts are paid by the Public University or by the Swap Provider.

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

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

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

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

ARTICLE II

THE PROJECT

SECTION 2.01 Payment of Costs.

It is hereby understood and agreed that the cost of the Project shall be paid solely from the proceeds of the Bonds issued by the Authority in connection with such portion of the Project in accordance with the Indenture and the Resolution, and other funds made available to the Authority for such purpose under the provisions of this Agreement or said Resolution. It is acknowledged that the Project includes only a portion of the cost of the Series 2017 B Project, and that the remaining cost of the Series 2017 B Project will be paid by the Public University from other funds of the Public University to be applied for such purpose by the Public University.

SECTION 2.02 Use of the Project Facilities and Leased Facilities.

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

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

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

SECTION 2.03 Cost of the Project.

The Public University represents that the proceeds of the sale of the Bonds to be issued by the Authority for the purpose of financing the Cost of the Project will be sufficient, together with investment earnings thereon and certain moneys to be made available for the Project by the Public University, to pay such Cost of the Project and to complete the Series 2017 B Project.

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

SECTION 2.04 Conveyance of Real Property.

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

SECTION 2.05 Copies of Reports.

The Public University agrees that it will make available to the Authority copies of such progress reports, audit reports, Completion Certificate of the Series 2017 B Project and other reports pertaining to the Project and the completion of the Project that from time to time may be required to be submitted to the Authority and/or the Trustee pursuant to the Indenture and this Agreement.

SECTION 2.06 Completion of the Project Facilities; Additional Bonds; Additional Funds.

The Public University agrees that in the event that the proceeds of the Bonds shall not be sufficient to pay in full the Cost of the Series 2017 B Project, the Public University shall provide promptly, but in no event later than twenty (20) days after receipt of written notice from the Authority, such additional moneys as may be required to pay the Cost of the Series 2017 B Project, unless the Public University requests the Authority to issue additional bonds to pay the Cost of completing the Series 2017 B Project in excess of the funds available therefor and the Authority determines that the Public University has sufficient income available to pay the principal of, interest on and other costs of the additional bonds issued to complete the Series 2017 B Project, in which event the Authority may, but shall not be required to, issue such Additional Bonds.

The Public University agrees to provide the respective In-Service Certificates and the Completion Certificate in the manner and at the times provided in the Indenture, including specifically Section 4.05 thereof.

SECTION 2.07 Modification of Project Scope.

The Authority agrees that the scope of the Series 2017 B Project may be modified, upon the mutual agreement of the Authority and the Public University, subsequent to the issuance of the Bonds provided such modification will not adversely affect the tax exemption of the Bonds.

SECTION 2.08 Modification of Leased Facilities and/or Leased Facilities Site Project Scope.

(a) The Public University may, at any time during the term of this Agreement, request that the Authority release all or a portion of the Leased Facilities and/or Leased Facilities Site from the terms of this Agreement (each, a "Property Release"). Subject to the provisions of this Section 2.07, the Authority, in consultation with Bond Counsel, may consider such request and may negotiate with the Public University regarding the terms and conditions of such proposed Property Release. Any such Property Release shall be at the sole discretion of the Authority, and the Authority may condition its approval upon such terms (in addition to the specific requirements set forth in this Section 2.08) as it may, in its sole discretion, deem appropriate.

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

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

remedial actions by the Public University shall be an additional condition to such Property Release.

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

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

ARTICLE III

THE BONDS

SECTION 3.01 Sale of the Bonds.

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

SECTION 3.02 Official Statement.

The Public University agrees, whenever requested by the Authority, to provide and certify such information concerning the Public University, its operations and finances, and other matters the Authority considers necessary or advisable to enable the Authority to complete and publish (by print or electronically) a preliminary official statement or an official statement or statements relating to the Bonds, or to enable it to make any reports required by law, regulation, the Indenture or any Supplemental Indenture.

SECTION 3.03 Swap Agreement.

The Authority and the Public University acknowledge and agree that pursuant to the Indenture, the Authority may be authorized to enter into, on behalf of the Public University, one or more Swap Agreements with respect to the Bonds in order to manage its interest rate risk relating to the Bonds and that if such Swap Agreement is entered into, the Authority may owe moneys to the Swap Provider. The Public University agrees that as provided in Section 4.05 hereof, it shall be responsible for the payment of all amounts payable by the Authority in respect of any such Swap Agreement(s) including any Swap Termination Payment due with respect to such Swap Agreement(s) including, without limitation, any Swap Termination Payment caused by a redemption of the Bonds. All Swap Payment Obligations and Swap Termination Payments due to a Swap Provider shall be included in Basic Lease Payments due hereunder. The Authority and the Public University agree that no Swap Agreement entered into with respect to the Bonds may restrict the ability of the Authority to redeem the Bonds pursuant to any mandatory, extraordinary optional or optional redemption as set forth in the Indenture.

ARTICLE IV

OBLIGATIONS OF THE PUBLIC UNIVERSITY, TERM AND LEASE PAYMENTS

SECTION 4.01 Nature of the Obligation.

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

SECTION 4.02 Site of the Leased Facilities.

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

(a) all covenants, easements, encumbrances, subleases, licenses, defects of title, reservations, restrictions and conditions, if any, acceptable to an Authorized Officer of the Authority affecting the whole or any part of the Leased Facilities Site to be acquired by the Authority for the Series 2017 B Project which exist at the time of closing of the Bonds; and

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

SECTION 4.03 Term of Agreement.

The term of this Agreement shall continue until at least July 1, 2048, unless the Authority and the Public University shall sooner terminate this Agreement by mutual consent; provided, however, that the end of said term shall not be advanced nor shall this Agreement be terminated so long as the Authority shall have Outstanding and unpaid, without provision for such payment duly provided for, any of the Bonds issued for the purpose of providing moneys to pay the Cost of the Project, or any obligations under any Financing Documents.

SECTION 4.04 Rental Pledge Account.

To secure payment of the Basic Lease Payments and Additional Lease Payments hereunder, the Public University has caused to be created the "The William Paterson University of New Jersey Rental Pledge Account" (the "Rental Pledge Account") to be maintained with the Trustee. For purposes of internal accounting, the Rental Pledge Account may contain one or more subaccounts, as an Authorized Officer of the Authority or the Trustee may deem proper. The Public University covenants and agrees that it will deposit or cause to be deposited on June 1 and December 1 in each Bond Year (commencing December 1, 2017) into the Rental Pledge Account, the amounts set forth in Sections 4.05 and 4.06 hereof.

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

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

SECTION 4.05 Basic Lease Payments.

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

The Public University agrees to pay from any legally available funds of the Public University "Basic Lease Payments" in an amount sufficient to enable the Trustee to make the transfers and deposits required at the times and in the amounts pursuant to Section 4.07 of the Indenture (including without limitation all Swap Payment Obligations, if any, and Swap Termination Payments, if any). Each payment shall be made in immediately available funds.

The Principal Portion of Basic Lease Payments shall be due on each Basic Lease Payment Date in the amount of one half (1/2) of the principal or scheduled mandatory Sinking Fund Installment, if any, due and payable on the Bonds (a) on the immediately succeeding Principal Payment Date, with respect to regularly scheduled Principal Payment Dates, and (b) on the Principal Payment Date that coincides with the Basic Lease Payment Date, in the amount of the principal or redemption price due and payable on the Bonds in the case of redemption or acceleration of the Bonds.

The Interest Portion of Basic Lease Payments shall be due (a) on each Basic Lease Payment Date, in the amount of interest due and payable on the Bonds on the immediately succeeding Interest Payment Date, with respect to regularly scheduled Interest Payment Dates, and (b) on the Interest Payment Date that coincides with the Basic Lease Payment Date, in the amount of interest due and payable on the Bonds in the case of redemption or acceleration of the Bonds; provided, however, that no Interest Portion of Basic Lease Payments shall be payable by the Public University for any period to the extent interest payable on the Bonds for such period shall have been previously provided to the Trustee as capitalized interest for deposit in the Capitalized Interest Account of the Construction Fund from proceeds derived from the sale of the Bonds and to the extent of a balance available for the payment of interest on the Bonds in the Debt Service Fund.

Notwithstanding the foregoing, the Public University agrees to make payments, or cause payments to be made, at the times and in the amounts required to be paid as principal or

redemption price of and interest on the Bonds from time to time Outstanding under the Indenture and other amounts required to be paid under the Indenture, as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise.

Except as otherwise expressly provided herein, all amounts payable hereunder by the Public University to the Authority shall be paid to the Trustee or other parties entitled thereto as assignee of the Authority and this Agreement and all right, title and interest of the Authority in any such payments are hereby assigned and pledged to the Trustee or other parties entitled thereto as assignee of the Authority so long as any Bonds remain Outstanding.

Notwithstanding anything to the contrary contained herein, the Public University covenants and agrees that it will pay the Basic Lease Payments at such times and in such amounts as to assure that the Authority will not be in default in the payment of the principal of, interest on and Purchase Price of the Bonds, or any Swap Payment Obligations and Swap Termination Payments under any Swap Agreement, and nothing herein shall be deemed to modify the date on which any payment obligation becomes payable under any Swap Agreement or the consequences following from the nonpayment of any such obligation.

Unless otherwise provided in any Swap Agreement, on each Basic Lease Payment Date with respect to any Swap Payment Obligations and any Swap Termination Payments required to be made by the Authority pursuant to the Swap Agreement, the Public University shall pay such amount to the Trustee for deposit pursuant to Section 4.07 of the Indenture.

SECTION 4.06 Additional Lease Payments.

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

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

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

(c) The reasonable fees and expenses of such accountants, consultants, attorneys and other experts as may be engaged by the Authority or the Trustee to prepare audits, financial

statements, reports, opinions or provide such other services required under this Agreement or the Indenture;

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

(e) All other reasonable and necessary fees and expenses attributable to the Bonds, this Agreement, including without limitation all payments required pursuant to the Tax Agreement (including payments of all amounts required to be deposited in the Rebate Fund and any fees of the Authority in connection with any rebate calculations performed or caused to be performed by the Authority).

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

Payments required to be made under this Section shall be made in legally available funds to the Trustee unless otherwise directed in an agreement (including, but not limited to, any Swap Agreement) pursuant to which such payments are required.

SECTION 4.07 Credits for Payments.

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

(a) (1) On the portion of Basic Lease Payments allocable to interest in an amount equal to moneys on deposit in the Debt Service Fund, which amounts are available to pay interest on the Bonds, to the extent such amounts have not previously been credited against such payments; and (2) On the portion of Basic Lease Payments allocable to Swap Payment Obligations and Swap Termination Payments, if any, an amount equal to moneys deposited in the Debt Service Fund, which amounts are available to pay Swap Payment Obligations and Swap

Termination Payments to the extent such amounts have not previously been credited against or are required to make payment of interest on the Bonds;

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

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

(d) On the portion of Basic Lease Payments allocable to installments of principal and interest in an amount equal to the principal amount of Bonds acquired by the Public University and surrendered to the Trustee for cancellation or purchased by the Trustee on behalf of the Public University and canceled, and the interest on such Bonds from and after the date interest thereon has been paid prior to cancellation. Such credits shall be made against the installments of principal and interest which would have been used, but for such cancellation, to pay principal of and interest on such Bonds when due.

SECTION 4.08 Prepayment.

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

determined by the Public University, credited against payments due hereunder or used for the redemption or purchase of Outstanding Bonds in the manner and subject to the terms and conditions set forth in the Indenture. Notwithstanding any such prepayment, as long as any Bonds remain Outstanding or any Additional Lease Payments required to be made hereunder remain unpaid or any Swap Agreement remains outstanding, the Public University shall not be relieved of its obligations hereunder.

(b) Said option may be exercised by the Public University at any time by (i) giving written notice to the Trustee and the Authority of the exercise of such option at least sixty (60) days prior to the redemption date set forth in such notice, and (ii) complying with any other requirements of Article XI of the Indenture that may be required by the Trustee or the Authority to defease the Bonds in accordance with the terms of the Indenture, including, without limitation, a verification report from a nationally recognized accounting firm approved by an Authorized Officer of the Authority to the effect that the amount so prepaid will equal the Purchase Option Price (for a full prepayment) and will therefore be sufficient to defease the Bonds (in whole or in part, as the case may be) by paying all of the principal thereof and redemption premium, if any, thereon through and including the final maturity thereof, plus all interest accruing thereon to such redemption date. Such option shall be exercised by depositing with said notice cash and/or Government Obligations described in clause (a) or clause (b) of the definition thereof in such amount as shall be sufficient, together with interest to accrue thereon, to pay the Bonds to be defeased on said redemption date.

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

SECTION 4.09 Obligations Unconditional.

The obligations of the Public University hereunder are absolute and unconditional, regardless of whether the Project Facilities (or any portion thereof) are completed or are available for occupancy by the Public University, and notwithstanding any other provision of this

Agreement or the Indenture. Until this Agreement is terminated and all payments hereunder are made, the Public University:

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

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

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

(d) except as provided herein, will not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, damage, destruction or condemnation of the Project Facilities financed or refinanced with the proceeds of the Bonds or any part thereof, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State, or any political subdivision of either thereof or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement. Nothing contained in this Section 4.09 shall be construed to release the Authority from the performance of any of the agreements on its part contained herein, and in the event the Authority should fail to perform any such agreement on its part, the Public University may institute such action against the Authority as the Public University may deem necessary to compel performance.

Notwithstanding the foregoing, the indemnification provisions set forth in Section 11.11(d) hereof shall survive any termination of this Agreement.

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

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

ARTICLE V

COVENANTS OF THE PUBLIC UNIVERSITY

SECTION 5.01 Liens and Encumbrances.

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

SECTION 5.02 Additions.

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

SECTION 5.03 Repairs.

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

SECTION 5.04 Utilities.

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

SECTION 5.05 Insurance.

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 5.06 Compliance with Laws and Regulations.

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

SECTION 5.07 Alterations and Additions to Leased Facilities.

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

SECTION 5.08 Permits and Approvals.

The Public University agrees that it will obtain all consents, authorizations and permits from municipal, county and State entities for the construction, use, occupancy and operation of the Project Facilities and the Leased Facilities (collectively, the "Approvals"). The Public University will also observe and comply with the Approvals throughout the term of this Agreement. The Public University agrees that it shall remain obligated under the terms of this

Agreement irrespective of whether all Approvals are granted. The Public University may use the proceeds of the Bonds to pay for the costs associated with obtaining the Approvals.

SECTION 5.09 Future Liens.

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

SECTION 5.10 Covenants Against Waste.

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

SECTION 5.11 Affirmative and Negative Environmental Covenants.

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

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

(c) The Public University shall cause the Project Facilities to be constructed in accordance with all Applicable Environmental Laws. To the knowledge of the Public University after due inquiry, the activities, properties and assets of the Public University, including the Project Facilities and the Leased Facilities, are in substantial and material compliance with all terms and conditions of all required permits, licenses and authorizations, and are in substantial and material compliance with all limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in Applicable Environmental Laws. Except as otherwise disclosed in Schedule 5.11 hereof, there are no past or present events, conditions, including without limitation Environmental Conditions, circumstances, activities, practices, incidents, actions or plans which may (i) interfere with or prevent continued substantial and material compliance on the part of the Public University with Applicable Environmental Laws; (ii) give rise to any liability on the part of the Public University under Applicable Environmental Laws; or (iii) otherwise form the basis of any claim, action, suit, proceeding, request or demand for information or investigation against the Public University based on or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of, or the Release or threatened Release into the Environment of, any Hazardous Substances. The Public University shall not cause or permit any of the Leased Facilities to be in violation of, nor shall the Public University by act or omission cause or permit any of the Leased Facilities to be subject to any Remediation obligations, under Applicable

Environmental Laws. The Public University shall promptly notify the Authority in writing of any existing, pending or, to the knowledge of the Public University (after due inquiry), threatened investigation or inquiry by any Governmental Authority pursuant to or under any Applicable Environmental Laws relating to any of the Leased Facilities.

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

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

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

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

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

shall promptly deliver to the Authority copies of all correspondence, notices, reports, workplans, laboratory and field data and all other submissions that the Public University generates, or sends to or receives from the NJDEP, in connection with such ISRA compliance.

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

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

- (i) Perform and cause all consultants and contractors retained by the Public University to perform all such Remediation in a workmanlike manner and consistent with all Applicable Environmental Laws;
- (ii) Comply with all Applicable Environmental Laws in connection with the implementation of such Remediation at the Leased Facilities and obtain all permits, authorizations and consents required under Applicable Environmental Laws or by any Governmental Authority in order to implement such Remediation at the Leased Facilities;
- (iii) Select and propose to the Governmental Authority Remediation that shall not interfere with the current use of any of the Leased Facilities or the operations currently conducted by the Public University nor interfere with, preclude or prevent the future use of any of the Leased Facilities for the same use or any use similar to the current use of the Leased Facilities. Without in any way limiting the generality of the foregoing, the Public University shall not select, propose or use at any of the Leased Facilities any Engineering Controls or Institutional Controls (as such terms are defined under N.J.S.A. 58:10B-1 *et seq.*), or any remediation standards applicable to non-residential properties, without the prior written consent

of an Authorized Officer of the Authority, which consent shall not be unreasonably withheld;

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

SECTION 5.12 Municipal Property Taxes.

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

SECTION 5.13 Compliance with Prevailing Wage Act.

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

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

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

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

The Public University agrees that the Authority may use photographs or videos taken on the Public University's campus (whether taken by the Authority or other person) in the Authority's newsletters, reports or other publications or materials (including PowerPoint presentations) in connection with the Authority's operations.

ARTICLE VI

CHARACTER OF AGREEMENT

SECTION 6.01 Net Lease.

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

ARTICLE VII

RIGHTS ON DEFAULT

SECTION 7.01 Entry.

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

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

If entry upon the Leased Facilities (or any portion thereof) is permitted under this Section 7.01, the Authority may enter upon the Leased Facilities or any portion thereof.

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

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

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

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

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

ARTICLE VIII

INSPECTIONS

SECTION 8.01 Authority's Right to Inspect.

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

SECTION 8.02 Annual Inspection.

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

ARTICLE IX

INTEREST IN THE PROJECT

SECTION 9.01 No Merger.

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

SECTION 9.02 Conveyance Requirement.

When the term of this Agreement has expired and the Authority has certified that all of the Outstanding Bonds have been paid or provision for payment duly made, and the Trustee has certified to the Authority that all of the Outstanding Bonds, including the principal, redemption premium, if any, and interest, all Swap Payment Obligations, if any, Swap Termination Payments, if any, and all other obligations incurred by the Authority in connection with the Project have been paid, or that sufficient funds for such payment in full are held in trust by the Trustee, an Authorized Officer of the Authority shall transfer all its rights, title and interest in and to the Leased Facilities to the appropriate State entity by deed or deeds in form satisfactory to an Authorized Officer of the Authority.

ARTICLE X
ASSIGNMENTS

SECTION 10.01 Assignments.

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

ARTICLE XI

REPRESENTATIONS

SECTION 11.01 Condition of Premises.

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

SECTION 11.02 Limitation of Liability

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

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

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

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

SECTION 11.03 Covenant as to Arbitrage.

The Authority and the Public University hereby covenant that they will make no use of the proceeds of the Bonds which would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), Treasury Regulations Sections 1.148-0 through 1.148-11 and 1.149(d)-1, and all other applicable regulations of the Internal Revenue Service.

SECTION 11.04 Tax Covenants.

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

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

Regulations Section 1.148-7) has been met with respect to proceeds of the Bonds, as such records are further described in the Authority's Certificate as to Arbitrage with respect to the Bonds. The Authority and the Public University covenant to retain all such records until three years after the last scheduled maturity date of the Bonds, or in the event the Bonds are retired early, three years after the final retirement of the Bonds.

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

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

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

SECTION 11.05 Rebate Requirement.

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

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

SECTION 11.06 Agreement Not to Purchase Bonds.

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

SECTION 11.07 Right to Obtain Bond Counsel Opinion.

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

SECTION 11.08 Continuing Disclosure.

The Public University hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding Article VII or any other provision of this Agreement, failure of the Public University to comply with or perform its obligations under this Section 11.08 or under the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; however, the Authority may take such actions as may be necessary or desirable, including seeking specific performance by court order, to cause the Public University to comply with its obligations under this Section 11.08 or under the Continuing Disclosure Agreement.

SECTION 11.09 Review and Execution of Financing Documents.

The Public University hereby represents and warrants to the Authority, and the Swap Provider, if any, that the Public University has reviewed and has a full understanding of all the terms, conditions and risks (economic and otherwise) of each of the Financing Documents, that it is capable of assuming and willing to assume (financially and otherwise) all such risks, that it has

consulted with its own legal and financial advisors (to the extent it has deemed necessary) and is not relying upon any advice, counsel or representations (whether written or oral) of the Authority, the Authority's legal and financial advisors, or the Swap Provider, if any, and that it has made its own investment, hedging and trading decisions (including decisions relating to the suitability of each of the Financing Documents) based upon its own judgment and upon any advice from its own legal and financial advisors as it has deemed necessary. Notwithstanding the foregoing, the Authority acknowledges that the New Jersey Office of the Attorney General has provided legal counsel to both the Authority and the Public University. The Public University hereby acknowledges that the Authority is entering into the Financing Documents at the request of, and as an accommodation to, the Public University, and that the terms of the Financing Documents have been negotiated by, and are acceptable to, the Public University.

SECTION 11.10 Additional Representations and Warranties.

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

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

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

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

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

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

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

(g) Swap Agreements. To the extent that the obligations of the Public University hereunder relate to a Swap Agreement, the Public University represents that the Authority will be entering into such Swap Agreement on behalf of the Public University to assist it in managing its borrowings or investments, and not for purposes of speculation. The Public University agrees to cooperate with the Authority in order to permit the Authority to comply with the Swap Agreement and agrees that in addition to its payment obligations hereunder, the Public University will provide the Authority (or the Swap Provider, if directed by an Authorized Officer of the Authority) any information about the Public University which is required to be provided, including, without limitation, audited or unaudited financial statements of the Public University at the times such information is required and to confirm that the representations of the Public University made herein are true and correct at such future times as are necessary to permit the Authority to comply with the Swap Agreement. The Public University acknowledges that the Authority may make representations, warranties and agreements in the Swap Agreement in reliance on the representations, warranties and agreements provided by the Public University herein and expressly authorizes the Authority to rely on such agreements, warranties and representations of the Public University in so doing. The Public University agrees that if a Swap Agreement is terminated and/or any Swap Agreement is entered into with respect to the Bonds, that it will amend this Agreement as may be necessary to reflect such Swap Agreement and to make such other amendments as are necessary to implement such Swap Agreement.

SECTION 11.11 Additional Covenants.

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

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

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

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

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

- (i) The Public University shall protect, exonerate, defend, indemnify and save the Authority and its members, directors, officers, employees, agents, consultants and attorneys (collectively, the "Indemnified Parties") harmless from and against any and all losses, including, but not limited to personal injury, death, loss or damage to property suffered or incurred by any person, entity, firm or corporation arising out of or attributable to the financing of the Project, the use, operation or maintenance of the Project Facilities, Leased Facilities and/or the Project, arising from the use or occupancy of the Project Facilities, Leased Facilities and the Project by the Public University, its agents, contractors, servants, employees, licensees, invitees or sublessees, if any; and from and against any and all losses incurred in or about the defense of any such claims, actions or proceedings brought thereon.
- (ii) The Public University's obligations hereunder shall survive the payment of the sums due hereunder and the expiration of the term of this Agreement. In addition, the Public University shall release the Indemnified Parties from, agrees that the Indemnified Parties shall not be liable for, and agrees to hold the Indemnified Parties harmless against any losses because of any action taken by an Indemnified Party in good faith

with respect to this Agreement, the Project, the Leased Facilities and the Project Facilities.

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

SECTION 11.12 Reports and Records Furnished by Public University. The Public University shall, if and when reasonably requested by the Authority, provide the following reports and records to the Trustee and the Authority concerning the Project Facilities and the condition of the Public University:

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

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

ARTICLE XII

MISCELLANEOUS

SECTION 12.01 Severability.

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

SECTION 12.02 Paragraph Headings.

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

SECTION 12.03 Notices.

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

SECTION 12.04 Rights Cumulative.

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

SECTION 12.05 Amendments or Modification.

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

SECTION 12.06 Resolution and Indenture Controlling.

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

SECTION 12.07 Swap Provider as Beneficiary.

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

SECTION 12.08 Counterparts.

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

SECTION 12.09 Governing Law.

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

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

NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY

Attest:

Steven P. Nelson
Assistant Secretary

By: _____
Jeremy A. Spector
Executive Director

Attest:

THE WILLIAM PATERSON UNIVERSITY
OF NEW JERSEY

Stephen O. Bolyai
Senior Vice President for Administration
and Finance

By: _____
Frederick L. Gruel
Chair

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

Personally came before me on September ____, 2017, Frederick L. Gruel, the Chair of the Board of Trustees of The William Paterson University of New Jersey, to me known to be the person who executed the foregoing instrument and acknowledged that he or she executed the foregoing instrument as such officer as the act and deed of said The William Paterson University of New Jersey by its authority.

Notary Public

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

BE IT REMEMBERED that on September ____, 2017 before me the subscriber, a Notary Public of the State of New Jersey, personally appeared Jeremy A. Spector, who being by me duly sworn according to law on his oath, says that he is the Executive Director of the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, the Authority named in the within instrument; and that this person thereupon acknowledged that the instrument signed and delivered by said Executive Director, as and for his voluntary act and deed and as and for the voluntary act and deed of said Authority.

Notary Public

EXHIBIT A

PROPERTY DESCRIPTION OF THE LEASED FACILITIES SITE

EXHIBIT B

DESCRIPTION OF THE PROJECT FACILITIES

The Series 2017 B Project consists of the construction and equipping of a new 288-bed residence hall with 4-bed, shared bathroom suites located next to the High Mountain East residence hall and across from the Century Hall residence hall, including site improvements and other costs related thereto.

Utilities will be extended along Mills Drive to the project site, which will be cleared and graded for the construction of a five-story, +/- 89,375 sf building. Amenity spaces will be distributed throughout the building with small lounge spaces, study rooms and support spaces located on each floor. On the main entry level other program spaces for use of building residents will consist of a laundry room, mail room and full kitchen for student use. Additionally, there will be a large multifunction room and accessory seminar room, both available for use by all students, located directly off the main lobby and connected to a large exterior plaza.

EXHIBIT C

Schedule of Basic Lease Payments

(Included for Informational Purposes Only)

EXHIBIT D

SPECIAL NOTICE EVENTS

The following events shall be considered Special Notice Events:

1. **Private business use of the Bond Financed Property** -- if any portion of the financed and/or refinanced projects will be used by anyone other than a State or local governmental unit or members of the general public who are not using the property in the conduct of a trade or business (e.g., use by a person as an owner, lessee, purchaser of the output of facilities under a "take and pay" or "take or pay" contract, purchaser or licensee of research, a manager or independent contractor under certain management or professional service contracts or any other arrangement that conveys special legal entitlements, including an arrangement that conveys priority rights to the use or capacity of the financed property, for beneficial use of the property financed with proceeds of tax-exempt debt or an arrangement that conveys a special economic benefit). Use of bond financed facilities by the federal government or a 501(c)(3) corporation, or with respect to solar facilities, or a cell tower by a private entity are considered private business use;

2. **Private Loans of Bond Proceeds** -- if any portion of the proceeds of the Bonds (including any investment earnings thereon) are to be loaned by the Public University;

3. **Naming rights agreements for the Bond Financed Property** -- if any portion of the financed and/or refinanced projects will become subject to a naming rights agreement, other than a "brass plaque" dedication;

4. **Research using the Bond Financed Property** -- if any portion of the financed and/or refinanced projects has been or will be used for the conduct of research under the sponsorship, or for the benefit of, any entity other than a State or local governmental unit, other than a qualified research contract described in Rev. Proc. 2007-47;

5. **Management agreement or service agreement** -- if any portion of the financed and/or refinanced projects is to be used under a management contract (e.g., food service, bookstore, or parking management) or service contract, other than (i) a contract for services that are solely incidental to the primary function of the financed and/or refinanced projects, such as janitorial services or office equipment repair, or (ii) a qualified management contract described in Rev. Proc. 2017-13 (and to the extent provided in Rev. Proc. 2017-13, Rev. Proc. 97-13, as amended and supplemented) (Note: a contract that results in the payment of a concession or similar fee to the Public University is not a qualified contract);

6. **Joint Ventures** -- if any portion of the financed and/or refinanced projects will be or has been used in any joint venture arrangement with any person other than a State or local governmental unit;

7. **Sinking fund or pledge fund** -- if the Public University, or any organization related to the Public University, identifies funds which are expected to be used to pay debt

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

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

Schedule 5.11

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

None.

CONTINUING DISCLOSURE AGREEMENT

BY AND BETWEEN

THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY

AND

**U.S. BANK NATIONAL ASSOCIATION,
AS DISSEMINATION AGENT**

Dated as of September 1, 2017

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this “Agreement”), made and entered into as of September 1, 2017 by and between **THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY**, a public institution of higher education located in the State of New Jersey (the “University”), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America with fiduciary and trust powers in the State of New Jersey (the “Dissemination Agent” or “Trustee”).

WITNESSETH:

WHEREAS, on the date hereof the New Jersey Educational Facilities Authority, a 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 “Authority”) is issuing its Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2017 B, dated September __, 2017, in the aggregate principal amount of \$_____ (the “Bonds”); and

WHEREAS, the Bonds are being issued pursuant to the Authority’s Bond Resolution adopted on July 25, 2017 (the “Resolution”), and a Trust Indenture dated as of September 1, 2017 (the “Trust Indenture”) by and between the Authority and the Trustee; and

WHEREAS, the University and the Authority have entered into a Lease and Agreement dated as of September 1, 2017 with respect to certain educational facilities financed with proceeds of the Bonds (the “Lease and Agreement”), whereby the Authority has leased such educational facilities to the University and the University has agreed to make lease payments to the Authority; and

WHEREAS, the Trustee has duly accepted the trusts imposed upon it by the Trust 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.*) (the “Securities Exchange Act”), has adopted amendments effective July 3, 1995 to its Rule 15c2-12 (codified at 17 C.F.R. §240.15c2-12) (“Rule 15c2-12”) that generally prohibit 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 material 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” within the meaning of 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 material 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 events notice of the occurrence of which must be provided to the MSRB and revising the time for the filing of notices of the occurrence of these events; and

WHEREAS, on August __, 2017, the Authority and the Public University entered into a Contract of Purchase with Citigroup Global Markets Inc., on behalf of itself and each of the original underwriters of the Bonds (each, a “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 Dissemination Agent and the University 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 capitalized terms in the preambles hereof shall have the 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 designated 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 Subsection 2.1(d) of this Agreement.

“Disclosure Event Notice” means the notice to the MSRB, as provided in Subsection 5(a) of this Agreement.

“Dissemination Agent” means an entity acting in its capacity as Dissemination Agent under this Agreement, or any successor Dissemination Agent designated in writing by the University and which has filed a written acceptance of such designation.

“EMMA” means the MSRB’s Electronic Municipal Markets Access System.

“Final Official Statement” means the final Official Statement of the Authority dated August __, 2017, pertaining to the Bonds.

“Financial Statements” means the basic financial statements of the University (including its component units, if any) for each Fiscal Year and includes statements of net assets, statements of revenues, expenses, and changes in net assets and statements of cash flows or statements which 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 Public College should change, the Annual Reports under Section 2.1(a) 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 established by the Government Accounting Standards Board and 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 THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY”.

“State” means the State of New Jersey.

Section 1.3. Capitalized Terms Not Defined Herein. Capitalized terms not defined herein shall have the meanings assigned to them in Section 1.01 of the Trust Indenture or Section 1.01 of the Lease and 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 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.

As the context shall require, all words importing the singular number shall include the plural number; the disjunctive term “or” shall be interpreted conjunctively as required to insure that the University performs any obligations, mentioned in the passage in which such term appears.

ARTICLE 2

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1. Continuing Disclosure Covenants of University. The University agrees that it will provide, or shall cause the Dissemination Agent to provide:

(a) Not later than December 27th of each Fiscal Year, commencing with December 27, 2017 in respect of the Fiscal Year of the University ended June 30, 2017, an Annual Report to the MSRB through EMMA, with a copy to the Dissemination Agent and to the Authority;

(b) Not later than fifteen (15) days prior to the date of each year specified in subsection 2.1(a) as the date by which an Annual Report must be provided to the MSRB, 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, with a copy to the Dissemination Agent 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, with a copy to the Dissemination Agent and to the Authority, notice of any of the following 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 status of the Bonds.
- (vii) Modifications to 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 event 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.

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

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 which 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 which are available to the public on the MSRB's Internet Web site or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB through EMMA. 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 document or notice pursuant to subsections 2.1(b), 2.1(c) 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, Duties, Immunities and Liabilities of the Dissemination Agent.

(a) If the University has determined it necessary to report the occurrence of a Disclosure Event, the University or Dissemination Agent (if it has received notice from the University of a Disclosure Event) shall in a timely manner not in excess of ten (10) business days after the occurrence of the event, file a notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB (a "Disclosure Event Notice"). 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 Holders under Section 7.01 of the Trust Indenture. The University or the Dissemination Agent shall also 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, with a copy to the Authority, certifying that the Annual Report has been provided to the MSRB pursuant to this Agreement, stating the date it was provided to the MSRB.

Section 2.6. Appointment, Removal and Resignation of Dissemination Agent.

(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 may discharge any such Dissemination Agent, and appoint a successor Dissemination Agent, such discharge to be effective on the date of the appointment of a successor Dissemination Agent. The University hereby appoints U.S. Bank National Association as Dissemination Agent and U.S. Bank National Association hereby accepts such appointment.

(b) The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement.

(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.

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 (at the request of any Participating Underwriter or the Holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, and after provision of indemnity in accordance with Section 7.05 of the Trust Indenture, shall), or any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may take whatever action at law or in equity against the University and any of the officers, agents and employees of the University which is necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the University under this Agreement and may compel the University or any such officers, agents or employees, except for the Dissemination Agent, to perform and carry out their duties under this Agreement; 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 proceeding had been taken.

(c) A default under this Agreement shall not be deemed an event of default under either the Trust Indenture or the Lease and 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 Subsection 3.2(a) of this Agreement.

ARTICLE 4

MISCELLANEOUS

Section 4.1. Purposes of this 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 each 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 Trustee or the Holders of the Bonds.

(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 Trustee.

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 Trustee under this Agreement against the Authority or against any member, official, officer, employee, counsel, consultant and agent of the Authority or any person executing the Bonds.

To the extent permitted by law, the University agrees to indemnify and hold harmless the Authority, any member, officer, official, employee, counsel, consultant and agent of the Authority (collectively called 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 its obligations, agreements and covenants under this Agreement. 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. 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 party. The failure on the part of any Indemnified Party to give such notification shall not relieve the University of its obligation under this Section. 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, 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 paragraph 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 negligence, recklessness or intentional misconduct of the Indemnified Parties in connection with the University's performance of its obligations, agreements and covenants under this Agreement; and further provided, with respect to the Trustee, 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.

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 any other information in any Annual Report or any Disclosure Event Notice, in addition to that which is required by this Agreement. 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 have no obligation under this Agreement to update such information or 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 facsimile, in the case of the Trustee or Dissemination Agent) to, in the case of the University, the Vice President for Administration and Finance, 300 Pompton Road, Wayne, New Jersey 07470-2103 (facsimile (973) 720-2893); and in the case of the Trustee or Dissemination Agent, addressed to it at its designated corporate trust office at U.S. Bank National Association, c/o Corporate Trust Department, 21 South Street, 3rd Floor, Morristown, New Jersey 07960 (facsimile (973) 682-4540); and in the case of the Authority, addressed to it at its offices at 103 College Road East, Princeton, New Jersey 08540-6612 (facsimile (609) 987-0850).

Section 4.6. Assignments. This Agreement may not be assigned by either party without the written consent of the other 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 Trust Indenture), this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee and notice to the Authority.

(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 and legal requirements followed by or applicable to the University or to reflect changes in the identity, nature or status of the University or in the business, structure or operations of the University or any mergers, consolidations, acquisitions or dispositions made by or affecting the University; provided that any such modification shall comply with the requirements of Rule 15c2-12 as then in effect at the time of such modification; or

(iii) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to include any other provisions with respect to matters or questions arising under this Agreement which, in each case, comply with Rule 15c2-12 as then in effect at the time of such modification;

provided, however, 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 Holders of the Bonds in any material respect.

(c) Upon entering into any amendment or modification required or permitted by this Agreement, the University shall provide, or cause the Dissemination Agent to provide, to the MSRB through EMMA, notice of any such amendment or modification.

(d) The University and the Dissemination Agent shall be entitled to rely exclusively upon an opinion of counsel nationally recognized as an expert in federal securities law acceptable to the University 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 each Participating Underwriter to comply with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof, a change in this Agreement shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery by any Participating Underwriter of an opinion of counsel nationally recognized as expert in federal

securities law acceptable to the University to the effect that such amendments shall be permitted or necessary to assure continued compliance by the Participating Underwriter 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 this Agreement to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and provide the written notice of such amendment as required by subsection 4.9(c) hereof.

Section 4.11. Governing Law. This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of New Jersey and the United States of America. The parties agree that the University may be sued, pursuant to Section 3.2 hereof, only in a State court in the County of Mercer in the State.

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 said Section shall terminate if and when either (a) the Bonds are no longer Outstanding in accordance with the terms of the Trust Indenture or (b) the University no longer remains an "obligated person" (as defined in Rule 15c2-12(f)(10)) with respect to the Bonds and in either event, only after the University provides, or causes the Dissemination Agent to provide, to the MSRB through EMMA notice to such effect. This Agreement shall be in full force and effect from the date hereof and shall continue in effect so long as any Bonds are Outstanding.

Section 4.13. 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* (P.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, and receives compensation or fees in excess of \$50,000 or more in the aggregate from New Jersey public entities, in a calendar year. It is the Dissemination Agent's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

Section 4.14. 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 4.15. Prior Undertakings. Other than as disclosed in the Final Official Statement, during the previous five years, the University has not failed to comply in any material respect with any prior continuing disclosure undertaking made by it in accordance with Rule 15c2-12.

Section 4.16. Covenant. In accordance with P.L. 2005, c. 92, the Dissemination Agent covenants and agrees that all services performed under this Agreement shall be performed within the United States of America.

Section 4.17. Headings for Convenience Only. The descriptive headings in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

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IN WITNESS WHEREOF, THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY and U.S. BANK NATIONAL ASSOCIATION have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

**THE WILLIAM PATERSON UNIVERSITY OF
NEW JERSEY**

By: _____
Frederick L. Gruel
Chair

**U.S. BANK NATIONAL ASSOCIATION,
AS DISSEMINATION AGENT**

By: _____
Paul D. O'Brien
Vice President

TRUST INDENTURE

by and between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of September 1, 2017

Relating to

\$_____ New Jersey Educational Facilities Authority Revenue Bonds,
The William Paterson University of New Jersey Issue, Series 2017 B

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EXHIBIT A FORM OF BOND

EXHIBIT B LIST OF INVESTMENT OBLIGATIONS

TRUST INDENTURE

This **TRUST INDENTURE** (this “Indenture”), dated as of September 1, 2017, by and between the **NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**, a public body corporate and politic of the State of New Jersey (the “Authority”), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America with trust and fiduciary powers in the State of New Jersey, and being duly qualified to accept and administer the trusts created hereby (the “Trustee”),

WITNESSETH:

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

WHEREAS, The William Paterson University of New Jersey (the “Public University”) has determined it is necessary and advisable to undertake a project (collectively, the “Project”) consisting of: (i) the financing of a portion of a capital project consisting of the construction and equipping of a new residence hall for the Public University, including site improvements and other costs related thereto on its campus in Wayne, New Jersey (the “Series 2017 B Project”); (ii) funding capitalized interest on a portion of the Bonds (defined below), if any; and (iii) paying certain costs incidental to the issuance and sale of the Bonds, all as presented, submitted and approved by the Public University Board; and

WHEREAS, pursuant to a Resolution of the Authority adopted on July 25, 2017, the Authority determined that it was necessary and in keeping with its authorized purposes to issue a series of bonds to be designated “New Jersey Educational Facilities Authority Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2017 B” (the “Bonds”), for the purpose of providing funds to finance all or a portion of the Project; and

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

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

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

time according to their tenor and effect, and to secure the performance and observance by the Authority of all the covenants, agreements and conditions herein and in the Bonds contained, the payment of all Swap Payment Obligations, if any, and Swap Termination Payments, if any, the Authority does hereby transfer, pledge and assign to the Trustee and its successors and assigns in trust forever, and does hereby grant a security interest unto the Trustee and its successors in trust and its assigns, in the property described in the Granting Clauses below (said property being herein referred to as the "Trust Estate"), to wit:

GRANTING CLAUSE FIRST

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

GRANTING CLAUSE SECOND

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

GRANTING CLAUSE THIRD

All Swap Revenues paid by the Public University or by the Swap Provider, if any.

GRANTING CLAUSE FOURTH

Any and all other property (real, personal or mixed) of every kind and nature from time to time hereafter by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the Authority or by anyone on its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

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

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

PROVIDED, NEVERTHELESS, and these presents are upon the express condition that, if the Authority or its successors or assigns shall well and truly pay or cause to be paid the principal of such Bonds with interest, according to the provisions set forth in the Bonds or shall

provide for the payment or redemption of such Bonds by depositing or causing to be deposited with the Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions hereof, and shall also pay or cause to be paid all other sums payable hereunder by the Authority, and shall pay or cause to be paid all Swap Payment Obligations, if any, and Swap Termination Payments, if any, then these presents and the estate and rights hereby granted shall cease, determine and become void, and thereupon the Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Authority and upon the payment of the costs and expenses thereof, shall duly execute, acknowledge and deliver to the Authority such instruments of satisfaction or release as may be necessary or proper to discharge this Indenture of record, and if necessary shall grant, reassign and deliver to the Authority, its successors or assigns, all the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Indenture shall be and remain in full force and effect.

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

ARTICLE I
DEFINITIONS, RULES OF CONSTRUCTION

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

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

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

“Annual Administrative Fee” means the annual fee for the general administrative services of the Authority, including without limitation, the cost of attendance at Authority events, in an amount equal to 1/10 of 1% of the outstanding aggregate principal amount of the Bonds with a maximum Annual Administrative Fee of \$50,000.

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

“Authorized Denominations” means \$5,000 or any integral multiple of \$1,000 in excess thereof.

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

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

“Basic Lease Payment Date” means (i) with respect to the Principal Portion of a Basic Lease Payment, December 20 and June 20 prior to any regularly scheduled Principal Payment Date or, if such date is not a Business Day, the Business Day next preceding such date, (ii) with respect to the Interest Portion of a Basic Lease Payment, December 20 and June 20, as applicable, prior to any regularly scheduled Interest Payment Date, (iii) with respect to Swap Payment Obligations and any Swap Termination Payments, two (2) Business Days prior to any payment dates therefor set forth in the Swap Agreement and (iv) with respect to a prepayment or acceleration, the date of payment of the Purchase Option Price or Mandatory Purchase Price, as the case may be.

“Bond Documents” means this Indenture, the Resolution, the Bonds, the Lease Agreement and the Tax Agreement and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

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

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

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

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

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

“Bonds” means the Series 2017 B Bonds.

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

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

“Cede & Co.” means Cede & Co., as nominee name of The Depository Trust Company.

“Certificate” means a certificate or report, in form and substance satisfactory to the Authority (such satisfaction to be assumed if such certificate or report is mailed to the Authority and it does not object in writing within ten (10) days after such mailing), executed: (a) in the case of an Authority Certificate, by the Chair, Vice Chair, Treasurer, Executive Director, Deputy Executive Director, Director of Project Management, Director of Compliance Management, Secretary, Assistant Treasurer or any Assistant Secretary, including those serving in an interim

or acting capacity; (b) in the case of a Public University Certificate, by the Chair or Vice Chair of the Public University Board, the President or the Vice President for Administration and Finance and by its Secretary or Assistant Secretary; and (c) in the case of a Certificate of any other Person, by such Person, if an individual, and otherwise by an officer, partner or other authorized representative of such Person; provided that in no event shall any individual be permitted to execute any Certificate in more than one capacity.

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

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

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

“Completion Certificate” shall have the meaning assigned to that term in Section 4.05 hereof.

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

“Costs of Issuance” means issuance costs with respect to the Bonds described in Section 147(g) of the Internal Revenue Code, including but not limited to the following: (a) underwriters’ spread (whether realized directly or derived through purchase of the Bonds at a discount below the price at which they are expected to be sold to the public); (b) counsel fees (including bond counsel, underwriters’ counsel, Authority’s counsel, the Public University’s counsel, if any, Trustee’s counsel, as well as any other specialized counsel fees incurred in connection with the borrowing); (c) financial advisor fees of any financial advisor to the Authority or the Public University incurred in connection with the issuance of the Bonds; (d) rating agency fees; (e) trustee, registrar and paying agent fees; (f) accountant fees and other expenses related to issuance of the Bonds; (g) printing costs (for the Bonds and of the preliminary and final official statements relating to the Bonds); and (h) fees and expenses of the Authority incurred in connection with the issuance of the Bonds.

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

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

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

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

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

“Final Computation Date” shall have the meaning assigned to that term in Section 4.08(b) hereof.

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

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

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

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

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

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

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

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

“Initial Fee” means the fee paid or payable to the Authority for its services in connection with the issuance of the Bonds, calculated at the rate of 1/5 of 1% of the principal amount of the Bonds, with a maximum initial fee of \$100,000.

“In Service Certificate” shall have the meaning assigned to such term in Section 4.05 hereof.

“Interest Payment Date” means each January 1 and July 1, commencing January 1, 2018, through and including the maturity date for the Bonds.

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

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

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

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

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

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

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

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

“Official Statement” means the Official Statement dated August __, 2017 with respect to the Bonds, including all Appendices thereto.

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

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

“Original Purchaser” means Citigroup Global Markets Inc., on behalf of itself and the other underwriters named in the Contract of Purchase dated August __, 2017 by and among the Authority, the Public University and the Original Purchaser in respect of the Bonds.

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

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

“Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

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

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

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

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

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

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

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

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

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

“Rating Agency” shall mean each nationally recognized securities rating agency then maintaining a rating on the Bonds at the request of an Authorized Officer of the Authority, and initially means Fitch and Moody’s.

“Rebatable Arbitrage” shall have the meaning assigned to that term in Section 4.08(b) hereof.

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

“Rebate Computation Date” shall have the meaning assigned to that term in Section 4.08(b) hereof.

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

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

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

“Replacement Bonds” means Bonds issued to the beneficial Owners of the Bonds in accordance with Section 2.12(b).

“Resolution” means the resolution of the Authority, adopted July 25, 2017, authorizing, among other things, the execution and delivery of this Indenture and the Lease Agreement and the issuance of the Bonds.

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

“Securities Depository” means, initially, The Depository Trust Company and its successors and assigns, and any successor Securities Depository appointed pursuant to Section 2.12(c).

“Series 2017 B Bonds” means the New Jersey Educational Facilities Authority Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2017 B, in the original principal amount of \$_____, issued pursuant to the Resolution and this Indenture.

“Sinking Fund Installment” means, with respect to the Bonds, the amount of money necessary to redeem the Bonds in the principal amounts, at the times and in the manner set forth in Section 3.02(c) hereof.

“State” means the State of New Jersey.

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

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

“Swap” or **“Swap Agreement”** means any agreement between the Authority and a Swap Provider, entered into on behalf of the Public University, confirming a transaction which 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 agreement.

“Swap Payment Obligations” means all net amounts payable by the Authority under any Swap (excluding any Swap Termination Payment payable by the Authority).

“Swap Provider” means the Authority’s counterparty under a Swap Agreement, which counterparty must be rated at least A-/A3 or better by S&P and Moody’s, respectively.

“Swap Revenues” means all amounts received by the Authority or the Trustee pursuant to any Swap, including without limitation any Swap Termination Payment, whether such amounts are paid by the Public University or by the Swap Provider.

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

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

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

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

“Value” as of any particular time of determination, means:

(a) For securities:

(1) the closing bid price quoted by Interactive Data Systems, Inc.; or

(2) a valuation performed by a nationally recognized and accepted pricing service whose valuation method consists of the composite average of various bid price quotes on the valuation date; or

(3) the lower of two dealer bids on the valuation date; the dealers or their parent holding companies must be rated at least investment grade by Moody’s and S&P and must be market makers in the securities being valued; or

(4) a valuation performed by a pricing service acceptable to the Trustee; or

(5) for any security maturing within 30 days of the valuation date, the maturity value of the security including interest to be paid on the maturity date.

(b) As to certificates of deposit and bankers’ acceptances, the face amount thereof, plus accrued interest;

(c) With respect to any investment agreement, the total amount that may be withdrawn therefrom for the purposes of the fund in which it is held; and

(d) As to any investment not specified above, the value thereof established by prior agreement between the Authority, the Public University and the Trustee.

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

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

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

(a) The terms defined in this Article I include the plural as well as the singular.

(b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with GASB to the extent applicable.

(c) The words “herein,” “hereof,” “hereunder,” “hereto” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(d) The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

(e) Whenever an item or items are listed after the word “including,” such listing is not intended to be a listing that excludes items not listed.

(f) Any references herein to any “Swap”, “Swap Agreement”, “Swap Payment Obligations”, “Swap Provider”, “Swap Revenues” and “Swap Termination Payments” shall be disregarded at any time during which there is no Swap Agreement in effect.

**ARTICLE II
THE BONDS**

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

Section 2.02 Issuance of the Bonds.

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

(a) Designation, Denominations, Numbering and Dating. The Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2017 B". The Bonds shall be issuable as fully registered Bonds without coupons in Authorized Denominations and shall be numbered consecutively from 1 upward in the order of their issuance. The Bonds shall initially be dated the date of their initial issuance and delivery, and thereafter shall be dated the date of authentication; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds shall be in default, Bonds issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered.

(b) Principal Amount, Maturity and Interest. The Bonds shall be issued in an aggregate principal amount of \$_____, shall bear interest payable on January 1, 2018 and thereafter semiannually on January 1 and July 1 of each year, at the rates per annum set forth below and shall mature on July 1 (subject to prior redemption as provided in Article III) of each year in the years and in the principal amounts as follows:

Due July 1	Principal Amount	Interest Rate	Due July 1	Principal Amount	Interest Rate
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Section 2.03 Determination of Interest Rates.

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

be payable from the dated date of the Bonds, or unless the date of such Bond is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

Section 2.04 Conditions To Delivery of Bonds.

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

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

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

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

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

(v) An opinion or opinions of bond counsel, dated as of the Closing Date, in substantially the form(s) attached as an appendix to the Official Statement.

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

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

Section 2.05 Forms and Denominations of Bonds.

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

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

Section 2.06 Method and Place of Payment of Bonds.

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

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

(c) The principal of and the redemption premium, if any, on all Bonds shall be payable by check or draft at maturity or upon earlier redemption to the Persons in whose names such Bonds are registered on the Bond Register at the maturity or redemption date thereof, upon the presentation and surrender of such Bonds at the Principal Office of the Trustee or of any Paying Agent named in the Bonds.

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

Section 2.07 Execution and Authentication of Bonds.

(a) The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chair, Vice Chair, Executive Director or Deputy Executive Director and attested by the manual or facsimile signature of its Executive Director, Secretary or any Assistant Secretary or Assistant Treasurer, including those serving in an interim or acting capacity (provided that the person executing the Bonds may not also make its attestation), and

shall have the official common seal of the Authority or a facsimile thereof affixed thereto or imprinted thereon. In case any officer whose signature or facsimile thereof appears on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such Person had remained in office until delivery. Any Bond may be signed by such Persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such Persons may not have been such officers.

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

Section 2.08 Registration, Transfer and Exchange of Bonds.

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

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

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

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

(e) The Authority, the Trustee or the Securities Depository may make a charge against the Bondowner requesting the same for every such transfer or exchange of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with

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

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

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

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

Section 2.09 Temporary Bonds.

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

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

Section 2.10 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond shall become mutilated, or be lost, stolen or destroyed, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond of like date and tenor as the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together, in either such case, with such security or indemnity as may be required by the Trustee to save the Authority, the Public University and the Trustee harmless. In the event any such Bond shall have matured or shall have been selected for redemption, instead of issuing a substitute Bond, the Trustee in its discretion may pay, with funds available under this Indenture for such purpose, such Bond without surrender thereof (except in the case of a mutilated Bond). Upon the issuance of any substitute Bond, the Authority and the Trustee may require the payment of an amount by the Bondowner sufficient to reimburse the Authority and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

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

Section 2.12 Book-Entry; Securities Depository.

(a) The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no beneficial Owners will receive certificates representing their respective interests in the Bonds, except in the event the Trustee issues Replacement Bonds as provided in subsection (b). It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, redemption premium, if any, and interest on the Bonds to the Participants until and unless the Trustee authenticates and delivers Replacement Bonds to the beneficial Owners as described in subsection (b).

(b) If (i) the Authority determines (A) that the Securities Depository is unable to properly discharge its responsibilities or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, or (B) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the beneficial Owners of the Bonds of a series, or (ii) the Trustee receives written notice from Participants having interests in not less than 50% of the Bonds of a series Outstanding, as shown on the records of the Securities Depository (and certified to such effect to the Trustee by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds of such series being issued to any Bondowner other than Cede & Co. is no longer in the best interests of

the beneficial Owners of the Bonds of such series, then the Trustee, based on information provided to it by the Securities Depository, shall notify the beneficial Owners of the Bonds of such series of such determination or such notice and of the availability of certificates to beneficial Owners of the Bonds requesting the same, and the Trustee shall register in the name of and authenticate and deliver Bonds (the "Replacement Bonds") to the beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (i)(A) of this subsection (b), the Authority with the consent of the Trustee may select a successor Securities Depository in accordance with subsection (c) to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository or its nominee is the Registered Owner of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Authority, the Trustee or the Public University is unable to locate a qualified successor Securities Depository in accordance with subsection (c) below, then the Trustee shall authenticate and cause delivery of Replacement Bonds, as provided herein. The Trustee may rely on information from the Securities Depository and its Participants as to the names, addresses, taxpayer identification numbers of and principal amount held by the beneficial Owners of the Bonds. The cost of printing Replacement Bonds shall be paid for by the Public University.

(c) In the event the Securities Depository resigns or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, the Authority may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in Authorized Denominations and form as provided herein.

ARTICLE III
REDEMPTION OF BONDS

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

Section 3.02 Redemption of Bonds.

(a) Optional Redemption. The Bonds maturing before July 1, 20__ are not subject to optional redemption prior to maturity. The Bonds maturing on or after July 1, 20__ are subject to redemption prior to maturity on or after July 1, 20__, at the option of the Authority with the consent of the Public University, in whole or in part at any time or from time to time at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date of redemption.

(b) Extraordinary Optional Redemption. If all or a substantial portion of the Leased Facilities are damaged or destroyed by fire or other casualty, or title to or the temporary use of all or a substantial portion of such facilities is condemned or taken for any public or quasi-public use by any governmental entity exercising or threatening the exercise of the power of eminent domain, or title thereto is found to be deficient, to such extent that in the determination of the Public University (A) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (B) the Public University is thereby prevented from carrying on its normal operations, or (C) the cost of restoration or replacement thereof would exceed the Net Proceeds of any casualty insurance, title insurance, condemnation awards or sale under threat of condemnation with respect thereto, the Bonds are subject to extraordinary optional redemption prior to maturity, in whole or in part at any time or from time to time, from and to the extent of any condemnation or insurance proceeds deposited in the Debt Service Fund pursuant to the Lease Agreement, at the election of the Authority with the consent of the Public University. Any such redemption shall be made on the earliest practicable date at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

(c) Mandatory Sinking Fund Redemption. The Bonds maturing on July 1, 20__ shall be retired by Sinking Fund Installments as hereinafter described, which shall be accumulated in the Principal Account at a redemption price equal to one hundred percent (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 Bonds on July 1 in each of the years and in the principal amounts as follows:

Bonds Maturing July 1, 20
Year Amount

* Final maturity.

The principal amount of the Bonds required to be redeemed from Sinking Fund Installments may be reduced by the principal amount of such Bonds theretofore delivered to the Trustee by the Public University in lieu of cash payments under the Lease Agreement or purchased by the Trustee out of moneys in the Redemption Fund that have not theretofore been applied as a credit against any Sinking Fund Installment.

Section 3.03 Selection of Bonds to be Redeemed.

(a) Bonds shall be redeemed only in Authorized Denominations. If less than all of the Bonds of a series are to be redeemed prior to maturity, such Bonds shall be called for redemption in any order of maturity and in any principal amount within a maturity as the Authority may designate with the consent of the Public University, and in the case of any Bond subject to mandatory sinking fund redemption, the Authority may designate, with the consent of the Public University, whether such partial redemption shall be credited against the principal amount due at maturity or against particular scheduled Sinking Fund Installments with respect to such Bond. Bonds to be redeemed within any maturity shall be selected by the Trustee by lot or by any other method.

(b) In the case of a partial redemption of Bonds when such Bonds of denominations greater than the minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each principal amount equal to the minimum Authorized Denomination shall be treated as though it was a separate Bond of the minimum Authorized Denomination. If it is determined that a portion, but not all, of the principal amount represented by any Bond is to be selected for redemption, then upon notice of intention to redeem such portion, the Owner of such Bond or such Owner's attorney or legal representative shall forthwith present and surrender such Bond to the Trustee (i) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the principal amount called for redemption, and (ii) for exchange, without charge to the Owner thereof for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, said Bond shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount called for redemption (and to that extent only).

(c) The Trustee shall call Bonds for redemption and payment as herein provided upon receipt by the Trustee at least 60 days prior to the redemption date of a Written

Request of the Authority. Such request shall specify the principal amount of the Bonds and their series and maturities so to be called for redemption, the applicable redemption price or prices and the provision or provisions above referred to pursuant to which such Bonds are to be called for redemption. The foregoing provisions of this paragraph shall not apply in the case of any mandatory sinking fund redemption of Bonds pursuant to Section 3.02(c), and such Bonds, subject to the exercise by the Authority of its rights under Section 3.02(c), shall be called by the Trustee for redemption pursuant to such mandatory sinking fund redemption requirements without the necessity of any action by the Authority and whether or not the Trustee shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

(d) In the event any term Bonds for which Sinking Fund Installments have been established are to be called for both mandatory sinking fund redemption and redemption other than by mandatory sinking fund redemption, the Trustee shall identify Bonds to their respective Sinking Fund Installments or maturity dates prior to making such other redemption.

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

All official notices of redemption shall be dated and shall state: (i) the redemption date; (ii) the redemption price; (iii) if less than all Outstanding Bonds are to be redeemed, the identification number and the respective principal amounts to be redeemed of the Bonds to be redeemed; (iv) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (v) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office of the Trustee for the payment of Bonds.

Any notice of redemption of any Bonds pursuant to Section 3.02(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 which are to be redeemed on that date.

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

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

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 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.

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

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

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

(a) “New Jersey Educational Facilities Authority Construction Fund, The William Paterson University of New Jersey Series 2017 B” (the “Construction Fund”) from which moneys deposited into the Construction Fund shall be expended in accordance with the provisions of the Lease Agreement, and which Fund shall have the following accounts therein: (i) a “Capitalized Interest Account”, (ii) a “Costs of Issuance Account” and (iii) a “Project Account”.

(b) “New Jersey Educational Facilities Authority Debt Service Fund, The William Paterson University of New Jersey Series 2017 B” (the “Debt Service Fund”), and which Fund shall have the following accounts therein: (i) an “Interest Account” (which shall be used to pay interest on the Bonds and any Swap Payment Obligations) and (ii) a “Principal Account” (which shall be used to pay principal or redemption price of the Bonds and any Swap Termination Payments).

(c) “New Jersey Educational Facilities Authority Rebate Fund, The William Paterson University of New Jersey Series 2017 B” (the “Rebate Fund”).

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

Section 4.02 Deposit of Bond Proceeds. The aggregate principal amount of the Bonds, plus an aggregate net original issue premium of \$_____, less an aggregate underwriters’ discount of \$_____, shall be applied as follows:

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

(b) \$_____ from the proceeds of the Bonds shall be deposited in the Capitalized Interest Account of the Construction Fund; and

(c) \$_____ from the proceeds of the Bonds shall be deposited into the Project Account of the Construction Fund.

Section 4.03 Application of Moneys in Construction Fund. (a) As soon as practicable after the delivery of the Bonds, the Authority shall direct, in writing, the Trustee to pay from the Costs of Issuance Account to the firms, corporations or Persons entitled thereto the Costs of Issuance, including but not limited to the legal, administrative, financing and incidental expenses of the Authority and the Public University relating to the issuance of the Bonds.

(b) Except as otherwise provided in this Article IV, any moneys deposited in the Project Account shall be used only to pay the costs of the Series 2017 B Project (including additional capitalized interest as to any individual component of the Series 2017 B Project, with the prior written direction of the Authority), and to the necessary incidental expenses and reimbursement to the Public University for such costs and expenses paid by the Public University in connection with the Series 2017 B Project as are approved by an Authorized Officer of the Authority. For purposes of internal accounting, the Project Account may contain one or more subaccounts, as an Authorized Officer of the Authority, or the Trustee with the consent of the Authority, may deem proper.

(c) Payments pursuant to paragraph (a) of this Section 4.03 shall be made in accordance with a Certificate or Certificates signed by an Authorized Officer of the Authority stating the names of the payees, the purpose of each payment in terms sufficient for identification and the respective amounts of each such payment. Payments pursuant to paragraph (b) of this Section 4.03 shall be made in accordance with a Certificate or Certificates signed by an Authorized Officer of the Authority, substantiated by a Certificate filed with the Authority by the Public University describing in reasonable detail the purpose for which such moneys were used and the amount thereof, and further stating the opinion that such purposes constitute a necessary part of the cost of the Series 2017 B Project, such substantiating Certificate to be signed by an Authorized Officer of the Public University. If the Public University requests a copy of any Certificate issued by the Authority under this subparagraph, the Authority shall comply with such request.

(d) 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 date of issuance to the date on which the funds deposited therein have been depleted in full. At the request of the Public University, the Authority shall direct the Trustee to transfer any remaining balance in the Capitalized Interest Account to the Project Account to the pay the costs of the Series 2017 B Project.

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

Section 4.05 Completion of Series 2017 B Project. Not later than the one hundred eightieth (180th) day following the issuance of the Bonds (which date may be extended by notice from an Authorized Officer of the Authority to the Trustee), the Authority shall, by a Certificate filed with the Trustee, specify the amount of moneys, if any, to be retained by the Trustee in the Costs of Issuance Account for the payment of any Costs of Issuance of the Bonds not then due and payable, which amounts shall be applied to the payment of such costs as soon as practicable after delivery to the Trustee of such Certificate.

The completion and placement into service of each individual component of the Series 2017 B Project shall be evidenced by a Certificate in a form satisfactory to an Authorized Officer of the Authority (the "In Service Certificate"). The completion of the entire Series 2017 B

Project shall be evidenced by a Certificate in a form satisfactory to an Authorized Officer of the Authority (the "Completion Certificate"). The Completion Certificate shall specify the amount of moneys, if any, to be retained by the Trustee in the Project Account for the payment of any costs of the Series 2017 B Project not then due and payable, which amounts shall be applied to the payment of such costs as soon as practicable after delivery to the Trustee of the Completion Certificate, but in any event not later than 90 days after such delivery.

Any amount not to be retained in the Costs of Issuance Account or the Project Account for payment of Costs of Issuance or costs of the Series 2017 B Project, as applicable, and any amount retained but not subsequently applied to the payment of Costs of Issuance or costs of the Series 2017 B Project, as applicable, as provided in the foregoing paragraphs, shall be transferred by the Trustee to the Debt Service Fund, for deposit into such account therein as shall be directed by an Authorized Officer of the Authority. Written advice of the transfer of such amount to the Debt Service Fund shall be provided by the Trustee to the Authority, and, at the written direction of an Authorized Officer of the Authority with the consent of the Public University and subject to the conditions hereinafter set forth, such amount shall be applied by the Trustee as follows: (i) to pay principal and interest on the Bonds as the same becomes due, (ii) to redeem, or to cause the redemption of, Bonds on the earliest redemption date permitted by this Indenture without a premium, (iii) to purchase Bonds on the open market prior to such redemption date at prices not in excess of the principal amount of such Bonds, or (iv) for any other purpose, *provided* that the Trustee is furnished with an opinion of bond counsel to the effect that such use is lawful under the Act and, in the case of amounts attributable to the Bonds, will not cause the interest on said Bonds to be included in gross income for federal income tax purposes. Until used for one or more of the foregoing purposes, such segregated amount may only be invested as permitted by this Indenture at a Yield not in excess of the Yield on the applicable Bonds.

Section 4.06 Reserved.

Section 4.07 Debt Service Fund.

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

(i) To the Interest Account and/or the Principal Account, as applicable, on each Basic Lease Payment Date, from the applicable subaccount in the Rental Pledge Account established with the Trustee pursuant to the Lease Agreement, such Basic Lease Payments on deposit therein payable by the Public University to the Authority specified in Section 4.04 of the Lease Agreement, sufficient to pay the amounts when due described in Section 4.07(c) below;

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

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

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

(b) Except as otherwise provided in Article VII or elsewhere herein, moneys in each account in the Debt Service Fund shall be expended solely as follows: (i) to pay interest on the Bonds as the same becomes due; (ii) to pay principal of the applicable Bonds as the same mature or become due upon mandatory sinking fund redemption, if any, (iii) to pay principal of and redemption premium, if any, on the Bonds as the same become due upon redemption (other than mandatory sinking fund redemption, if any) prior to maturity, (iv) to pay applicable Swap Payment Obligations, if any as they become due; and (v) to pay an applicable Swap Termination Payment, if any; provided, however, that a Swap Termination Payment shall only be paid on a regularly scheduled payment date and after full satisfaction of, and on a subordinate basis to, those payments listed in the foregoing (i), (ii), (iii) and (iv) of this subsection (b).

(c) The Authority hereby authorizes and directs the Trustee to withdraw sufficient funds from the applicable account(s) in the Debt Service Fund to pay (i) principal of and redemption premium, if any, and interest on the Bonds as the same become due and payable at maturity or upon redemption; (ii) applicable Swap Payment Obligations as they become due; and (iii) an applicable Swap Termination Payment; provided, however, that a Swap Termination Payment shall only be paid on a regularly scheduled payment date and after full satisfaction of, and on a subordinate basis to, those payments listed in the foregoing (i), (ii), (iii) and (iv) of subsection (b) above, and to make said funds so withdrawn available to the Trustee and any Paying Agent for the purpose of paying said principal, redemption premium, if any, and interest and Swap Payment Obligations and Swap Termination Payments.

(d) Whenever there is on deposit in the Debt Service Fund moneys sufficient to redeem all or a portion of the Bonds Outstanding and to pay interest to accrue thereon prior to such redemption and redemption premium, if any, the Trustee shall, upon Written Request of the Authorized Officer of the Authority with the consent of the Public University, take and cause to be taken the necessary steps to redeem all such Bonds on the next succeeding redemption date for which the required redemption notice may be given or on such later redemption date as may be specified by the Public University. Any moneys in the Debt Service Fund may be used to redeem a part of the Bonds Outstanding, in accordance with Article III, so long as the Public University is not in default with respect to any payments under the Lease Agreement and to the extent said moneys are in excess of the amounts required to be on deposit therein pursuant to Section 2.04 of the Lease Agreement and the amount required for payment of Bonds theretofore matured or called for redemption and past due interest in all cases when such Bonds have not been presented for payment.

(e) After payment in full of the principal of and redemption premium, if any, and interest on the Bonds (or after provision has been made for the payment thereof as provided

in this Indenture), payment in full of Swap Payment Obligations and Swap Termination Payments, if any, all rebatable arbitrage to the United States of America and the fees, charges and expenses of the Trustee, any Paying Agent and the Authority, and any other amounts required to be paid under this Indenture and the Lease Agreement, all amounts remaining in the Debt Service Fund shall be paid to the Public University upon the expiration or sooner termination of the Lease Agreement.

Section 4.08 Rebate Fund.

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

(b) Subject to subsection (c) of this Section 4.08, as of the last day of each fifth Bond Year (the "Rebate Computation Date"), the Authority shall calculate, or cause to be calculated, the amount required to be paid to the United States of America (the "Rebatable Arbitrage") pursuant to Section 148 of the Internal Revenue Code. On or before the sixtieth day after such date, the Trustee at the written direction of an Authorized Officer of the Authority, and upon the receipt of funds from the Public University shall deposit in the accounts (if any) in the Rebate Fund the amount, if any, needed to increase the amount in the accounts (if any) in such Rebate Fund to an amount equal to one-hundred percent (100%) of the Rebatable Arbitrage for the period from the date of issuance of the Bonds to the Rebate Computation Date at issue, or shall transfer from the Rebate Fund to the Debt Service Fund, for deposit into the Interest Account therein (unless otherwise directed by an Authorized Officer of the Authority), the amount, if any, needed to reduce the amount in the Rebate Fund to 90% of the amount of the Rebatable Arbitrage for such period.

Subject to subsection (c) of this Section 4.08, as of the last day on which the last Bond remaining Outstanding is retired (the "Final Computation Date"), the Authority shall calculate, or cause to be calculated, the amount required to be paid to the United States of America pursuant to Section 148 of the Internal Revenue Code. On or before the sixtieth day after such date, the Trustee, at the written direction of the Authority, and upon the receipt of funds from the Public University, shall deposit in the accounts (if any) in the Rebate Fund the amount, if any, needed to increase the amount in the accounts in such Rebate Fund to an amount equal to the Rebatable Arbitrage for the period from the date of issuance of the Bonds to the Final Computation Date, or shall transfer from the Rebate Fund to the Debt Service Fund, for deposit into the Interest Account therein (unless otherwise directed by an Authorized Officer of the Authority), the amount, if any, needed to reduce the amount in the Rebate Fund to the amount of the Rebatable Arbitrage for such period.

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

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

(c) Notwithstanding the provisions of this Section 4.08, the Authority hereby agrees to calculate or cause to be calculated the amount to be deposited in the Rebate Fund and the amount to be rebated to the United States of America pursuant to Section 148(f) of the Internal Revenue Code in a manner not inconsistent with its arbitrage covenants set forth in the Tax Agreement. Such calculation shall give regard to all regulations applicable to such Section 148(f) including any temporary regulations heretofore or hereafter released.

(d) The Authority and the Public University agree that the Trustee shall not be liable for any damages, costs or liabilities resulting from the performance of the Trustee's duties and obligations under this Section 4.08, except that the Trustee shall be liable for its negligence or willful misconduct. In making any deposit or transfer to or payment from the Rebate Fund, the Trustee shall be entitled to rely conclusively and solely on the written instructions of the Authority and shall have no duty to examine such written instruments to determine the accuracy of the Authority's calculation of the Rebateable Arbitrage or the amounts to be paid to the United States. In the event that the Public University or the Authority shall not comply with their respective obligations under this Section 4.08, the Trustee shall have no obligation to cause compliance on their respective behalf.

Section 4.09 Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of principal of or redemption premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds shall be a Saturday, a Sunday or a legal holiday or other day that is not a Business Day, then payment of principal, redemption premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 4.10 Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Authority to the Owner thereof for the payment of such Bond, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee, to hold such funds in trust in a separate trust account, uninvested and without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on or with respect to said Bond. Thereupon it shall be the duty of the Trustee to comply with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 et seq. with respect to such funds in accordance with the Trustee's escheat policies and procedures, which must not be in conflict with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 et seq. Any money held by the Trustee pursuant to this Section 4.10 shall be held uninvested and without any liability for interest.

Section 4.11 Reports From Trustee. The Trustee shall furnish monthly to the Authority and the Public University a report on the status of each of the funds and accounts established under this Article which are held by the Trustee, showing at least the balance in each such fund or account as of the first day of the preceding month, the total of deposits to and the total of disbursements from each such fund or account, the dates of such deposits and disbursements, and the balance in each such fund or account on the last day of the preceding month.

Section 4.12 Certain Verifications. The Authority, from time to time, with notice to the Public University, may cause a firm of attorneys, consultants or Independent accountants or an investment banking firm acceptable to the Authority to supply the Authority or the Public University with such information as the Authority or the Public University may request in order to determine in a manner reasonably satisfactory to the Authority or the Public University all matters relating to (a) the Yields on the Bonds as the same may relate to any data or conclusions necessary to verify that the Bonds are not “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code, and (b) compliance with rebate requirements of Section 148(f) of the Internal Revenue Code. Payment for costs and expenses incurred in connection with supplying the foregoing information shall be paid by the Public University. The Authority and the Public University authorize the Trustee to provide to such firm(s) such information as may be required by such firm(s) to make such determinations which the Trustee has maintained on its records pursuant to this Indenture.

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

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

Section 5.02 Investment of Moneys. Moneys held in each of the funds and accounts hereunder shall, pursuant to the written direction of an Authorized Officer of the Authority, be invested and reinvested by the Trustee in accordance with the provisions hereof in Investment Obligations which mature or are subject to redemption by the Owner thereof prior to the date such funds are expected to be needed. Notwithstanding any other provision of this Indenture, if the Trustee fails to receive written directions of the Authority regarding investment of funds pursuant to this Section, moneys held in any fund or account hereunder shall be invested or reinvested in shares of an open-end, diversified investment company which is registered under the Investment Company Act of 1940, as amended, and which invests its assets exclusively in obligations of or guaranteed by the United States of America or any instrumentality or agency thereof, and for which the Trustee may or may not act as the investment manager or advisor. The Trustee may make any investments permitted by this Section through its own or its affiliate's bond department or investment department and may pool moneys for investment purposes, except moneys held in the yield restricted portion of any fund or account, which shall be invested separately. Any such Investment Obligations shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund or account in which such moneys are originally held. The interest accruing on and any profit realized from such Investment Obligations (other than any amounts required to be deposited in the Rebate Fund pursuant to Section 4.08 and amounts required to be transferred from the Project Account of the Construction Fund to the Capitalized Interest Account of the Construction Fund as provided in the next sentence) shall be credited to such fund or account, and any loss resulting from such Investment Obligations shall be charged to such fund or account. The interest accruing on and any profit realized from such Investment Obligations credited to the Project Account of the Construction Fund shall be transferred to the Capitalized Interest Account of the Construction Fund upon receipt. The Trustee shall sell and reduce to cash a sufficient amount of such Investment Obligations whenever the cash balance in such fund or account is insufficient for the purposes of such fund or account. The Trustee shall not be responsible for any loss or decrease in value of the investments made pursuant to this Article V. The Trustee shall not be required to provide brokerage confirmations so long as the Trustee provides periodic statements that include investment activity to the Authority.

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

ARTICLE VI
PARTICULAR COVENANTS AND PROVISIONS

Section 6.01 Special and Limited Obligations. The Bonds and the interest thereon, Swap Payment Obligations, Swap Termination Payment (subject to the immediately succeeding sentence), if any (provided, that Swap Payment Obligations shall be payable equally and ratably with Bond Payment Obligations only to the extent so provided in the applicable Swap Agreement and provided further that Swap Payment Obligations may be subordinate but never prior to Bond Payment Obligations), each in accordance with their terms and the provisions of this Indenture shall be special and limited obligations of the Authority payable (except to the extent paid out of Bond proceeds or the income from the temporary investment thereof and under certain circumstances from insurance proceeds and condemnation awards) solely out of the Basic Lease Payments and other payments derived by the Authority under the Lease Agreement (except for fees and expenses payable to the Authority, the Authority's right to indemnification as set forth in the Lease Agreement and any payments made by the Trustee or the Public University to meet the rebate requirements of Section 148(f) of the Internal Revenue Code) as provided herein, and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners of the Bonds and the Swap Provider, if any, as provided in this Indenture. Swap Termination Payments, if any, shall be secured by the Trust Estate on a wholly subordinate basis to the Bond Payment Obligations and Swap Payment Obligations. Notwithstanding anything to the contrary in the Resolution, the Bonds or this Indenture, the Bond Payment Obligations, Swap Payment Obligations and Swap Termination Payments, if any, shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof other than the Authority (to the limited extent set forth herein) within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit or the taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent set forth herein), and shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to make any appropriation for their payment. The State or any political subdivision thereof other than the Authority (to the limited extent set forth herein) shall not in any event be liable for the payment of the principal of, redemption premium, if any, or interest on the Bonds, Swap Payment Obligations or Swap Termination Payments or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any political subdivision thereof other than the Authority (to the limited extent set forth herein) or any charge upon its general credit or against its taxing power. The Authority has no taxing power.

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

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

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

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

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

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

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

moneys held by the Trustee under this Indenture, the Lease Agreement or otherwise, the Authority or the Public University shall so instruct the Trustee, in writing, and the Trustee shall take such action as shall be set forth in such instructions. The covenants of the Authority contained in the Lease Agreement are fully incorporated herein by reference and are made a part of this Indenture as if fully set forth herein.

Without limiting the generality of the foregoing, the Authority and the Public University agree that there shall be paid from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Internal Revenue Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Bonds from time to time. This covenant shall survive payment in full or defeasance of the Bonds. The Authority and the Public University specifically covenant to pay or cause to be paid to the United States of America at the times and in the amounts determined under Section 4.08 hereof the Rebatable Arbitrage, as described in the Tax Agreement.

Notwithstanding any provision of this Section and Section 4.08 hereof, if the Authority, at the expense of the Public University, shall provide to the Public University and the Trustee an opinion of nationally recognized bond counsel to the effect that any action required under this Section and Section 4.08 hereof is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of interest on the Bonds, the Authority, the Trustee and the Public University may rely conclusively on such opinion.

**ARTICLE VII
DEFAULT AND REMEDIES**

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

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

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

(c) default in the due and punctual payment of any Swap Payment Obligation or any Swap Termination Payment, if any (provided, with respect to such Swap Termination Payment, such default shall not be deemed to occur until the next regularly scheduled payment date if such payment has not been made by such date), when and as the same shall become due and payable;

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

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

(f) a default by either the Authority or the Swap Provider, if any, with respect to any payment obligations or in the observance of any of the other covenants, agreements or conditions or their respective parts under a Swap Agreement.

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

under which Section the Trustee is required to take notice, the Trustee shall, within 30 days, give written notice thereof by first class mail to all Bondowners.

Section 7.02 Acceleration of Maturity in Event of Default. If an Event of Default under Section 7.01(a) or (b) hereof occurs, then, without other further action, all Bonds Outstanding shall become and be immediately due and payable, anything in the Bonds or herein to the contrary notwithstanding. In addition, if any other Event of Default shall have occurred and be continuing, the Trustee may, and if requested by the Owners of not less than 25% in principal amount of the Bonds Outstanding or by the Swap Provider, the Trustee shall by notice in writing delivered to the Authority, the Swap Provider and the Public University, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable; provided that if at any time after the principal of the Bonds then Outstanding shall have so become due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such acceleration or before the completion of the enforcement of any other remedy under this Indenture, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect to which such default shall have occurred, and all arrears of payments of principal when due, as the case may be, and all Swap Payment Obligations and Swap Termination Payments, if any, and all fees and expenses of the Trustee in connection with such default shall have been paid or provided for, then the acceleration of the Bonds then Outstanding and the consequences of such acceleration shall be annulled or rescinded, but no such annulment or rescission shall extend to or affect any subsequent acceleration of the Bonds then Outstanding, or impair any right consequent thereon.

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

Section 7.04 Exercise of Remedies by the Trustee.

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

(b) If an Event of Default shall have occurred and be continuing, and if requested in writing so to do by the Owners of not less than 25% in aggregate principal amount

of Bonds then Outstanding or the Swap Provider, if any, and if indemnified as provided in Section 8.02(e) or Section 8.04, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondowners and the Swap Provider.

(c) All rights of action under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or Swap Agreement, if any, or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall, subject to Section 7.07, be for the equal benefit of all the Owners of the Outstanding Bonds and the Swap Provider.

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

Section 7.06 Right of Bondowners to Direct Proceedings. Except as provided in Section 7.05, the Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, custodian or any other proceedings hereunder, provided that such direction shall not be otherwise than in accordance with the provisions of law and of this

Indenture and provided, further, that the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall determine that the proceedings so directed would involve it in personal liability for which it has not been indemnified.

Section 7.07 Application of Moneys in Event of Default. Any moneys held or received by the Trustee (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys) together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or redemption premium, if any, or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

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

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

Third: To the payment of a Swap Termination Payment, if any; and

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

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

Whenever all of the Bonds and interest thereon have been paid under this Section, all Swap Payment Obligations and Swap Termination Payments, if any, and all fees, expenses and charges of the Trustee and the Authority, including attorneys' fees and expenses, have been paid, and all amounts owing to the United States of America under Section 148 of the Internal

Revenue Code have been paid, any balance remaining in the Debt Service Fund shall be paid to the Public University.

Section 7.08 Remedies Cumulative. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee, the Swap Provider, or to the Bondowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Swap Provider, or to the Bondowners hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every case the Authority, the Public University, the Trustee, the Swap Provider, and the Bondowners shall be restored to their former positions and all rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

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

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

ARTICLE VIII THE TRUSTEE

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

(a) Except during the continuance of an Event of Default,

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent trustee would exercise or use under the circumstances.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(i) this subsection shall not be construed to limit the effect of subsection (a);

(ii) the Trustee shall not be liable for any error of judgment made in good faith by an Authorized Officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

As security for the payment of such compensation, expenses, reimbursements and indemnity under this Section, the Trustee shall be secured under this Indenture by a lien prior to the Bonds, and shall have the right to use and apply any trust moneys held by it under Articles IV and VII except for funds and investments held pursuant to Section 4.08.

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

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

Section 8.06 Resignation and Removal of Trustee.

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

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

(c) If at any time:

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

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

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

(d) The successor Trustee shall give notice of such resignation or such removal of the Trustee and such appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Registered Owners of Bonds as their names and addresses appear in the Bond Register maintained by the Trustee. Each notice shall include the name of the successor Trustee and the address of its Principal Office.

(e) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Sections 8.07 and 8.08.

Section 8.07 Appointment of Successor Trustee. If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Trustee for any cause, the Authority with the written consent of the Public University (so long as no Event of Default and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default hereunder or under the Lease Agreement

has occurred and is continuing) with the written consent of the Owners of a majority in principal amount of Bonds Outstanding (if an Event of Default hereunder or under the Lease Agreement has occurred and is continuing), by an instrument or concurrent instruments in writing delivered to the Authority, the Public University, the Swap Provider, if any, and the retiring Trustee, shall promptly appoint a successor Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a temporary successor to fill such vacancy until a new Trustee shall be so appointed by the Authority or the Bondowners. If a successor Trustee shall be appointed in the manner herein provided, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the retiring Trustee and any temporary successor Trustee appointed by such receiver or trustee. If, within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, no successor Trustee shall have been so appointed and accepted appointment in the manner herein provided, the Authority (so long as no Event of Default hereunder or under the Lease Agreement has occurred and is continuing and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default) or the Owners of a majority in principal amount of Bonds Outstanding may appoint, or the Authority, the Swap Provider, if any, the Public University or the retiring Trustee, at the expense of the Public University, or any Bondowner may petition any State court of competent jurisdiction for the appointment of, a temporary successor Trustee, until a successor shall have been appointed as above provided. The temporary successor so appointed shall immediately and without further act be superseded by any successor Trustee appointed as above provided. Every such successor Trustee appointed pursuant to this Section shall be a bank or national banking association with trust powers or trust company in good standing under the laws of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of this Article.

Section 8.08 Acceptance of Appointment by Successor. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Authority, the Public University and the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee, but, on request of an Authorized Officer of the Authority, the Public University or the successor Trustee, such retiring Trustee shall, upon payment of its fees and charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 8.04 and thereupon, all duties and obligations of the retiring Trustee hereunder shall cease and terminate. Upon request of any such successor Trustee, the Authority shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

Section 8.09 Merger, Consolidation and Succession to Business. Any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any

corporation or association resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article, and shall be vested with all of the title to the whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger or consolidation to such authenticating Trustee may adopt such authentication and deliver such Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

Section 8.10 Designation of Paying Agents. The Trustee is hereby designated and agrees to act as principal Paying Agent for and in respect to the Bonds. The Authority, or the Public University on behalf of the Authority, may cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of the principal of, redemption premium, if any, and interest on the Bonds, or at the Principal Office of said alternate Paying Agents. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and Paying Agent for principal of, redemption premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee and Paying Agent unless a separate Paying Agent or Agents are appointed in connection with the appointment of any successor Trustee.

Section 8.11 Advances by Trustee. If the Public University shall fail to make any payment or perform any of its covenants in the Lease Agreement, the Trustee may (but shall in no case be required), at any time and from time to time, use and apply any moneys held by it under this Indenture, or make advances, to effect payment or performance of any such covenant on behalf of the Public University. All moneys so used or advanced by the Trustee, together with interest at the Prime Rate plus 2%, shall be repaid by the Public University upon demand and such advances shall be secured under this Indenture prior to the Bond Payment Obligations. For the repayment of all such advances the Trustee shall have the right to use and apply any moneys at any time held by it (except the moneys in the Rebate Fund) under this Indenture but no such use of moneys or advance shall relieve the Public University from any default hereunder.

Section 8.12 Notice to Rating Agencies. The Trustee shall promptly give written notice to each Rating Agency by registered or certified mail, postage prepaid, of the occurrence of any of the following events: (a) the appointment of a successor Trustee hereunder, (b) the date that no Bonds remain Outstanding, (c) the Trustee becomes aware of any material change made in this Indenture or the Lease Agreement, (d) any redemption of Bonds pursuant to this Indenture other than mandatory sinking fund redemptions pursuant to Section 3.02(c) hereof, or (e) the acceleration of the Bonds in accordance with Article VII.

Section 8.13 P.L. 2005, c. 92 Covenant. In accordance with P.L. 2005, c. 92, the Trustee covenants and agrees that all services performed under this Indenture shall be performed within the United States of America.

Section 8.14 Compliance with P.L. 2005, c. 51 and Executive Order No. 117. The Trustee represents and warrants that all information, certifications and disclosure statements previously provided in connection with P.L. 2005, c. 51, and Executive Order No. 117 (Corzine, 2008) (“Executive Order 117”), are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority has relied upon the truth of the statements contained therein in engaging the Trustee in connection with the Bonds. The Trustee agrees that it will maintain continued compliance with P.L. 2005, c. 51, Executive Order 117 and any regulations pertaining thereto. The Trustee acknowledges that upon its failure to make required filings thereunder or the making of a contribution prohibited thereunder the Authority may remove the Trustee as trustee under this Indenture and may exercise any remedies afforded to it at law or in equity.

Section 8.15 Compliance with P.L. 2005, c. 271 Reporting Requirements. The Trustee hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (“ELEC”) pursuant to *N.J.S.A. 19:44A-20.13* (P.L. 2005, c. 271, section 3) if the Trustee enters into agreements or contracts, such as this Indenture, with a New Jersey public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from New Jersey public entities, such as the Authority, in a calendar year. It is the Trustee’s responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

Section 8.16 Compliance with N.J.S.A. 52:32-58. The Trustee represents and warrants that it has complied with the requirements of N.J.S.A. 52:32-58 and has filed a certification with the Authority that it is not identified on the list of persons engaging in investment activities in Iran.

ARTICLE IX
SUPPLEMENTAL INDENTURES

Section 9.01 Supplemental Indentures Not Requiring Consent of Bondowners. The Authority and the Trustee may from time to time, without the consent of or notice to any of the Bondowners or the Swap Provider, enter into one or more Supplemental Indentures, for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture or to release property from the Trust Estate which was included by reason of an error or other mistake;

(b) To grant to or confer upon the Trustee for the benefit of the Bondowners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondowners or the Trustee or either of them;

(c) To subject to this Indenture additional revenues, properties or collateral;

(d) To modify, amend or supplement this Indenture or any indenture supplemental thereto in such manner as to permit the qualification of the Indenture under the Trust Indenture Act of 1939, as then amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States;

(e) To conform the provisions of Article IV hereof in order to properly account for the receipts from and payments to a Swap Provider, in accordance with its related Swap Agreement;

(f) To evidence the appointment of a separate Trustee or the succession of a new Trustee hereunder; or

(g) To make any other change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondowners or Swap Provider (in making such determination, the Trustee shall be entitled to rely conclusively upon an opinion of bond counsel).

Section 9.02 Supplemental Indentures Requiring Consent of Bondowners. With the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, the consent of the Swap Provider (so long as a Swap Agreement is in effect and the Swap Provider is not then in default under its payment obligations thereunder), the Authority and the Trustee may from time to time enter into such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary or desirable by the Trustee for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided that nothing in this Section contained shall permit or be construed as permitting without the consent of the Owners of all of the Bonds then Outstanding:

(a) an extension of the maturity of the principal of or the scheduled date of payment of interest on any Bond, or

(b) a reduction in the principal amount, redemption premium, or any interest payable on any Bond, or

(c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or

(d) a reduction in the aggregate principal amount of Bonds the Owners of which are required for consent to any such Supplemental Indenture.

If at any time the Authority shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed by first-class mail to each Bondowner. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondowners. If within 60 days or such longer period as shall be prescribed by the Authority following the mailing of such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 9.03 Public University's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, so long as the Public University is not in default under the Lease Agreement, a Supplemental Indenture under this Article which affects any rights of the Public University shall not become effective unless and until the Public University shall have consented in writing to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture, together with a copy of the proposed Supplemental Indenture, to be mailed by first-class mail to the Public University at least 15 days prior to the proposed date of execution and delivery of any such Supplemental Indenture.

Section 9.04 Opinion of Bond Counsel. Notwithstanding anything to the contrary in Sections 9.01 or 9.02, concurrently with the entry by the Authority and the Trustee into any Supplemental Indenture pursuant to Section 9.01 or 9.02, there shall have been delivered to the Authority, the Swap Provider and the Trustee an opinion of bond counsel. The Trustee may conclusively rely on such opinion when consenting to such Supplemental Indenture, which shall, in addition to its other elements, opine to the effect that such Supplemental Indenture is permitted under this Article IX and is duly authorized, validly executed and delivered and is legally valid and binding upon the Authority.

ARTICLE X
SUPPLEMENTAL LEASE AGREEMENTS

Section 10.01 Supplemental Lease Agreements Not Requiring Consent of Bondowners. The Authority and the Trustee may, without the consent of or notice to the Bondowners or the Swap Provider, consent to the execution of any Supplemental Lease Agreement by the Authority and the Public University as may be required:

(a) For the purpose of curing any ambiguity or formal defect or omission in the Lease Agreement, or

(b) For the purpose of modifying the scope of the Series 2017 B Project, the Leased Facilities and/or the Leased Facilities Site in accordance with the Lease Agreement, or

(c) In connection with any other change therein which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondowners or Swap Provider (in making such determination, the Trustee shall be entitled to rely conclusively upon an opinion of bond counsel).

Copies of any amendments, changes or modification of the Lease Agreement as provided in this Section must be provided to each Rating Agency by the Trustee.

Section 10.02 Supplemental Lease Agreements Requiring Consent of Bondowners. With the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding and with the consent of the Swap Provider (so long as a Swap Agreement is in effect and the Swap Provider is not then in default under its payment obligations thereunder), the Authority and the Trustee may consent to the execution of any Supplemental Lease Agreements by the Authority and the Public University; provided that no such Supplemental Lease Agreement shall be entered into which permits without the consent of the Owners of all of the Bonds then Outstanding (a) an extension of the date of payment of any Basic Lease Payment under Section 4.05 of the Lease Agreement, or (b) a reduction in the amount of any Basic Lease Payment under Section 4.05 of the Lease Agreement.

If at any time the Authority and the Public University shall request the consent of the Trustee to any such proposed Supplemental Lease Agreement, the Trustee shall cause notice of such proposed Supplemental Lease Agreement to be mailed in the same manner as provided by Section 9.02 with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed Supplemental Lease Agreement and shall state that copies of the same are on file at the Principal Office of the Trustee for inspection by all Bondowners.

Copies of any amendments, changes or modification of the Lease Agreement as provided in this Section must be provided to each Rating Agency by the Trustee.

Section 10.03 Opinions. Anything to the contrary in Sections 10.01 or 10.02 notwithstanding, concurrently with the entry by the Authority and the Public University into any Supplemental Lease Agreement, there shall have been delivered to the Authority, the Swap Provider and the Trustee an opinion of bond counsel; which shall, in addition to its other elements, opine to the effect that such Supplemental Lease Agreement is permitted under this

Article X and is duly authorized, validly executed and delivered and is legally valid and binding upon the Authority, and an Opinion of Counsel to the effect that such Supplemental Lease Agreement is duly authorized, validly executed and delivered and is legally valid and binding upon the Public University.

ARTICLE XI
SATISFACTION AND DISCHARGE OF INDENTURE

Section 11.01 Bonds Deemed To Be Paid. Any Bond or Bonds shall be deemed to be paid and no longer Outstanding under this Indenture and shall cease to be entitled to any lien, benefit or security under this Indenture if the Authority shall pay or provide for the payment of such Bond or Bonds in any one or more of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on such Bond or Bonds, as and when the same become due and payable;

(b) by delivering and surrendering to the Trustee, for cancellation by it, such Bond or Bonds; or

(c) by depositing with the Trustee, in trust, (i) cash or noncallable Government Obligations or both in such amounts and with maturities which will be, together with other moneys deposited therein and together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bond or Bonds at or before their respective maturity dates and to pay the interest thereon as it comes due, and (ii) in the case of Bonds which do not mature or will not be redeemed within 90 days of the deposit referred to in clause (i) above, a verification report of a nationally recognized Independent Certified Public Accountant or a nationally recognized firm providing verification services as to the adequacy of the trust funds to fully pay the Bonds deemed to be paid. For purposes of this subsection (c), Government Obligations shall mean and include only those investments of the type identified in paragraph A of the "List of Investment Securities", as contained in Exhibit B attached hereto, which shall not be subject to redemption prior to their maturity.

Notwithstanding the foregoing, in the case of any Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (c) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed prior to their respective stated maturities, proper notice of such redemption shall have been given in accordance with Article III or irrevocable instructions shall have been given to the Trustee to give such notice.

Notwithstanding any provisions of any other Section of this Indenture which may be contrary to this Section, all moneys or Government Obligations set aside and held in trust pursuant to this Section for the payment of Bonds (including redemption premium thereon, if any) shall be held irrevocably in trust for the Owners of such Bonds and applied to and used solely for the payment of the particular Bonds (including redemption premium thereon, if any) with respect to which such moneys and Government Obligations have been so set aside in trust.

Section 11.02 Satisfaction and Discharge of the Indenture. If the principal of, redemption premium, if any, and interest on all of the Bonds shall have been paid in accordance with their terms, or provision has been made for such payment as provided in Section 11.01, and provision shall also be made for paying all other sums payable hereunder, including the payment

of all Swap Payment Obligations and Swap Termination Payments, if any, any Rebutable Arbitrage to the United States of America, and the fees, charges and expenses of the Authority, the Trustee, any Paying Agent, including attorneys' fees and expenses, to the date of retirement of the Bonds, then the right, title and interest of the Trustee in respect hereof shall thereupon cease, determine and be void, and thereupon the Trustee, upon Written Request of the Public University, and upon receipt by the Trustee, the Swap Provider and the Authority of a favorable opinion of bond counsel, which shall, in addition to its other elements, opine that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall cancel, discharge and release this Indenture and shall execute, acknowledge and deliver to the Authority, the Swap Provider and the Public University such instruments of satisfaction and discharge or release as shall be reasonably requested to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the Authority, the Public University, the Swap Provider or other Person entitled thereto as their respective interests may appear, any property and revenues at the time subject to this Indenture which may then be in its possession, other than moneys or obligations held by the Trustee for the payment of the principal of and interest and redemption premium, if any, due or to become due on the Bonds.

Upon provision for the payment of all Outstanding Bonds in accordance with this Section, and compliance with the other payment requirements of Section 11.01, and subject to this Section, the Indenture may be discharged in accordance with the provisions hereof, provided that the obligation of the Authority in respect of such Bonds shall nevertheless continue but the Owners thereof shall thereafter be entitled to payment only out of the moneys or Government Obligations deposited with the Trustee as aforesaid.

Provision for payment of the Bonds Outstanding hereunder may not be made as aforesaid nor may this Indenture be discharged if under any circumstances the interest on such Bonds is thereby made subject to federal income taxation. In determining the foregoing, the Trustee may conclusively rely upon a favorable opinion of bond counsel.

Section 11.03 Payment of Bonds After Discharge. Notwithstanding the discharge of the lien hereof as in this Article provided, the Trustee shall nevertheless retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer, exchange and replacement of Bonds as provided herein. Thereupon it shall be the duty of the Trustee to comply with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 et seq. with respect to such funds in accordance with the Trustee's escheat policies and procedures, which must not be in conflict with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 et seq. Any such delivery shall be in accordance with the customary practices and procedures of the Trustee and the State escheat laws. Any money held by the Trustee pursuant to this Section 11.03 shall be held uninvested and without any liability for interest.

**ARTICLE XII
MISCELLANEOUS PROVISIONS**

Section 12.01 Consents and Other Instruments by Bondowners. Any consent, request, direction, approval, objection or other instrument required by this Indenture (other than the assignment of any Bond) to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such instrument acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds owned by the Public University shall be disregarded and deemed not to be Outstanding under this Indenture, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds with respect to which the Trustee has received written notice of such ownership shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Public University.

Section 12.02 Limitation of Rights Under this Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied by this Indenture or the Bonds is intended or shall be construed to give any Person other than the parties hereto, the Paying Agent, the Bond Registrar, the Swap Provider and the Owners of the Bonds, any right, remedy or claim under or in respect to this Indenture, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Paying Agent, the Bond Registrar, the Swap Provider and the Owners of the Bonds as herein provided. To the extent that this Indenture confers upon or gives or grants to the Swap Provider any right, remedy or claim under or by reason of this Indenture, the Swap Provider is hereby explicitly recognized as being a third-party beneficiary hereunder and may give notice to the Trustee or the Authority or any applicable receiver of the occurrence of an Event of Default hereunder, request the Trustee or receiver to intervene in judicial proceedings that affect the Bonds or any Swap Agreement or the security therefor, or

enforce any such right, remedy or claim conferred, given or granted hereunder or thereunder, and the Trustee or receiver shall accept notice of default from the Swap Provider.

Section 12.03 Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by this Indenture to be given to or filed with the Authority, the Trustee, the Swap Provider or the Public University if the same shall be duly mailed by certified or registered mail addressed (provided that notice to the Trustee shall be effective only upon receipt):

(a) To the Authority at:

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540-6612
Attention: Executive Director

(b) To the Trustee at:

U.S. Bank National Association
21 South Street, 3rd Floor
Morristown, New Jersey 07960
Attention: Corporate Trust Department

(c) To the Public University at:

The William Paterson University of New Jersey
300 Pompton Road
Wayne, New Jersey 07470
Attention: Vice President for Administration and Finance

All notices, demands, directions and requests to the Trustee shall be in writing unless expressly stated herein.

It shall be sufficient service of any notice, request, complaint, demand or other paper permitted or required by this Indenture to be given or filed with the Bondowners if the same is duly mailed by first-class mail, postage prepaid, addressed to each of the Bondowners at the time Outstanding at the addresses shown by the Bond Register. Neither the failure to receive such notice, nor any defect in any notice so mailed, to any particular Bondowner shall affect the sufficiency of such notice with respect to other Bondowners. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Bondowners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

The Trustee is hereby instructed to give notice to any Rating Agency then maintaining a rating on the Bonds if (i) the Trustee resigns or is removed, or a new Trustee is appointed, (ii) there is a call for the redemption of all Bonds, (iii) all of the Bonds are defeased in

accordance with Article XI, or (iv) any amendment is made to this Indenture or the Lease Agreement.

Section 12.04 Suspension of Mail Service. If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of the Authority shall constitute a sufficient notice.

Section 12.05 Immunity of Officers, Employees and Members of Authority. No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained against any past, present or future officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of such Bonds.

Section 12.06 Limitation on Authority Obligations. Any other term or provision in this Indenture, the Lease Agreement, the Tax Agreement or any other Bond Document to the contrary notwithstanding:

(a) Any and all obligations (including fees, claims, demands, payments, damages, liabilities, penalties, assessments and the like) of or imposed upon the Authority or its members, officers, agents, employees, representatives, advisors or assigns, whether under this Indenture or any of the Bond Documents or elsewhere and whether arising out of or based upon a claim or claims of tort, contract, misrepresentation, or any other or additional legal theory or theories whatsoever (collectively the "Obligations"), shall in all events be absolutely limited obligations and liabilities, payable solely out of the following, if any, available at the time the Obligation in question is asserted:

(i) Bond proceeds and investments therefrom; and

(ii) Payments derived from the Bonds, the Indenture (including the Trust Estate to the extent provided in this Indenture) and the Lease Agreement (except for the fees and expenses of the Authority and the Authority's right to indemnification under the Lease Agreement under certain circumstances),

The above provisions (i) and (ii) being collectively referred to as the "exclusive sources of the Obligations".

(b) The Obligations shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein) within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit or taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein), but shall be payable solely from and out of the exclusive sources of the Obligations and shall otherwise

impose no liability whatsoever, primary or otherwise, upon or any charge upon the general credit or taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein). The Authority has no taxing power.

(c) In no event shall any member, officer, agent, employee, representative or advisor of the Authority, or any successor or assign of any such Person or entity, be liable, personally or otherwise, for any Obligation.

(d) In no event shall this Indenture be construed as:

(i) depriving the Authority of any right or privilege; or

(ii) requiring the Authority or any member, officer, agent, employee, representative or advisor of the Authority to take or omit to take, or to permit or suffer the taking of any action by itself or by anyone else,

which deprivation or requirement would violate or result in the Authority's being in violation of the Act or any other applicable State or federal law.

(e) At no time and in no event will the Public University permit, suffer or allow any of the proceeds of the Bonds to be transferred to any Person in violation of, or to be used in any manner which is prohibited by, the Act or any other State or federal law.

Section 12.07 Severability. If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this Indenture contained shall not affect the remaining portions of this Indenture, or any part thereof.

Section 12.08 Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.09 The Swap Provider as Third Party Beneficiary. In furtherance of the rights granted under Section 12.02 hereof, to the extent that this Indenture confers upon or gives or grants to the Swap Provider any right, remedy or claim under or by reason of this Indenture, the Swap Provider is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy, or claim conferred, given or granted hereunder. In the event that there is no Swap Provider, such terms shall be disregarded in this Indenture.

Section 12.10 Governing Law. This Indenture shall be governed exclusively by and construed in accordance with the laws of the State without regard to conflict of laws principles.

IN WITNESS WHEREOF, the Authority has caused these presents to be signed in its name and behalf by its duly Authorized Officer, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf by its duly Authorized Officer, all as of the day and year first above written.

**NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY**

By: _____
Jeremy A. Spector, Executive Director

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

By: _____
Paul D. O'Brien, Vice President

Acknowledged and Accepted:

THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY

By: _____
Frederick L. Gruel
Chair

**EXHIBIT A
TO TRUST INDENTURE**

(FORM OF BOND)

Unless this bond is presented by an authorized representative of The Depository Trust Company to the Authority or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the Registered Owner hereof, Cede & Co., has an interest herein.

Registered
No. R-

Registered
\$ _____

**UNITED STATES OF AMERICA
STATE OF NEW JERSEY**

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

REVENUE BONDS,

THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY ISSUE, SERIES 2017 B

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
	July 1, 20__	September __, 2017	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, a public body corporate and politic of the State of New Jersey (herein called the "Authority"), for value received, promises to pay, but solely from the sources hereinafter referred to, to the Registered Owner specified above, or registered assigns, the Principal Amount specified above 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 determined as described herein and in the Indenture hereinafter referred to from the Dated Date specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date as described in the Trust Indenture dated as of September 1, 2017 (said Trust Indenture, as may be amended and supplemented from time to time in accordance with the provisions thereof, being herein called the "Indenture"),

between the Authority and U.S. Bank National Association, as Trustee (the "Trustee"), until said Principal Amount is paid.

Method of Payment. The principal of and interest on this Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of and redemption premium, if any, on this Bond shall be payable by check or draft to the Registered Owner at the maturity or redemption date hereof upon presentation and surrender of this Bond at the Principal Office of the Trustee. The interest payable on this Bond on any Interest Payment Date shall be paid by the Trustee to the Registered Owner appearing on the registration books of the Authority (the "Bond Register") maintained by the Trustee, as Bond Registrar, at the close of business on the Record Date next preceding such Interest Payment Date and shall be paid (i) by check or draft of the Trustee mailed on the applicable Interest Payment Date to such Registered Owner at his address as it appears on such Bond Register or at such other address furnished in writing by such Registered Owner to the Trustee or (ii) by electronic transfer in immediately available funds, if the Bonds are held by The Depository Trust Company or another securities depository, or at the written request addressed to the Trustee by any Owner of Bonds in the aggregate principal amount of at least \$1,000,000 such request to be signed by such Owner, containing the name of the bank (which shall be in the continental United States), its address, its ABA routing number, the name and account number to which credit shall be made and an acknowledgment that an electronic transfer fee is payable, and to be filed with the Trustee no later than ten Business Days before the applicable Record Date preceding such Interest Payment Date.

Authorization. This Bond is one of a duly authorized series of bonds of the Authority designated "New Jersey Educational Facilities Authority Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2017 B" in the aggregate principal amount of \$_____ (the "Bonds"). The Bonds are issued for the purpose of providing funds to The William Paterson University of New Jersey (herein called the "Public University") to finance a project (collectively, the "Project") consisting of: (i) the financing of a portion of a capital project consisting of the construction and equipping of a new residence hall for the Public University, including site improvements and other costs related thereto on its campus in Wayne, New Jersey; (ii) funding capitalized interest on a portion of the Bonds (defined below), if any; and (iii) paying certain costs incidental to the issuance and sale of the Bonds, all as presented, submitted and approved by the Public University's Board of Trustees, all by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and statutes of the State of New Jersey, including particularly the New Jersey Educational Facilities Authority Law constituting Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented, *N.J.S.A. 18A:72A-1 et seq.* (the "Act") and pursuant to a resolution adopted by the Authority on July 25, 2017. The funding will be made pursuant to the Lease and Agreement, dated as of September 1, 2017 (said Lease Agreement, as may be amended and supplemented from time to time in accordance with the provisions thereof, being herein called the "Lease Agreement"), by and between the Authority and the Public University.

Security. The Bonds are issued under and are equally and ratably secured and entitled to the protection given by the Indenture pursuant to which the rights of the Authority under the Lease Agreement (other than its rights to payment of fees and expenses and indemnification) are

pledged and assigned by the Authority to the Trustee as security for the Bonds. Reference is hereby made to the Indenture for a description of the property pledged and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security for the Bonds, and the rights, duties and obligations of the Authority, the Trustee and the Owners of the Bonds, and a description of the terms upon which the Bonds are issued and secured, upon which provision for payment of the Bonds or portions thereof and defeasance of the lien of the Indenture with respect thereto may be made and upon which the Indenture may be deemed satisfied and discharged prior to payment of the Bonds. Capitalized terms not defined herein are used with the meanings given to them in the Indenture.

Pursuant to the Lease Agreement, Lease Payments sufficient for the prompt payment when due of the principal of, redemption premium, if any, and interest on the Bonds are to be paid by the Public University directly to the Trustee for the account of the Authority and deposited in a special account created by the Indenture and designated the "New Jersey Educational Facilities Authority Debt Service Fund, The William Paterson University of New Jersey Series 2017 B" and all Lease Payments under the Lease Agreement have been duly pledged and assigned to the Trustee for that purpose.

Interest Rates. The Bonds shall bear interest from the most recent Interest Payment Date next preceding the date of such Bonds to which interest has been paid, unless the date of such Bond is an Interest Payment Date, in which case interest shall be payable from such date, or unless the date of such Bond is prior to the first Interest Payment Date of the Bonds, in which case interest shall be payable from the Dated Date of the Bonds, or unless the date of such Bond is between a Record Date, and the next succeeding Interest Payment Date, in which case from such Interest Payment Date. The amount of interest payable with respect to any Bonds on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months.

Redemption. The Bonds are subject to optional, extraordinary optional and mandatory sinking fund redemption prior to their stated maturity as provided in the Indenture.

Limitation on Rights; Acceleration; Modifications. The Owner of this Bond shall have no right to enforce the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Bonds or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

Special and Limited Obligations. The Bonds and the interest thereon are special and limited obligations of the Authority payable solely out of Basic Lease Payments derived by the Authority under the Lease Agreement and the Trust Estate and are secured by a pledge and assignment of the Basic Lease Payments and the Trust Estate. The Bonds shall never constitute a debt or liability of the State of New Jersey or of any political subdivision thereof other than the Authority (to the limited extent as set forth in the Indenture) within the meaning of any State

constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit or the taxing power of the State or any political subdivision thereof other than the Authority (to the limited extent as set forth in the Indenture) but shall be payable solely from the funds provided for in the Lease Agreement and in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to make any appropriation for their payment. The State or any political subdivision thereof other than Authority (to the limited extent as set forth in the Indenture) shall not in any event be liable for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon or any charge upon the general credit or taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth in the Indenture). The Authority has no taxing power.

No Recourse. No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future officer, director, member, employee or agent of the Authority, or any incorporator, officer, director, member, trustee, employee or agent of any successor corporation or body politic, as such, either directly or through the Authority or any successor corporation or body politic, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, trustees, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance of any of the Bonds.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY has caused this Bond to be executed in its name by the manual or facsimile signature of its Chair, Vice Chair, Executive Director or Deputy Executive Director and attested by the manual or facsimile signature of its Executive Director (provided that this Bond is not executed by the Executive Director), Secretary, an Assistant Secretary or Assistant Treasurer, including those serving in an interim or acting capacity, and its official common seal or a facsimile thereof to be affixed or imprinted hereon, all as of the Dated Date specified above.

(SEAL)

**NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY**

By: _____

ATTEST:

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Indenture.

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

By: _____
Authorized Signatory

Date of Authentication:

(FORM OF ASSIGNMENT)

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

(Please Print or Typewrite Name, Address and Social Security
Number or Taxpayer Identification Number of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney

to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution as defined by SEC Rule 17Ad-15 (12 CFR 240.17Ad-15) or any similar rule which the Trustee deems applicable)

By: _____

Title: _____

**EXHIBIT A
TO TRUST INDENTURE**

LIST OF INVESTMENT OBLIGATIONS

Investment Types

- A. U.S. Treasury and other government obligations that carry the full faith and credit guarantee of the United States for the payment of principal and interest.
- B. Federal Agency or U.S. government sponsored enterprises (GSE) obligations, participations or other instruments.
- C. Bonds or notes issued by any state or municipality.
- D. Negotiable bank certificates of deposit, deposit notes or other deposit obligations issued by a nationally or state chartered bank, credit union or savings association, or by a federally or state-licensed branch of a foreign bank or financial institution.
- E. Commercial paper.
- F. Corporate bonds and medium term notes.
- G. Asset-backed securities.
- H. Investment agreements or guaranteed investment contracts (GICs).
- I. Certificates of deposit of any bank, savings and loan or trust company organized under the laws of the United States or any state thereof, including the trustee or any Holder of the Bonds, provided that such certificates of deposit shall be fully collateralized (with a prior perfected security interest), to the extent they are not insured by the Federal Deposit Insurance Corporation (FDIC), by Investment Obligations described in (A) and (B) above having a market value at all times equal to the uninsured amount of such deposit.
- J. Repurchase agreements that meet the following requirements:
 - a. Must be governed by a written SIFMA Master Repurchase Agreement which specifies securities eligible for purchase and resale, and which provides the unconditional right to liquidate the underlying securities should the counterparty default or fail to provide full timely repayment.
 - b. Counterparty must be a Federal Reserve Bank, a Primary Dealer as designated by the Federal Reserve Bank of New York, or a nationally chartered commercial bank.
 - c. Securities underlying repurchase agreements must be delivered to a third party custodian under a written custodial agreement that may be of deliverable or tri-

party form. Securities must be held in the Authority's custodial account or in a separate account in the name of the Authority.

- d. Acceptable underlying securities include only securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States, including U.S. Agency-issued mortgage-backed securities.
- e. Underlying securities must have an aggregate current market value, including accrued interest, of at least 102% (or 100% if the counterparty is a Federal Reserve Bank) of the purchase price plus current accrued price differential at the close of each business day.

K. Shares in open-end and no-load money market mutual funds that are backed by U.S. government securities, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7.

L. New Jersey Cash Management Fund.

Collateralization

All demand deposits, time deposits, and certificates of deposit shall be collateralized for amounts over and above Federal Deposit Insurance Corporation coverage. All collateral shall be permitted investments as set out in the below chart. There shall be a written custodial agreement that, among other things, specifies the circumstances under which collateral may be substituted. The Authority should not accept a pledge of a proportionate interest in a pool of collateral. The market value and accrued interest of collateral should, at least, equal the value of the investment and any accrued interest at all times. The recorded value of collateral backing any investment should be compared with current market values (mark-to-market) at the time of the initial investment and monthly thereafter to be certain that it continues to be at least equal to the value of the investment plus accrued interest. The mark-to-market reviews should use "bid" prices from a constant source.

Investment Parameters

Sector Type	Sector Max (%)	Issuer Max (%)	Minimum Ratings Requirement ¹	Max Maturity
US Treasury	100%	N/A	N/A	10 Years
Federal Agency	25%	5%	N/A	10 Years
Municipals	25%	5%	Two Highest LT Rating Categories (AA-/Aa3/AA-)	10 Years
Negotiable CDs	50% in aggregate ²	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Commercial Paper		5%	Highest ST Rating Category (A-1/P-1/F-1)	270 Days
Corporate Bonds & Medium Term Notes		5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years

Asset Backed Securities	20%	5%	Highest LT Rating (AAA/Aaa/AAA)	10 Year Avg. Life
Certificates of Deposit	25%	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Repurchase Agreements	20%	5%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the highest ST Rating category (A-1/P-1/F-1). If the counterparty is a Federal Reserve Bank, no rating is required.	90 Days
Government Money Market Funds	100%	25%	Highest rating by all NRSROs who rated the fund (AAAm or equivalent)	N/A
New Jersey Cash Management Fund	100%	N/A	N/A	N/A
¹ Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("NRSRO"), unless otherwise noted. In the case of split-rated issuers, the lowest rating shall prevail. ST= Short-term; LT=Long-term. ² Funds invested in the credit sector may exceed the 50% target only with the written permission of NJEFA and the borrowing institution.				

In addition, the diversification parameters for investment agreements or guaranteed investment contracts ("GICs") are as follows:

- Investment agreements or GICs with any financial institution whose senior long term debt obligations, or whose obligations under such an investment agreement or GIC are guaranteed by a financial institution whose senior long term debt obligations, have a rating (at the time the agreement or contract is entered into) of "Aa3" or higher by Moody's and "AA-" or higher by S&P.

This Preliminary Official Statement and certain of the information contained herein is in a form deemed final for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (except for the omission of certain information permitted to be omitted under Rule 15c2-12(b)(1)). The information herein is subject to revision, completion or amendment in a final Official Statement. The Series 2017 Bonds may not be sold, nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

CONNELL FOLEY, LLP
DATED: July 24, 2017

Preliminary Official Statement Dated August __, 2017

NEW ISSUE
BOOK-ENTRY ONLY

RATINGS: See "RATINGS" herein

In the opinion of Bond Counsel, assuming continuing compliance with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") applicable to the Series 2017 Bonds and subject to certain provisions of the Code which are described herein, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Series 2017 Bonds, interest received by a holder of the Series 2017 Bonds will be excludable from gross income for federal income tax purposes and will not be treated as a preference item for purposes of the alternative minimum tax imposed on individuals or corporations; however, such interest is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax on such corporations. However, interest on the Series 2017 Bonds may become taxable retroactively if certain requirements under the code are not complied with. Under the laws of the State of New Jersey, as enacted and construed on the date of the original delivery of the Series 2017 Bonds, interest on the Series 2017 Bonds and gain from the sale thereof is excludable from gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein for a description of certain other provisions of the Code that may affect the federal tax treatment of interest on the Series 2017 Bonds.



§ _____ *

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS,
THE WILLIAM PATERSON UNIVERSITY
OF NEW JERSEY ISSUE, SERIES 2017 B**



Dated: Date of Delivery

Due: July 1, as shown on the inside cover

The New Jersey Educational Facilities Authority (the "Authority") § _____ * Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2017 B (the "Series 2017 Bonds") are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Series 2017 Bonds. Individual purchases of the Series 2017 Bonds will be made in book-entry form, in denominations of \$5,000 and any integral multiple of \$1,000 in excess thereof. Purchasers ("Beneficial Owners") will not receive certificates representing their interest in Series 2017 Bonds purchased. So long as DTC or its nominee is the registered owner of the Series 2017 Bonds, payments of principal, of redemption premium, if any, and interest on the Series 2017 Bonds will be made by U.S. Bank National Association, Morristown, New Jersey, as trustee (the "Trustee"), directly to DTC. Disbursements of such payments to the DTC participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of the DTC participants and the indirect participants. See "DESCRIPTION OF THE SERIES 2017 BONDS -- Book-Entry-Only System" herein.

Interest on the Series 2017 Bonds will be payable on January 1 and July 1 of each year until maturity or earlier redemption, commencing on January 1, 2018.

The Series 2017 Bonds are subject to redemption prior to maturity as described herein.

The Series 2017 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 of the Authority adopted July 25, 2017 (the "Resolution") and a Trust Indenture dated as of September 1, 2017 by and between the Authority and the Trustee (the "Indenture"). The Series 2017 Bonds are being issued to finance, together with other available funds: (i) the construction and equipping of a new residence hall for the hereinafter - defined University, including site improvements and other costs related thereto on its campus in Wayne, New Jersey (the "Project Facilities"), (ii) the funding of capitalized interest on the Series 2017 Bonds, if any, and (iii) the payment of certain costs incidental to the issuance and sale of the Series 2017 Bonds (collectively, the "Project").

The principal and redemption premium, if any, and of interest on the Series 2017 Bonds are payable solely from payments to be received by the Authority pursuant to a Lease and Agreement dated as of September 1, 2017 (the "Agreement") by and between the Authority and The William Paterson University of New Jersey (the "University") and from funds and accounts held by the Trustee under the Indenture.

THE SERIES 2017 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR ANY OTHER 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 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 SERIES 2017 BONDS" HEREIN FOR A DESCRIPTION OF THE SECURITY FOR THE SERIES 2017 BONDS.

This cover page contains certain information for quick reference only. It is not intended to be a summary of this issue. 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 Series 2017 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 decision in the Series 2017 Bonds.

The Series 2017 Bonds are offered when, as and if issued by the Authority, subject to prior sale, withdrawal or modification of the offer without notice and the approval of their legality by GluckWalrath LLP, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Connell Foley, LLP, Jersey City, New Jersey. The Series 2017 Bonds are expected to be available for delivery to DTC in New York, New York on or about September __, 2017.

CITIGROUP

Dated: August __, 2017

*Preliminary, subject to change

\$ _____ *

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS,
THE WILLIAM PATERSON UNIVERSITY
OF NEW JERSEY ISSUE, SERIES 2017 B**

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES,
YIELDS AND CUSIPS**

<u>Maturity</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP No.**</u>
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\$ _____ % Term Bond due July 1, _____, Yield _____%, Price _____, CUSIP No. _____

* Priced at the stated yield to the first optional redemption date of July 1, 2027 at a redemption price of 100%.

** Registered trademark of American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the Series 2017 Bonds and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2017 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2017 Bonds.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2017 BONDS, THE SUCCESSFUL BIDDERS MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2017 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE SERIES 2017 BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

The purchase of the Series 2017 Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Series 2017 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 Series 2017 Bonds.

The information contained herein relating to the Authority under the headings, "THE AUTHORITY" and "LITIGATION - The Authority", has been obtained from the Authority (as hereinafter defined). All other information herein has been obtained by the Underwriter (as hereinafter defined) from the University (as hereinafter defined), the Underwriter and other sources deemed by the Underwriter to be reliable, and is not to be construed as a representation of the Authority or the Underwriter. 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".

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.

The information herein is 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 change in the affairs of the Authority or the University since the date hereof.

No dealer, broker, salesman or other person has been authorized by the New Jersey Educational Facilities Authority (the "Authority") or The William Paterson University of New Jersey (the "University") to give any information or to make any representations with respect to the Series 2017 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 Series 2017 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 Series 2017 Bonds have not been registered under the Securities Act of 1933, as amended, and neither the Resolution nor the Indenture has been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such federal laws. In making an investment decision, investors must rely upon their own examination of the Series 2017 Bonds and the security therefore, including an analysis of the risk involved. The Series 2017 Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the Series 2017 Bonds in accordance with applicable provisions of securities laws of the various jurisdictions in which the Series 2017 Bonds have been registered or qualified and the exemption from registration or qualification in the various jurisdictions cannot be regarded as a recommendation thereof. Neither such jurisdictions nor any of their agencies have passed upon the merits of the Series 2017 Bonds or the 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, agreements, 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 Series 2017 Bonds and may not be reproduced or used, in the whole or in part, for any other purpose.

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.

Any obligations of the Underwriter are its sole obligation and do not create any obligations on the part of any affiliate of the Underwriter, including any affiliated banks. Securities sold, offered or ended by the Underwriter are not deposits, are not insured by the Federal Deposit Insurance Corporation, guaranteed by any affiliated banks of the Underwriter and are not otherwise an obligation or responsibility of any such affiliated banks.

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

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.

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NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

OFFICIAL STATEMENT

§ _____*

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS,
THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY ISSUE,
SERIES 2017 B**

INTRODUCTORY STATEMENT

General

The purpose of this Official Statement (the “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, The William Paterson University of New Jersey Issue, Series 2017 B (the “Series 2017 Bonds” or the “Bonds”). The Series 2017 Bonds are being issued pursuant to (i) the Act (as defined herein); (ii) a Resolution adopted by the Authority on July 25, 2017 (the “Resolution”); and (iii) a Trust Indenture dated as of September 1, 2017 (the “Indenture”) by and between the Authority and U.S. Bank National Association, as trustee for the Series 2017 Bonds (the “Trustee”). The Series 2017 Bonds are being issued and will bear interest at the rates set forth on the inside front cover and shall be payable as set forth herein. See “SECURITY FOR THE SERIES 2017 BONDS” herein. The Series 2017 Bonds will be subject to optional, extraordinary optional and mandatory sinking fund redemption prior to maturity as described herein. See “DESCRIPTION OF THE SERIES 2017 BONDS – Redemption” herein. Capitalized terms used herein but not defined herein shall have the terms ascribed to them in “APPENDIX C – FORM OF CERTAIN LEGAL DOCUMENTS” attached hereto.

The information contained in this Official Statement has been prepared under the direction of the Authority for use in connection with the sale and delivery of the Series 2017 Bonds.

Authority for Issuance

The Series 2017 Bonds are being 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 bonds, notes and other obligations to obtain funds to finance an eligible educational facility as such may be required or convenient for the purpose of a public or private participating institution of higher education, such as The William Paterson University of New Jersey, located in Wayne, New Jersey, organized and existing under and by virtue of the laws of the State of New Jersey (hereinafter referred to as the “University”). For information concerning the University, see “APPENDIX A – CERTAIN INFORMATION REGARDING THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY” hereto, and “APPENDIX B – AUDITED FINANCIAL STATEMENTS OF

THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY AS OF AND FOR THE YEARS ENDED JUNE 30, 2016 AND 2015” hereto.

Purpose

The Series 2017 Bonds are being issued to provide funds to finance, together with other available funds: (i) the construction and equipping of a new residence hall for the University, including site improvements and other costs related thereto on its campus in Wayne, New Jersey (the “Project Facilities”), (ii) the funding of capitalized interest on the Series 2017 Bonds, if any, and (iii) the payment of certain costs incidental to the issuance and sale of the Series 2017 Bonds (collectively, the “Project”). See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

Certain Outstanding Obligations

The University has repayment obligations in respect of various bonds of the Authority issued for the benefit of the University, and certain other capital leases. All of such repayment obligations are general obligations of the University payable from any legally available funds of the University. The Authority may from time to time in the future issue other series of its revenue bonds to finance or refinance projects of the University. See “SECURITY FOR THE BONDS – Certain Outstanding Obligations” and “Appendix A – THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY– INDEBTEDNESS” herein.

Security

The Series 2017 Bonds are special and limited obligations of the Authority payable solely from amounts paid by the University under the Agreement (as defined herein) and from certain funds and accounts held under the Indenture. See “SECURITY FOR THE SERIES 2017 BONDS – General” herein.

Pursuant to a Lease and Agreement, dated as of September 1, 2017 (the “Agreement”), by and between the Authority and the University, the University will, upon the issuance of the Series 2017 Bonds, have a general obligation to pay to the Authority the Basic Lease Payments (as defined therein) and certain Additional Lease Payments (as defined therein) for the use and occupancy of Project Facilities (referred to herein as the “Leased Facilities”). The Basic Lease Payments under the Agreement are payable by the University from any legally available funds of the University, and shall be in an amount sufficient to enable the Trustee to make the transfers and deposits required at the times and in the amounts required by Section 4.07 of the Indenture. The Basic Lease Payments shall be due on each Basic Lease Payment Date (in the case of regularly scheduled debt service, being December 20 in the case of interest payable on the following January 1 and one-half of the principal or scheduled mandatory sinking fund redemption installment payable on the following July 1, and June 20 in the case of interest payable on the following July 1 and one-half of the principal or scheduled mandatory sinking fund redemption installment payable on July 1). To secure the payment of the Basic Lease Payments and the Additional Lease Payments, the University will establish a “Rental Pledge Account” under the Agreement, into which the University is required to deposit or cause to be deposited amounts sufficient to pay the Basic Lease Payments and Additional Lease Payments on each December 1 (in the case of the December 20 Basic Lease Payment) and June 1 (in the

case of the June 20 Basic Lease Payment). No specific pledge of University revenues is made in the Agreement with respect to the Series 2017 Bonds.

The Authority has previously issued other series of its revenue bonds to finance projects for the University, each of which projects is leased to the University pursuant to a separate lease and agreement with the Authority. All of the existing lease and agreements constitute a general obligation of the University, payable from any legally available moneys of the University. The Basic Lease Payments and Additional Lease Payments under the Agreement are general obligations of the University. See "SECURITY FOR THE SERIES 2017 BONDS – Certain Outstanding Obligations-Additional Bonds and Other Obligations".

The Authority may from time to time in the future issue other series of its revenue bonds to finance or refinance projects of the University. See "SECURITY FOR THE SERIES 2017 BONDS – Certain Outstanding Obligations-Additional Bonds and Other Obligations" and "APPENDIX A – CERTAIN INFORMATION REGARDING THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY–INDEBTEDNESS" herein.

THE SERIES 2017 BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR ANY OTHER 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 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 SERIES 2017 BONDS" HEREIN.

THE PROJECT

The Series 2017 Bonds are being issued to provide funds to finance, together with the available funds: (i) the construction and equipping of the Project Facilities, (ii) the funding of capitalized interest on the Series 2017 Bonds, if any, and (iii) the payment of certain costs incidental to the issuance and sale of the Series 2017 Bonds. The Public University also expects to contribute \$10 million in available funds toward the construction of the Project Facilities.

The Project Facilities include the development of land within the Residential Zone on the Public University's Campus for a new residence hall dormitory building. Utilities will be extended along Mills Drive to the project site, which will be cleared and graded for the construction of a five story, approximately 89,375 sq. ft. building. The building will consist of 288 residential beds organized into 72 dwelling units. Amenity spaces will be distributed throughout the building with small lounge spaces, study rooms and support spaces located on each floor. On the main entry level other program spaces for use by the building residents consist of a laundry room, mail room and full kitchen for student use. Additionally there will be a large multifunction room and accessory seminar room, both available for use by all students, located directly off the main lobby and connected to a large exterior plaza.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Series 2017 Bonds (together with other available funds) shall be applied approximately as follows:

SOURCES:		
Par Amount of the Series 2017 Bonds.....		\$
Net Original Issue Premium.....		_____
TOTAL SOURCES		\$
 USES:		
Deposit to Construction Fund.....		\$
Capitalized Interest
Underwriters' Discount.....		.
Costs of Issuance(1).....		_____
TOTAL USES		\$

- (1) Includes fees and expenses of Bond Counsel, the Authority, the Trustee, the Financial Advisor, the Rating Agencies, and other costs associated with the Series 2017 Bonds.

DESCRIPTION OF THE SERIES 2017 BONDS

General

The Series 2017 Bonds will initially be dated and will bear interest from the date of delivery. Interest will be payable on January 1 and July 1 of each year until maturity or earlier redemption, commencing January 1, 2018. The Series 2017 Bonds will bear interest at the interest rates per annum, and will mature on July 1 in each of the years and in the principal amounts shown on the inside cover of this Official Statement.

The Bonds will be issued in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple of \$1,000 in excess thereof. In the event that the Series 2017 Bonds are no longer held in book-entry form (as described in "Book-Entry-Only System" below) (i) the principal or redemption price of the Series 2017 Bonds shall be payable upon surrender at a designated corporate trust office of the Trustee and (ii) interest on the Bonds will be paid by check or draft mailed by the Trustee to Holders thereof at their addresses as it appears on the registration books of the Authority, or upon the written request of any Holder of at least \$1,000,000 in aggregate principal amount of Bonds submitted to the Trustee at least ten (10) business days prior to the record date of such interest, by wire transfer in immediately available funds to an account in the continental United States of America.

Book-Entry-Only System

This section describes how ownership of the Series 2017 Bonds is to be transferred and how the principal of and interest on the Series 2017 Bonds are to be paid to and credited by DTC while the Series 2017 Bonds are registered in the name of Cede & Co., its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Authority believes

the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Authority cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Series 2017 Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Series 2017 Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC and its Participants. DTC, the world's largest 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, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("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 Direct 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 ("Indirect Participants"). DTC has Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. So long as the Bonds are maintained in book-entry form, the following procedures will be applicable with respect to the Bonds.

Purchase of Ownership Interests. Purchases of Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("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. Beneficial Owners are, however, 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 which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2017 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 Series 2017 Bonds, except in the event that use of the book-entry system for the Series 2017 Bonds is discontinued.

Payments of Principal, Tender Price, Premium, if any, and Interest. Redemption proceeds and principal and interest payments on the Series 2017 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 Authority or Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with 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 (nor its nominee), 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 and 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 Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of the 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 Series 2017 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2017 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. Beneficial Owners of the Series 2017 Bonds may wish to ascertain that the nominee holding the Series 2017 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 Series 2017 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 Series 2017 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 Series 2017 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 Bonds. To facilitate subsequent transfers, all Series 2017 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 Series 2017 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 Series 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017 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 Series 2017 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 Series 2017 Bonds, or (ii) the Authority, with the consent of the University and the Trustee, determines in accordance with the terms of the Trust Indenture that (a) DTC is incapable of discharging its duties, or (b) it is in the best interests of the holders of the Series 2017 Bonds not to continue the Book-Entry-Only System or that interests of the Beneficial Owners of the Series 2017 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 Series 2017 Bonds in accordance with the Trust Indenture.

The 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.

Redemption

The Series 2017 Bonds are subject to optional redemption, extraordinary optional redemption and mandatory sinking fund redemption as described below.

Optional Redemption. The Series 2017 Bonds maturing prior to July 1, 202_ are not subject to optional redemption prior to maturity. The Series 2017 Bonds maturing on or after July 1, 202_ are subject to redemption prior to maturity on or after July 1, 202_ at the option of the Authority with the consent of the University, in whole or in part at any time or from time to time 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. If all or a substantial portion of the Leased Facilities are damaged or destroyed by fire or other casualty, or title to or the temporary use of all or a substantial portion of such facilities is condemned or taken for any public or quasi-public use by any governmental entity exercising or threatening the exercise of the power of eminent domain, or title thereto is found to be deficient, to such extent that in the determination of the University (i) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (ii) the University is thereby prevented from carrying on its normal operations, or (iii) the cost of restoration or replacement thereof would exceed the Net Proceeds of any casualty insurance, title insurance, condemnation awards or sale under threat of condemnation with respect thereto, the Series 2017 Bonds are subject to extraordinary optional redemption prior to maturity, in whole or in part at any time or from time to time, from and to the extent of any condemnation or insurance proceeds deposited in the Debt Service Fund pursuant to the Lease Agreement, at the election of the Authority with the consent of the University. Any such redemption shall be made on the earliest practicable date at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The Series 2017 Bonds maturing on July 1, _____ shall be retired by Sinking Fund Installments as hereinafter described, at a redemption price equal to one hundred percent (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 Series 2017 Bonds on July 1 in each of the years and in the principal amounts as follows:

Series 2017 Bonds maturing July 1, _____

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

*Final Maturity.

Notice of Redemption

Notice of redemption will be given by the Trustee on behalf of the Authority by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the redemption date to each Registered Owner of the respective Series 2017 Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Trustee, and such mailing shall be a condition precedent to such redemption.

All official notices of redemption shall be dated and shall state: (i) the redemption date; (ii) the redemption price; (iii) if less than all Outstanding Bonds are to be redeemed, the identification number and the respective principal amounts to be redeemed of the respective Series 2017 Bonds to be redeemed; (iv) that on the redemption date the redemption price will become due and payable upon each such Series 2017 Bond or portion thereof called for

redemption, and that interest thereon shall cease to accrue from and after said date; and (v) the place where such Series 2017 Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office of the Trustee for the payment of Series 2017 Bonds.

Any notice of redemption of any Series 2017 Bonds pursuant to an optional redemption or extraordinary optional redemption 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 Series 2017 Bonds or portions thereof which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Series 2017 Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Authority shall default in the payment of the redemption price) such Series 2017 Bonds, or portions thereof shall cease to bear interest. Upon surrender of such Series 2017 Bonds for redemption in accordance with said notice, such Series 2017 Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Series 2017 Bond, there shall be prepared for the Registered Owner a new Series 2017 Bond or Series 2017 Bonds of the same maturity in the amount of the unpaid principal. All Series 2017 Bonds which have been redeemed shall be canceled and destroyed by the Trustee in accordance with the Indenture and shall not be reissued.

Upon the payment of the redemption price of Series 2017 Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Series 2017 Bonds being redeemed with the proceeds of such check or other transfer.

For so long as the Securities Depository is effecting book-entry transfers of the Series 2017 Bonds, the Trustee shall provide the notices specified above 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 Series 2017 Bond (having been mailed notice from the Trustee, a Participant or otherwise) to notify the Beneficial Owner of the Series 2017 Bond so affected, shall not affect the validity of the redemption of such Series 2017 Bond.

Failure of any Owner to receive a copy of such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other Series 2017 Bonds. Any notice mailed shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives the notice.

Negotiable Instruments

The Series 2017 Bonds issued pursuant to the Act are negotiable within the meaning of the Uniform Commercial Code of the State, subject only to the provisions for registration contained in the Series 2017 Bonds.

ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth for each 12 month period ending on June 30 in the years 2018 through 2047, the amounts required for the payment of debt service by the University on the Series 2017 Bonds, other debt service and the total debt service. In accordance with the Indenture, the principal and interest requirements for the Series 2017 Bonds for each 12 month period ending on June 30 are defined to include the respective amounts required to provide for the payment of interest on each January 1 and July 1, and for the payment of principal on each July 1.

Year Ending June 30 ¹	Series 2017 Bonds - Principal	Series 2017 Bonds - Interest	Series 2017 Bonds - Debt Service	Other Existing Debt Service of the University ²	Total Debt Service ³
2018					
2019					
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					
Totals³	\$	\$	\$	\$	\$

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

² Existing debt service of the University includes the Authority's outstanding Series 2008 Bonds, Series 2012 Bonds, Series 2015 Bonds and Series 2016 Bonds (each as hereinafter defined) issued on behalf of the University and the University's portion of debt service for the following State Contract Bonds: (i) New Jersey Educational Facilities Authority, Higher Education Capital Improvement Fund Issue, Series 2002 A, Series 2016 A and Series 2016 B; and (ii) New Jersey Educational Facilities Authority, Higher Education Equipment Leasing Fund, Series 2014 A. Does not include Bank of America Public Capital Corp. loan. See "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY AS OF AND FOR THE YEARS ENDED JUNE 30, 2016 AND 2015" for more information.

³ Totals may not add due to rounding.

SECURITY FOR THE SERIES 2017 BONDS

General

The Series 2017 Bonds are special and limited obligations of the Authority payable solely from the Trust Estate. Trust Estate is defined in the Indenture as (i) all right, title and interest of the Authority in and to all payments received or receivable by the Authority from the University under the Agreement (but excluding the Authority's rights to payment of its fees and expenses to indemnification and as otherwise set forth in the Agreement), and any amounts pledged by the University to the extent provided in the Agreement, (ii) all money and securities held by the Trustee from time to time under the terms of the Indenture (except moneys and securities held in the Rebate Fund), (iii) all Swap Revenues (as defined in the Indenture) paid by the University or by the Swap Provider (as defined in the Indenture), if any, and (iv) any and all other property pledged to secure the Series 2017 Bonds.

Pursuant to the Agreement, the University agrees to pay to the Authority the Basic Lease Payments (as defined therein) and certain Additional Lease Payments (as defined therein) for the use and occupancy of the Leased Facilities. The Basic Lease Payments shall be in an amount sufficient to enable the Trustee to make the transfers and deposits required at the times and in the amounts required by Section 4.07 of the Indenture. The Basic Lease Payments shall be due on each Basic Lease Payment Date (in the case of regularly scheduled debt service, being December 20 in the case of interest payable on the following January 1 and one-half of the principal or scheduled mandatory sinking fund redemption installment payable on the following July 1, and June 20 in the case of interest payable on the following July 1 and one-half of the principal or scheduled mandatory sinking fund redemption installment payable on July 1).

To secure the payment of the Basic Lease Payments and the Additional Lease Payments, the University will establish a "Rental Pledge Account" under the Agreement, into which the University is required to deposit or cause to be deposited amounts sufficient to pay the Basic Lease Payments and Additional Lease Payments on each December 1 (in the case of the December 20 Basic Lease Payment) and June 1 (in the case of the June 20 Basic Lease Payment). In the event that the balance remaining in the Rental Pledge Account on June 30 of each Bond Year is in excess of the sums payable to the Trustee for or on account of the Authority in accordance with the Indenture, such balance shall be transferred to the University.

The University has agreed that its obligation to make the payments required under the Agreement, including the Basic Lease Payments and the Additional Lease Payments, shall constitute a general obligation of the University, payable from any legally available funds of the University. No specific pledge of University revenues is made in the Agreement with respect to the Series 2017 Bonds.

Upon the payment or defeasance of the Series 2017 Bonds, the Leased Facilities shall no longer be subject to the Agreement.

The Indenture establishes various funds and accounts and provides for the application of the proceeds of the Series 2017 Bonds, the Lease Payments received pursuant to the Agreement, and other moneys which, by any of the provisions of the Indenture, are required to be deposited

in such funds and accounts. For a further description of the Indenture, see "APPENDIX D - FORM OF CERTAIN LEGAL DOCUMENTS" hereto.

THE SERIES 2017 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 OTHER 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 OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE). THE AUTHORITY HAS NO TAXING POWER. THE SERIES 2017 BONDS ARE PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE BASIC LEASE PAYMENTS PAYABLE BY THE UNIVERSITY UNDER THE AGREEMENT AND AMOUNTS HELD IN THE FUNDS AND ACCOUNTS (EXCEPT THE REBATE FUND) (AS DEFINED IN THE INDENTURE) PURSUANT TO THE INDENTURE.

Certain Outstanding Obligations

The Authority has previously issued other series of its revenue bonds to finance and refinance projects for the University, each of which projects is leased to the University pursuant to a separate lease and agreement with the Authority. The payment of the annual rentals under each existing lease and agreement constitutes a general obligation of the University, payable from any legally available moneys of the University.

Specifically, as of July 2, 2017, there were outstanding the following obligations issued for the benefit of the University: (i) \$7,620,000 in aggregate principal amount of the Authority's Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2008 C (the "Series 2008 Bonds"), (ii) \$31,255,000 in aggregate principal amount of the Authority's Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2012 C and \$14,075,000 in aggregate principal amount of the Authority's Revenue Refunding Bonds, The William Paterson University of New Jersey Issue, Series 2012 D (collectively, the "Series 2012 Bonds"), (iii) \$38,400,000 of the Authority's Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2015 C (the "Series 2015 Bonds") and (iv) \$60,755,000 of Authority's Revenue Refunding Bonds, The William Paterson University Issue, Series 2016 E (the "Series 2016 Bonds").

Series 2008 Bonds, the Series 2012 Bonds, the 2015 Series Bonds and Series 2016 Bonds are collectively referred to herein as the "Prior Bonds".

In addition, as of July 2, 2017, the Authority has issued the following outstanding bonds for the benefit of the University: a portion of the Authority's (a) Higher Education Capital Improvement Fund Issues, Series 2002 A, Series 2016 A and Series 2016 B and (b) the Higher Education Equipment Leasing Fund, Series 2014 A that are allocable to the University. The lease payment obligations of the University in respect of such bonds are collectively referred to herein as "Other Existing Debt Service." Other Existing Debt Service constitutes a general obligation of the University. As of July 2, 2017, the University has also entered into various capital leases. See "APPENDIX B - AUDITED FINANCIAL STATEMENTS OF THE

WILLIAM PATERSON UNIVERSITY OF NEW JERSEY AS OF AND FOR THE YEARS ENDED JUNE 30, 2016 AND 2015.”

The Authority may from time to time in the future issue other series of its revenue bonds to finance or refinance projects for the University, each of which is to be leased to the University pursuant to a separate lease and agreement with the Authority.

Additional Bonds and Other Obligations

The repayment obligation of the University with respect to the Series 2017 Bonds pursuant to the Agreement is a general obligation of the University, and no specific revenues of the University are pledged as additional security for such repayment obligation. Payments by the University under the Agreement do not secure any other obligations of the University.

Although additional bonds may not be issued under the Indenture on parity with the Series 2017 Bonds, the Indenture permits the Authority to enter into Swap Agreements (as defined in the Agreement) on behalf of the University with respect to the Series 2017 Bonds. As of the date of issuance of the Series 2017 Bonds, the Authority has not entered into, and is not currently contemplating entering into, any Swap Agreement with respect to the Series 2017 Bonds.

In the event that any Swap Agreement is hereafter entered into, the Indenture and the Agreement may each be amended, without notice to or consent by the holders of the Series 2017 Bonds, to effectuate such Swap Agreement, including (but not limited to) providing that the Trust Estate shall also secure the counterparties to any such Swap Agreement on a parity with the Series 2017 Bonds.

Further, although additional bonds may not be issued on a parity with the Series 2017 Bonds under the Indenture, there are no covenants or restrictions which prohibit or limit the incurrence of debt or additional obligations by the University. Accordingly, the Authority may from time to time issue bonds or other obligations on behalf of the University, and the University may from time to time incur additional obligations (whether to the Authority or otherwise).

Payments by the University under the Agreement do not secure any of the Prior Bonds or other obligations of the University.

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.

Katherine M. Ungar, Vice Chair; term as a member expires April 30, 2018; Manager of Business Relations for Executive Health Program, Atlantic Health System; Mendham, New Jersey.

The Honorable Ford M. Scudder, Treasurer; Treasurer, State of New Jersey, ex officio.

The Honorable Rochelle R. Hendricks, Secretary of Higher Education, ex officio.

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

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

Jeremy A. Spector, 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.

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

Ellen Yang, Compliance Manager, serves as an Assistant Secretary to the Authority.

Outstanding Obligations of the Authority

As of December 31, 2016, the Authority has heretofore authorized and issued its obligations in a total outstanding amount of \$5,497,961,050 to finance eligible projects at certain of the participating public and private colleges and universities and public libraries located in the State.

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

STATE OF NEW JERSEY HIGHER EDUCATION

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

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

The New Jersey Higher Education system serves as the principal advocate for an integrated system of higher education which provides a broad scope of higher education programs and services. The system includes both thirty (30) public and forty (40) independent institutions and enrolls over 420,000 full- 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; two (2) state colleges and six (6) 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 forty (40) independent institutions include fifteen (15) senior colleges and universities with a public mission, one (1) independent two-year religious college, thirteen (13) rabbinical schools and theological seminaries and eleven (11) proprietary institutions with degree-granting authority.

RATINGS

Fitch Ratings ("Fitch") and Moody's Investors Service, Inc. ("Moody's") have provided ratings for the Series 2017 Bonds of "___" and "AZ", respectively. These ratings reflect only the view of such organizations and any desired explanation of the significance of such ratings should be obtained from Fitch, Moody's. There is no assurance that a particular rating will pertain for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment

of the rating agency furnishing such rating, circumstances so warrant. Any downward revision or withdrawal of any such ratings could have an adverse effect on the market price of the Series 2017 Bonds.

CONTINUING DISCLOSURE

Pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended, on the date of delivery of the Series 2017 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 set forth in "APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT" for the benefit of the holders of the Series 2017 Bonds, to provide or cause a dissemination agent to provide certain financial information and operating data relating to the University not later than December 27th of each fiscal year, commencing with December 27, 2017, in respect of the fiscal year of the University ending June 30, 2017, and provide notice of certain enumerated events to the Municipal Securities Rulemaking Board. The financial information to be provided generally will be consistent with the information set forth in "APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY AS OF AND FOR THE YEARS ENDED JUNE 30, 2016 AND 2015". The operating data to be provided will be similar to the statistical information set forth in "APPENDIX A – CERTAIN INFORMATION REGARDING THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY".

The Underwriters' obligation to purchase and accept delivery of the Series 2017 Bonds is conditioned upon its receiving, at or prior to the delivery of the Series 2017 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 the Indenture or the Agreement, and the holders of the Series 2017 Bonds are limited to the remedies set forth in the Continuing Disclosure Agreement.

The Authority and the holders of the Series 2017 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 Series 2017 Bonds, as the case may be.

The University entered into previous undertakings in respect of various other bond issues. Although the University filed its annual financial and operating data in a timely manner as required pursuant to such previous undertakings, for its fiscal year ended June 30, 2013, the University's financial or operating data were not filed under its outstanding Authority's Series 2008 C Bonds. This filing error has been corrected, and the University is now in compliance with all previous undertakings to provide continuing disclosure in compliance with the

requirements of Rule 15c2-12. The University instituted procedures to ensure future compliance with its obligations pursuant to such previous continuing disclosure undertakings.

TAX MATTERS

Federal Income Taxation

In the opinion of Bond Counsel, assuming continuing compliance with the provisions of the Code applicable to the Series 2017 Bonds and subject to certain provisions of the Code which are described below, under laws, regulations, rulings and judicial decisions existing on the date of the original delivery of the Bonds, interest received by a holder of the Series 2017 Bonds will be excludable from gross income for federal income tax purposes, and will not be treated as a preference item for purposes of the alternative minimum tax imposed on individuals or corporations; however, such interest is included in the adjusted current earnings of certain corporations for purposes of computing the alternative minimum tax on such corporations. However, interest on the Series 2017 Bonds may become taxable retroactively if certain requirements under the Code are not complied with.

The Code contains a number of provisions that apply to the Bonds, including restrictions relating to the use or investment of the proceeds of the Series 2017 Bonds and the payment of certain arbitrage earnings in excess of the "yield" on the Series 2017 Bonds to the Treasury of the United States. Non-compliance with such provisions may result in interest on the Bonds not being excludable from gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Authority and the University have covenanted to comply with these requirements.

Under prior law, banks, thrift institutions and other financial institutions were required to reduce the amount deducted with respect to the interest expense incurred to purchase or carry tax-exempt obligations by 20%. Section 265(b) of the Code generally denies to institutions any deduction for that portion of interest expense incurred in taxable years ending after December 31, 1986. An exception is provided to the 100% disallowance rule for certain small issuers who designate the obligations as "qualified tax-exempt obligations" under Section 265(b)(3) of the Code and, provided certain conditions are met, for bonds the proceeds of which refund obligations which are issued after August 7, 1986 and which were designated as qualified tax-exempt obligations. Such obligations will be treated as if they were acquired on August 7, 1986 and will be subject to the 20% disallowance rule. The Series 2017 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.

Fifteen percent (15%) of the interest earned on tax-exempt obligations must be used to reduce deductions for losses incurred by property and casualty insurance companies.

Ownership of tax-exempt obligations may also result in collateral federal income tax consequences to certain taxpayers including, without limitation, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may

be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations.

[The Series 2017 Bonds maturing on July 1 in the years 20__ through 20__, inclusive (collectively, the "Premium Bonds"), have been sold to the public at a premium. Section 171 of the Code provides rules under which a bond premium may be amortized and a deduction allowed for the amount of the amortizable bond premium for a taxable year. Under, Section 171(a)(2) of the Code, however, no deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excludable from gross income. Under Section 1016(a)(5) of the Code, the purchaser's basis in a Premium Bond will be reduced by the amount of the amortizable bond premium disallowable as a deduction under Section 171(2) of the Code. Proceeds received from the sale, exchange, redemption or payment of a Premium Bond in excess of the owner's adjusted basis (as reduced pursuant to Section 1016(a)(5) of the Code), will be treated as a gain from the sale or exchange of such Premium Bonds and not as interest.]

[The Bonds maturing on July 1, in the years 20__ through 20__, inclusive (the "Discount Bonds"), have been sold to the public at an original issue discount. The original issue discount is the excess of the stated redemption price at maturity of such a Discount Bond over the initial offering price to the public (excluding underwriters' and other intermediaries) at which price a substantial amount of that maturity of the Discount Bonds was sold. Under existing law, an appropriate portion of any original issue discount, depending in part on the period a Discount Bond is held by the purchaser thereof, will be treated for federal income tax purposes as interest that is excludable from gross income rather than as taxable gain.

Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compounded basis. The amount of original issue discount that accrues to a holder of a Discount Bond, who acquires the Discount Bond in this initial offering, during any accrual period generally equals (i) the issue price of such Discount Bond plus the amount of original issue discount accrued in all prior accrual periods multiplied by (ii) the yield to maturity of such Discount Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any interest payable on such Discount Bond during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the holder's basis in such Discount Bond. Proceeds received from the sale, exchange, redemption or payment of a Discount Bond in excess of the holder's adjusted basis (as increased by the amount of original issue discount that has accrued and is treated as tax-exempt interest in such holder's hands), will be treated as gain from the sale or exchange of such Discount Bond and not as interest.]

From time to time, there are legislative proposals in Congress that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. There have recently submitted to Congress various legislative proposals, which if enacted, would limit for certain individual taxpayers the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. If enacted into law, such proposals

may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals may also affect the market price for, or marketability of, the Series 2017 Bonds. No prediction is made whether these provisions will be enacted as proposed or concerning other future legislation which if passed might have the effect on the tax treatment of interest on the Series 2017 Bonds. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation. Bond Counsel will render its opinion as of the issue date, and will assume no obligation to update its opinions after the issue date to reflect any future facts or circumstances, or any future changes in law or interpretation, or otherwise. Moreover, the opinions of Bond Counsel are only opinions and not a warranty or guaranty of the matters discussed. Neither the Authority nor the Public University has any obligation to provide updated information concerning pending or future legislation. Each purchaser of the Series 2017 Bonds should consult his or her own tax advisor regarding any pending or proposed federal tax legislation.

In addition, the Internal Revenue Service ("IRS") has established an expanded audit program for tax-exempt bonds. There can be no assurance that an audit initiated or concluded by the IRS after the issue date of the Bonds involving either the Bonds or other tax-exempt bonds will not have an adverse effect on the tax-exempt status or market price of the Bonds.

In addition, prospective purchasers of the Bonds should be aware that Section 6049 of the Code provides that interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. Pursuant to Notice 2006-93, backup withholding will be required if the bondholder fails to provide a tax identification number. This reporting requirement does not in and of itself affect or alter the excludability of such interest from gross income for federal tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Tax legislation, administrative action taken by tax authorities, and court decisions, whether at the federal or state level, may adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes, or the exclusion of interest on and any gain realized on the sale of the Bonds under the existing New Jersey Gross Income Tax Act, and any such legislation, administrative action or court decisions could adversely affect the market price or marketability of the Series 2017 Bonds.

State Taxation

Under the laws of the State of New Jersey, as enacted and construed on the date of original delivery of the Series 2017 Bonds, interest on the Series 2017 Bonds and any gain from the sale thereof is excludable from gross income under the New Jersey Gross Income Tax Act.

PROSPECTIVE PURCHASERS OF THE SERIES 2017 BONDS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF THE OWNERSHIP OF THE SERIES 2017 BONDS.

LEGALITY FOR INVESTMENT

Pursuant to the Act, all bonds, notes and other obligations issued by the Authority under the provision of the Act, including the Series 2017 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, and all administrators, executors, guardians, trustees and other fiduciaries, and all other persons whatsoever who are 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 which 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 Series 2017 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 Series 2017 Bonds, together with interest thereon, are fully paid and discharged and such other contracts are fully performed on the part of the Authority.

OTHER LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Series 2017 Bonds are subject to the approval of GluckWalrath LLP, Trenton, New Jersey, Bond Counsel to the

Authority, whose approving legal opinion, in substantially the form included as APPENDIX E - FORM OF APPROVING OPINION OF BOND COUNSEL to this Official Statement, will be available at the time of the delivery of the Series 2017 Bonds. Certain legal matters will be passed upon for the Underwriters by Connell Foley LLP, Jersey City, New Jersey.

FINANCIAL ADVISOR

Acacia Financial Group, Inc. (the "Financial Advisor") has acted as financial advisor to the Authority concerning the Series 2017 Bonds, and will receive compensation contingent upon the sale and delivery of the Series 2017 Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Financial Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

LITIGATION

The Authority

There is not now pending nor, to the knowledge of the Authority, threatened, any litigation restraining or enjoining the issuance or delivery of the Series 2017 Bonds or questioning or affecting the validity of the Series 2017 Bonds or the proceedings or authority under which the Series 2017 Bonds are to be issued. There is no litigation pending or, to the Authority's knowledge, threatened which in any manner questions the right of the Authority to adopt the Resolution to enter into the Indenture or to enter into the Agreement or to secure Series 2017 Bonds in the manner herein described.

The University

There is not now pending nor, to the knowledge of the University, threatened, any proceeding or litigation contesting the Series 2017 Project or the Agreement, or the Series 2017 Bonds, or the ability of the University to perform its obligations under the Agreement, nor is there any litigation now pending, or to the knowledge of the University, threatened litigation 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 Series 2017 Bonds, or the Agreement.

UNDERWRITING

Citigroup, as underwriter of the Series 2017 Bonds (the "Underwriter"), has agreed to purchase the Series 2017 Bonds pursuant to the terms of a contract of purchase, by and among the Authority, the University and the Underwriter, at an aggregate purchase price of \$_____ (said aggregate purchase price reflecting the par amount of the Series 2017 Bonds, plus a net original issue premium of \$_____ and less an Underwriter's discount of \$_____). The Underwriter will be obligated to purchase all of the Series 2017 Bonds if any Bonds are purchased. The Underwriter intend to offer the Series 2017 Bonds to the public

initially at the offering prices set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriter may offer and sell Bonds to certain dealers (including depositing Bonds into investment trusts) at prices lower than the public offering price.

The Underwriter has provided the following paragraph for inclusion in the Official Statement.

Citigroup Global Markets Inc., an underwriter of the Series 2017 Bonds, has entered into a retail distribution agreement with each of TMC Bonds L.L.C. ("TMC") and UBS Financial Services Inc. ("UBSFS"). Under these distribution agreements, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS and the electronic primary offering platform of TMC. As part of this arrangement, Citigroup Global Markets Inc. may compensate TMC (and TMC may compensate its electronic platform member firms) and UBSFS for their selling efforts with respect to the Series 2017 Bonds.

The Authority has not been furnished with any documents relating to the retail distribution agreements with TMC or UBSFS and makes no representation of any kind with respect thereto. The Authority is not a party to such retail distribution agreements and has not entered into any agreement or arrangement with TMC or UBSFS with respect to the offering and sale of the Series 2017 Bonds.

INDEPENDENT AUDITORS

The financial statements of the business-type activities and the discretely presented component unit of The William Paterson University of New Jersey as of and for the years ended June 30, 2016 and 2015, which collectively comprise the University's basic financial statements, included in APPENDIX B to this Official Statement, have been audited by Baker Tilly Virchow Krause, LLP, independent auditors, as stated in their report appearing in APPENDIX B to this Official Statement.

Baker Tilly Virchow Krause, LLP did not audit the financial statements of William Paterson University of New Jersey Foundation, Inc. (the "Foundation"), the discretely presented component unit of The William Paterson University of New Jersey. The Foundation is a legally separate New Jersey non-profit corporation with an independent board of trustees which acts primarily as a fund raising entity to provide additional funding to support the educational goals of the University. Those financial statements were audited by other auditors, whose report thereon has been furnished to Baker Tilly Virchow Krause, LLP, and Baker Tilly Virchow Krause, LLP's opinion, insofar as it related to the amounts included for the Foundation, is based on the report of the other auditors. Notwithstanding the inclusion of the Foundation in the University's basic financial statements, only the University is obligated to make payments under the Agreement.

MISCELLANEOUS

The references herein to the provisions of the Act, the Indenture, the Resolution, the Series 2017 Bonds, the Agreement, and the Continuing Disclosure Agreement 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.

The information contained herein relating to the Authority under the headings, "THE AUTHORITY" and "LITIGATION - The Authority", has been obtained from the Authority (as hereinafter defined). All other information herein has been obtained by the Underwriter (as hereinafter defined) from the University (as hereinafter defined), the Underwriter and other sources deemed by the Underwriter to be reliable, and is not to be construed as a representation of the Authority or the Underwriter. The Authority has not reviewed or approved any information in this Official Statement except the information under the headings, "THE AUTHORITY" and "LITIGATION - The Authority." The information herein is 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 change in the affairs of the Authority or the University since the date hereof.

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 Series 2017 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, or the purchasers or Beneficial Owners of any of the Series 2017 Bonds.

The information regarding the University contained in APPENDIX A attached hereto has been provided by the University.

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

The unaudited financial statements of the University contained in APPENDIX C 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.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By: _____

Jeremy A. Spector
Executive Director

THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY

By: _____

Stephen O. Bolyai
Senior Vice President for Administration and Finance

August __, 2017

APPENDIX A
CERTAIN INFORMATION REGARDING
THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF

THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY

AS OF AND FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

APPENDIX C
FORM OF CERTAIN LEGAL DOCUMENTS

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E

FORM OF APPROVING OPINION OF BOND COUNSEL

Connell Foley, LLP
Draft: July 25, 2017

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
Revenue Bonds,
The William Paterson University
of New Jersey Issue, Series 2017 B

CONTRACT OF PURCHASE

August __, 2017

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

The William Paterson University of New Jersey
300 Pompton Road
Wayne, New Jersey 07470-0913

Ladies and Gentlemen:

Citigroup Global Markets Inc. (the "Underwriter"), hereby offers to enter into this Contract of Purchase (this "Purchase Contract") with you, the New Jersey Educational Facilities Authority (the "Authority"), and The William Paterson University of New Jersey (the "University"), which, upon your acceptance of this offer and upon execution hereof by the Authority and the University, will be binding upon the Authority, the University and the Underwriter. This offer is made subject to the acceptance by the Authority and the University at or prior to 6:00 P.M., prevailing Eastern time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the Authority and the University at any time prior to acceptance hereof by the Authority and the University. Certain capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Trust Indenture (as defined herein).

1. **Purchase and Sale of the Bonds and Payment of Underwriter's Discount.** On the basis of the representations, warranties, covenants and agreements herein contained or referred to, but subject to the terms and conditions herein set forth, the Underwriter hereby agree to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell to the Underwriter, all (but not less than all) of its \$_____ New Jersey Educational Facilities Authority Revenue Bonds, The William Paterson University of New Jersey Issue, Series 2017 B, which are fixed rate, tax-exempt bonds (the "Bonds") to be issued under and pursuant to a Resolution adopted by the Authority on July 25, 2017 (the "Resolution"), and a Trust Indenture, dated as of September 1, 2017 (the "Trust Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), at an aggregate purchase price equal to \$_____ (such purchase price reflecting Underwriter's

discount of \$_____ and a net reoffering premium of \$_____ in connection with the Bonds). The Bonds will be dated the date of issuance thereof and will be issued in the principal amounts, at interest rates and maturing on and having mandatory sinking fund payments due on the dates specified on the Pricing Summary attached as Exhibit A hereto and having the redemption provisions as set forth in the Trust Indenture.

2. **Purpose of Bonds.** The proceeds of the Bonds, together with other available funds, will be used to provide funds to (i) pay the cost of the construction and equipping of a new residence hall for the University, including site improvements and other costs related thereto on its campus in Wayne, New Jersey (the "Project Facilities") and (ii) pay certain costs incidental to the issuance and sale of the Bonds (collectively, the "Project").

The Bonds shall be issued pursuant to and in accordance with the provisions of the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes, as enacted by Chapter 271 of the Laws of 1967, as amended and supplemented (the "Act"), the Resolution and the Trust Indenture. The Bonds will be issued in authorized denominations of \$5,000 or any integral multiple of \$1,000 in excess thereof, and shall be fully registered in the forms authorized by the Trust Indenture.

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

Each of the Authority, the University and the Underwriter 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 Representative is acting as a fiduciary for or as an advisor to the other in respect of this Purchase Contract.

Section 3. Establishment of Issue Price

(a) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, 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 Bonds. All actions to be taken by the Authority under this section to establish the issue price of the Bonds may be taken on behalf of the Authority by Bond Counsel identified herein and any notice or report to be provided to the Authority may be provided to Bond Counsel.

(b) Except as otherwise set forth in Schedule I attached hereto, the Authority will treat the first price at which 10% of each Maturity of the 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). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the Authority and Bond Counsel the price or prices at which it has sold to the Public each Maturity of Bonds.¹

(c) The Underwriter confirms that it has offered the Bonds to the Public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter, on behalf of the Underwriter, agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the Public of each such Maturity as of the Sale Date as the issue price of that Maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any Maturity of the Bonds, the Underwriter will neither offer nor sell unsold 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 (5th) business day after the Sale Date; or
- (2) the date on which the Underwriter has sold at least 10% of that Maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public.

The Underwriter shall promptly advise the Authority and Bond Counsel when the Underwriter have sold 10% of that Maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

The Authority acknowledges that the Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that the Underwriter shall be liable for the failure of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

¹ The Underwriter confirms that any maturity that has not satisfied the 10% test as of the Sale Date will be subject to the hold-the-offering-price rule. As a result, these continuing reporting obligations are not needed.

(d) The Underwriter confirms that:

(i) any agreement among underwriter, any selling group agreement and each retail distribution agreement (to which the Underwriter is a party) relating to the initial sale of the 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 retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires, and

(ii) any agreement among underwriter relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(1) "Maturity" means Bonds with the same credit and payment terms. Notes with different Maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(2) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than the Underwriter or a related party to the 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.

(3) "Sale Date" means the date of execution of this Purchase Contract by all parties.

(4) "Underwriter" means (i) 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 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).

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

Delivery of the Bonds in definitive registered form, duly executed and authenticated, bearing CUSIP numbers without coupons with one Bond for each maturity registered in the name of The Depository Trust Company (“DTC”), or its nominee, Cede & Co., shall be made to the Trustee as custodian for DTC at the Closing Time (as hereinafter defined), at such address as the Underwriter shall direct. Delivery of related documentation shall be made at the offices of GluckWalrath LLP, Trenton, New Jersey (“Bond Counsel”), at the Closing Time. Payment of the purchase price for the Bonds shall be made in Federal Reserve Funds or other immediately available funds at 10:00 a.m. prevailing Eastern time, on September __, 2017, or such other time or date as shall be mutually agreed upon by the Authority and the Underwriter. The delivery of and payment for the Bonds are herein called the “Closing”, the date of such delivery and payment is herein called the “Closing Date”, and the hour and date of such delivery and payment is herein called the “Closing Time”. The Bonds shall be available for examination by the Underwriter at least 24 hours prior to the Closing Time.

The Authority has previously authorized the distribution of the Preliminary Official Statement, dated August __, 2017 (the “Preliminary Official Statement”), relating to the Bonds, which, by execution of this Purchase Contract, it “deems final” within the meaning of Rule 15c2-12 promulgated under the provisions of the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”). The Official Statement dated the date hereof relating to the Bonds, as executed by an Authorized Officer of each of the Authority and the University (including the cover page, any and all appendices, exhibits, reports and summaries included therein or attached thereto), is herein called the “Official Statement”. The Authority shall deliver or cause to be delivered to the Underwriter within seven (7) business days after the date of this Purchase Contract (but in no event later than two (2) business days prior to the Closing), an electronic copy, subject to customary disclaimers regarding the transmission of electronic copies, of the Official Statement in the currently required designated format stated in the Municipal Securities Rulemaking Board (the “MSRB”) Rule G-32 and the EMMA Dataport Manual (as hereinafter defined). By acceptance of this Purchase Contract, the Authority authorizes the use by the Underwriter of the Official Statement in connection with the public offering and sale of the Bonds. Within one (1)

business day after the receipt of the Official Statement from the Authority, but in no event later than the date of the Closing, the Underwriter shall, at its own expense, submit the Official Statement to EMMA (as hereinafter defined). The Underwriter will comply with the provisions of MSRB Rule G-32 as in effect on the date hereof, including without limitation the submission of Form G-32 and the Official Statement and notify the Authority of the date on which the Official Statement has been filed with EMMA.

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

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

In addition, the Underwriter will provide notice to all purchasers of the Bonds advising them as to the manner pursuant to which such purchasers can obtain a copy of the Official Statement from EMMA and indicating to them that a printed copy of the Official Statement will be provided to them upon their request. Within seven (7) business days after the date of this Purchase Contract (but in no event later than the Closing), the Authority shall deliver or cause to be delivered to the Underwriter an amount of printed Official Statements in such quantities that the Underwriter may reasonably request, provided, that the number of copies the cost for which the Authority is responsible will not exceed 250 copies. Should the Underwriter require additional copies of the Official Statement, the Authority agrees to cooperate with the Underwriter in obtaining such copies; provided, that the cost of such additional copies will be borne by the Underwriter.

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

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

(b) The Authority has complied with all provisions of the laws of the State pertaining to the authorization, sale and issuance of the Bonds, including the Act, and no further approvals are necessary to be obtained prior to the issuance of the Bonds and the Authority has full power and authority to: (i) finance the Project; (ii) execute and deliver the Official Statement; (iii) execute, issue, sell, deliver and perform its obligations under the Bonds; (iv) execute, deliver and perform its obligations under the Resolution, the Trust Indenture, a Lease and Agreement dated as of September 1, 2017 by and between the Authority and the University relating to the Project Facilities (the “Agreement”), and this Purchase Contract; (v) the Authority has the legal authority to apply and will apply or cause to be applied the proceeds from the sale of the Bonds as

provided in and subject to all of the terms and provisions of the Resolution and the Trust Indenture and (v) carry out and consummate all transactions contemplated by the Bonds, the Resolution, the Trust Indenture, the Agreement, the Official Statement and this Purchase Contract and any and all other agreements relating thereto.

(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 and are, as of the date hereof, true and correct in all material respects 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 Underwriter and the University promptly of any proposal to amend or supplement the Official Statement pursuant to Section 8 hereof. The Authority will advise the Underwriter 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 Bonds.

(e) The Bonds, the Resolution, the Trust Indenture, the Agreement and this Purchase Contract constitute, or upon execution will constitute, legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms except to the extent that (i) the enforcement thereof may be limited or affected by bankruptcy, insolvency, reorganization or other laws or equitable principles affecting creditors' rights generally; and (ii) equitable remedies, such as specific performance and injunctive relief, being discretionary, may be denied in a particular instance, and the Bonds, when delivered to and paid for by the Underwriter 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, the Resolution, the Trust Indenture and the Agreement.

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

(g) The execution or adoption, as applicable, and delivery of, and performance of the Authority's obligations under the Resolution, the Trust Indenture, the Agreement and this Purchase Contract and the other agreements contemplated thereby; the execution and delivery of the Official Statement, the sale, execution, issuance and delivery of the Bonds; and the consummation of all transactions to which the Authority is a party contemplated by the Bonds, the Resolution, the Trust Indenture, the Agreement, this Purchase Contract, 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 and delivered to the Underwriter shall be deemed a representation and warranty by the Authority to the Underwriter 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 Bonds, other available funds or other moneys provided by the University, all expenses incident to the performance of its obligations under this Purchase Contract 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 Bonds in the form required hereby, the Preliminary Official Statement, the Official Statement (not to exceed 250 copies) and the Trust Indenture; the fees and disbursements of the Trustee, and its counsel in connection with the issuance of the Bonds; the fees and expenses of Bond Counsel and the fees and expenses of obtaining credit ratings, municipal bond insurance, if any, or any attorneys, 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 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 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 Underwriter hereunder, including fees and disbursements of Underwriters' Counsel, "Blue Sky" filing fees or advertising expenses in connection with the public offering of the Bonds. If the Closing does not occur as a result of the failure of the University to meet its obligations under this Purchase Contract, the University shall pay all expenses incurred by the Authority, and the Underwriter.

(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 Contract.

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

(a) The University is a public institution of higher education validly existing and in good standing under the laws of the State.

(b) No authorization, consent, approval or review of any court or public or governmental body or regulatory authority is required for the authorization, execution and delivery by the University of the Agreement, the Continuing Disclosure Agreement dated the date of Closing by and between the University and U.S. Bank National Association, as Dissemination Agent with respect to the Bonds (the "Continuing Disclosure Agreement"), this Purchase Contract and the Official Statement, or for any action by the University taken in connection with the transactions contemplated thereby, which has not been obtained or effected to the extent such may be presently obtained or effected.

(c) The University hereby ratifies and consents to the use by the Underwriter, prior to the date hereof, of the Preliminary Official Statement in connection with the public offering of the 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.

(d) (i) The University hereby authorizes the use and distribution of the Official Statement by the Underwriter in connection with the public offering and sale of the Bonds.

(ii) If, during the period from the date hereof, to and including the date which is twenty-five (25) days from the "end of the underwriting period" (as such term is defined in section 8 hereof), there shall exist any event which, in the opinion of the Underwriter or in the opinion of the Authority or the University, requires a supplement or amendment to the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, or it is necessary to amend or supplement the Official Statement to comply with law, the University will cooperate with the Authority, at the University's expense, to supplement or amend the Official Statement, in a form and in a manner approved by the Underwriter and the Authority, so that the statements in the Official Statement as so amended and supplemented will not, in light of the circumstances when the Official Statement is delivered to a prospective purchaser of the Bonds, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, no misleading or so that the Official Statement will comply with law.

(e) The information and statements in the Preliminary Official Statement and the Official Statement relating to the University and the Project under the captions "INTRODUCTORY STATEMENT", "THE PROJECT", "ESTIMATED SOURCES AND USES OF FUNDS", "DESCRIPTION OF THE SERIES 2017 BONDS" (excluding the subsection "Book-Entry-Only System"), "SECURITY FOR THE SERIES 2017 BONDS", "CONTINUING DISCLOSURE", "LITIGATION – The University", and in APPENDIX A and APPENDIX B, as of their respective dates, were accurate in all material respects and did not contain any untrue statement of a material fact or omit to state any material fact necessary in

order to make the statements therein, in light of the circumstances under which they were made, not misleading, and as of the date hereof and at all times subsequent thereto during the period up to and including the twenty-five (25) days subsequent to the end of the underwriting period, the information and statements in the Official Statement relating to the University and the Series 2016 Project under the captions "INTRODUCTORY STATEMENT", "THE PROJECT", "ESTIMATED SOURCES AND USES OF FUNDS", "DESCRIPTION OF THE SERIES 2017 BONDS" (excluding the subsection "Book-Entry-Only System"), "SECURITY FOR THE SERIES 2017 BONDS" "CONTINUING DISCLOSURE", "LITIGATION - The University", and in APPENDIX A and APPENDIX B will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state any material fact which should be included therein which is necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(f) During the period from the date hereof to and including a date that is twenty five (25) days following the end of the underwriting period for the Bonds (as determined in accordance with Section 7 hereof), the University will advise the Underwriter and the Authority promptly of the institution of any proceedings known to it by any governmental agency relating to the existence of legal powers of the University, affecting in any way the Agreement, or the Continuing Disclosure Agreement or in which the result may materially adversely affect the financial condition or operation of the University.

(g) The Agreement, the Continuing Disclosure Agreement and this Purchase Contract constitute, or upon execution will constitute, legal, valid and binding obligations of the University 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.

(h) Except as set forth in the Preliminary Official Statement and the Official Statement dated 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 University, and, to the knowledge of the University, no such action is threatened against the University, in any way contesting or questioning the due organization and lawful existence of the University or the title of any of the officers or members of the University to their offices, or seeking to restrain or to enjoin the sale, issuance or delivery of the Bonds, or pledging of revenues and other funds of the University referred to in the Trust Indenture, or in any way contesting or affecting the validity or enforceability of the Agreement, the Continuing Disclosure Agreement or this Purchase Contract or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the University or its authority with respect to the Agreement, the Continuing Disclosure Agreement or this Purchase Contract.

(i) The execution and delivery of, and performance of the University's obligations under the Agreement, the Continuing Disclosure Agreement or this Purchase Contract and the other agreements contemplated thereby, and the consummation of all transactions to which the

University is a party as contemplated by the Bonds, the Resolution, the Trust Indenture, the Agreement, , this Purchase Contract, the Continuing Disclosure Agreement and as described in the Official Statement have been duly authorized by all necessary action on the part of the University, will not violate any provision of the Charter or By-Laws of the University, or constitute, on the University's part, a breach of or a default under any existing law, court or administrative regulation, decree or order or any agreement, indenture, mortgage, loan or other instrument to which the University is subject or by which the University is or may be bound.

(j) There has been no material adverse change in the financial condition and affairs of the University since the end of the fiscal year of the University ended June 30, 2016 as shown in the Official Statement in APPENDIX B – “AUDITED FINANCIAL STATEMENTS OF THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY AS OF AND FOR THE YEARS ENDED JUNE 30, 2016 AND 2015”.

(k) To the best knowledge of the undersigned officer of the University, there has been no default on the part of the University within the last ten (10) years under any material contract, loan, agreement, indenture or resolution regarding any indebtedness or financial obligation.

(l) The financial statements of, and other financial information regarding the University in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of the University as of the dates and for the periods therein set forth. The financial statements of the University have been prepared in accordance with generally accepted accounting principles consistently applied, and except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of the University's audited financial statements included in the Preliminary Official Statement and in the Official Statement.

(m) Prior to the Closing Date, the University will not, without prior written notice to the Underwriter, offer or issue any obligations except as described in or contemplated by the Official Statement.

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

(o) As of the date hereof and as of the Closing Date, (i) the University has and will have good and marketable fee simple title, leasehold title, or the right to use of lands titled in the State of New Jersey (as the case may be) to its other properties, subject only to such liens and encumbrances as do not and will not have a material adverse effect on the ability of the University to use such properties for their intended purposes and to collect revenues therefrom, and (ii) the University has and will have good and marketable title to its revenues. As of the Closing Date, the Authority will have good and marketable fee simple title, and the University has and will have good and marketable leasehold title, to the properties constituting the Leased

Facilities, subject only to such liens and encumbrances as have been disclosed to the Authority and the Underwriter in writing.

(p) To the best knowledge of the undersigned officer of the University, the University has all necessary licenses and permits, if any, required to carry on its business and to operate the Project Facilities. To the best knowledge of the officers of the University, the University has not received any notice of an alleged violation and, to the best knowledge of the officers of the University, it is not in violation of any zoning, land use or other similar law or regulation applicable to the Project Facilities which could materially adversely effect the operations or financial condition of the University.

(q) If the Closing shall not occur as a result of the failure of the University to meet its obligations under this Purchase Contract, the University shall pay all of the expenses of the Authority as described in Section 4(i) above.

(r) None of the officers, members, agents or employees of the University shall personally be liable for the performance of any obligation under this Purchase Contract.

(s) In order to assist the Underwriter in complying with Rule 15c2-12, the University will undertake, pursuant to the Continuing Disclosure Agreement to provide annual financial information and notice of certain specified events. A description of the Continuing Disclosure Agreement is contained in the Preliminary Official Statement and the Official Statement. Except as described in the Official Statement, the University has not failed during the previous five years to comply in any material respect with any previous undertakings in a written continuing disclosure agreement entered into pursuant to Rule 15c2-12.

(t) The University has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Lease Agreement and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

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

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

(a) The Underwriter 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 Contract;

(b) The Resolution, the Trust Indenture, the Agreement, the Continuing Disclosure Agreement and this Purchase Contract have been reviewed by the Underwriter and contain terms acceptable to, and agreed to by, the Underwriter ;

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

(d) The Underwriter has not 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) The Underwriter represents and warrants compliance with the provisions of Rules G-37 and G-38 of the MSRB;

(f) The Underwriter represents and warrants for itself, that (x) all information, certifications and disclosure statements previously provided in connection with L. 2005, c. 51, and Executive Order No. 117 (Corzine 2008) (“Executive Order No. 117”) and as required by law, are true and correct as of the date hereof and (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 Underwriter in connection with this transaction. The Underwriter agrees to execute and deliver at the Closing a “Certification of No Change” in the form attached hereto as Exhibit B, and to continue to comply with the provision of L. 2005, c. 51 and Executive Order No. 117 and as required by law, during the term of this Purchase Contract and for so long as the Underwriter has any obligations under this Purchase Contract.

(g) In accordance with Executive Order No. 9 (Codey 2004), the Underwriter certifies that it has not 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 Bonds;

(h) The Underwriter represents and warrants it entered into any financial or business relationships, arrangements or practices with the Authority's financial advisor or any other participant concerning or relating to the Bonds; and

(i) The 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. **Conditions to the Underwriter's Obligations.** The Underwriter's obligations hereunder shall be subject to the due performance by the Authority and the University of their obligations and agreements to be performed hereunder at or prior to the Closing Time and to the accuracy of and compliance with the Authority's and the University's representations and warranties contained herein, as of the date hereof and as of the Closing Time, and are also subject to the following conditions:

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

(b) The Underwriter shall not have elected to cancel their obligation hereunder to purchase the Bonds, which election shall be made by written notice by the Underwriter to the Authority only if between the date hereof and the Closing: (i) any event shall have occurred that, in the reasonable judgment of the Underwriter, either (A) makes untrue or incorrect in any materially adverse respect any statement or information contained in the Official Statement or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any materially adverse respect and such event, in the reasonable judgment of the Underwriter, is such as to materially and adversely affect (x) the marketability or market price of the Bonds, or (y) the ability of the Underwriter to enforce confirmations of or contracts for the sale of the Bonds; or (ii) there shall have occurred any new outbreak of hostilities or other national or international calamity or crisis, the effect of which on the financial markets of the United States of America, in the reasonable judgment of the Underwriter, is such as to materially and adversely affect the marketability or market price of the Bonds or ability of the Underwriter to enforce confirmations of or contracts for the sale of the Bonds; or (iii) there shall be in force a general suspension of trading on the New York Stock Exchange the effect of which on the financial markets is such as to materially and adversely affect the marketability or market price of the Bonds or the ability to enforce confirmations of or contracts for the sale of the Bonds; or (iv) a general banking moratorium shall have been declared by either federal or State authorities having jurisdiction and shall be in force; or (v) legislation shall have been enacted by the Congress of the United States or a final

decision by a court of the United States of America shall be rendered, that has the effect of requiring the Bonds to be registered under the Securities Act of 1933, as amended, or requiring the Resolution or the Trust Indenture to be qualified under the Trust Indenture Act of 1939, as amended; or (vi) a stop order, ruling or regulation by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made (which is beyond the control of the Underwriter or the Authority to prevent or avoid) to the effect that the issuance, offering or sale of the Bonds, as contemplated hereby or as described in the Official Statement, or any document relating to the issuance, offering or sale of the Bonds is or would be in violation of any provision of the Federal securities laws at Closing, including the Securities Act of 1933, as amended, or of the Trust Indenture Act of 1939, as amended; or (vii) legislation shall be enacted by the Congress of the United States or a final decision by a federal court (including the Tax Court of the United States) or a final ruling or regulation by the Internal Revenue Service with respect to federal taxation of interest on the Bonds, or which would have the effect of changing directly or indirectly the federal income tax consequences of interest on bonds of the general character of the Bonds in the hands of the holders thereof and which, in the Underwriter's reasonable opinion, materially and adversely affects the marketability or market price of the Bonds or the ability of the Underwriter to enforce confirmations of or contracts for the sale of the Bonds; or (viii) there shall have occurred since the date of this Purchase Contract any materially adverse change in the affairs or financial condition of the University, except for changes which the Official Statement discloses are expected to occur; or (ix) there shall have occurred any downgrading from a rating agency that, at the date of this Purchase Contract, has published a rating (or has been asked to furnish a rating on the Bonds) on any of the University's debt obligations, which action reflects a change in the ratings accorded any such obligations of the University (including any rating to be accorded the Bonds).

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

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

(e) Bond Counsel shall have delivered a supplementary opinion or opinions dated the Closing Date (addressed to the Authority, the University, the Underwriter and the Trustee in the form satisfactory to the Authority and the Underwriter, to the effect that:

(i) the statements contained in the Official Statement in the sections captioned "INTRODUCTORY STATEMENT", "DESCRIPTION OF THE SERIES 2017

BONDS” (excluding the subsection “Book-Entry-Only System”), “SECURITY FOR THE SERIES 2017 BONDS,” “THE AUTHORITY - Powers Of The Authority,” “CONTINUING DISCLOSURE” (excluding the last paragraph thereof), “LEGALITY FOR INVESTMENT”, “PLEDGE OF STATE NOT TO AFFECT RIGHTS OF BONDHOLDERS”, and in APPENDIX C – “FORM OF CERTAIN LEGAL DOCUMENTS” and APPENDIX D – “FORM OF CONTINUING DISCLOSURE AGREEMENT” attached thereto, insofar as such statements purport to summarize certain provisions of the Act, the Bonds, the Resolution, the Trust Indenture, the Agreement, and the Continuing Disclosure Agreement are reasonable summaries of such provisions. The statements on the cover page of the Official Statement relating to tax matters and under the section in the Official Statement captioned “TAX MATTERS” and in APPENDIX E – “FORM OF APPROVING OPINION OF BOND COUNSEL”, insofar as such statements purport to summarize certain provisions of tax law, regulations and rulings, are reasonable summaries of the provisions so summarized;

(ii) 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 (i) above), Bond Counsel has no reason to believe that, as of the date, the Preliminary Official Statement and as of its date, the Official Statement and as of the date of Closing, the Official Statement (except in each case for the financial, tabular and other statistical information included therein and except for the information under the headings “DESCRIPTION OF THE SERIES 2017 B BONDS - Book-Entry-Only System”, “UNDERWRITING”, “LITIGATION” and in “APPENDIX A – THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY”, “APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY AS OF AND FOR THE YEARS ENDED JUNE 30, 2016 AND JUNE 30, 2015”, 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;

(iii) the Bonds are not required to be registered under the Securities Act of 1933, as amended, and neither the Resolution nor the Trust Indenture is required to be qualified under the Trust Indenture Act of 1939, as amended;

(iv) this Purchase Contract has been duly authorized, executed and delivered by the Authority, is a legal, valid and binding obligation of 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

(v) the Official Statement and the distribution thereof has been approved by the Authority and the Official Statement has been duly approved and executed by the Authority and the University.

(f) The Authority and the University shall have received an opinion of the Attorney General of the State and the Underwriter shall have received an opinion of the University's Counsel.

(g) The Underwriter shall have received 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 (i) in any way attempting to restrain or enjoin the sale, issuance, execution or delivery of any of the Bonds, the application of the proceeds thereof, the payment, collection or application of payments under the Agreement or the pledge thereof, or of the other moneys, rights and interest pledged pursuant to the Resolution, the execution, delivery or performance of the Resolution, the Trust Indenture, the Agreement or this Purchase Contract; (ii) in any way contesting or otherwise affecting the authority for or the validity of the Bonds, the Resolution, the Trust Indenture, the Agreement or this Purchase Contract, any of the matters referred to in clause (i) above or any other proceedings of the Authority taken with respect to the sale or issuance of the Bonds; (iii) in any way contesting the powers of the Authority; or (iv) in any way contesting the payment, collection or application of payments under the Agreement or the pledge thereof pursuant to the Trust Indenture.

(h) The Underwriter shall have received a certificate, dated the Closing Date, signed by an Authorized Officer of the Authority, to the effect that: (i) each of the representations and warranties of the Authority contained in this Purchase Contract has remained true and correct from the date hereof through the Closing Date and is true and correct as of the Closing Date as though made at the Closing Time, 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, no Event of Default (as defined in each of the Trust Indenture and in the 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; and (ii) 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 Underwriter .

(i) The Underwriter shall have received a certificate, dated the Closing Date, signed by the Vice President for Administration and Finance of the University, to the effect (i) that each of the representations and warranties of the University contained in this Purchase Contract has remained true and correct from the date thereof through the Closing Date and is true and correct as of Closing Date as though made at the Closing Time, (ii) the University has duly complied with all agreements and satisfied all conditions of its part to be performed or satisfied at or prior to the Closing Date, (iii) no Event of Default (as defined in the Agreement) 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 such an Event of Default, (iv) to the best of his knowledge and belief, the information contained in the Official Statement did not and, as of the date of such certificate, does not contain any untrue statement of a material fact or omit any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading, (v) and there has been no material adverse change

in the condition and affairs of the University, 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 Underwriter .

(j) The Underwriter shall have received an Arbitrage Certificate of the Authority and a Tax Letter of Representation from the University in form and substance satisfactory to the Underwriter and to Bond Counsel.

(k) The Underwriter shall have received evidence of either (i) the approval by the Governor of the State (the "Governor") of the minutes of the Authority authorizing the adoption of the Resolution by the Authority and the sale of the Bonds pursuant hereto and the transactions contemplated hereby and/or (ii) expiration of the period during which the Governor may veto such action by the Authority and the absence of such veto.

(l) The Underwriter, shall have received ratings letters or other documents providing evidence of the ratings of "___" and "A2" on the Bonds from Fitch Ratings and Moody's Investors Service, respectively, on or prior to the Closing Date, which ratings shall not have been suspended, lowered or withdrawn prior to the Closing Date.

(m) The Underwriter shall have received certified copies of the resolutions of the Authority and of the University relating to the Bonds (including the Resolution), executed copies of the Trust Indenture, the Agreement, the Continuing Disclosure Agreement and the Official Statement, all in form and substance satisfactory to the Underwriter .

(n) The Authority shall have received (1) a certificate of the Trustee, in its capacities as trustee, paying agent and bond registrar in form and substance satisfactory to the Authority and the Underwriter ; and (2) an opinion of Trustee's counsel with respect to the Bonds dated the Closing Date stating that (A) the Trustee is duly organized and validly existing as a National Banking Association under the laws of the United States of America with trust powers, authorized to conduct business and serve as a trustee, paying agent, bond registrar, dissemination agent and fiduciary under the laws of the State; (B) the Trustee has duly accepted its appointment as Trustee under the Trust Indenture, and as dissemination agent under the Continuing Disclosure Agreement, and possesses all necessary trust, fiduciary and other powers to carry out the duties and obligations imposed, respectively, by the Trust Indenture and Continuing Disclosure Agreement; (C) the Trustee has duly authenticated the Bonds and has duly executed and delivered the Trust Indenture and the Continuing Disclosure Agreement; (D) the duties and responsibilities created by the Trust Indenture and the Continuing Disclosure Agreement constitute the valid, legal and binding obligations of the Trustee, enforceable against the Trustee in accordance with their respective terms; (E) the acceptance, execution, delivery and performance by the Trustee of the duties and obligations of the Trustee under the Trust Indenture and as dissemination agent under the Continuing Disclosure Agreement will not conflict with or constitute a breach of or default under the Trustee's charter, by-laws or other authorizing documents or any law, administrative regulation or consent decree to which the Trustee is subject; (F) the execution and delivery of the Trust Indenture and the Continuing Disclosure

Agreement and the due performance by the Trustee as trustee and dissemination agent, respectively, of its obligations thereunder have been duly authorized by all necessary corporate actions on the part of the Trustee; and (G) all approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter, if any, which would constitute a condition precedent to the performance by the Trustee as trustee and dissemination agent, respectively, of its obligations under the terms of the Trust Indenture and the Continuing Disclosure Agreement have been obtained and are in full force and effect.

(o) Certificates, dated the Closing Date, executed by Authorized Officers of the Trustee, the University and the Authority and such additional documentation of organization, authority and incumbency as may be reasonably satisfactory to the Underwriter and to Bond Counsel.

(p) The Underwriter shall have received an opinion of Connell Foley LLP, Underwriter's Counsel, dated the Closing Date, in form and substance satisfactory to the Underwriter in substantially the form attached hereto as Exhibit D.

(q) The Authority shall have received: (i) consent letters from the University's auditor, Baker Tilly Virchow Krause, LLP (the "Auditor"), stating that the Auditor consents to the inclusion of its report regarding the financial statements of the University in the Preliminary Official Statement and Official Statement, respectively, and stating that the Auditor consents to the use of its name in the Preliminary Official Statement and the Official Statement, respectively; and (ii) a privity letter from the Auditor in a form acceptable to the Attorney General of the State and Bond Counsel, addressed to the University and copied to the Authority, which acknowledges that the Authority intends to rely on its financial statements in connection with the issuance of the Bonds and waiving the provisions of *N.J.S.A. 2A:53A-25* with respect to its professional accounting services.

(r) The Underwriter shall have received such additional certificates, opinions and other documents as the Underwriter or Bond Counsel may reasonably request to evidence performance of or compliance with the provisions of this Purchase Contract and the transactions contemplated hereby and by the Official Statement; all such certificates, opinions and other documents to be in form and substance satisfactory to the Underwriter.

If the Authority shall be unable to satisfy or cause to be satisfied any condition of the obligations of the Authority contained in this Purchase Contract and the satisfaction of such condition shall not be waived by the Underwriter or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the Authority nor the University shall have any further obligations or liabilities hereunder.

9. **Amendments and Supplements to the Official Statement.** The "end of the underwriting period" for the Bonds for all purposes of Rule 15c2-12 is the Closing Date. During the period from the date hereof to and including a date which is twenty-five (25) days following the end of the underwriting period for the Bonds (as determined in accordance with this Section

8), the Authority will (a) not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the University or the Underwriter shall reasonably object in writing, unless the Authority has obtained the written opinion of Bond Counsel, stating that such amendment or supplement is necessary in order to make the Official Statement not misleading in the light of the circumstances existing at the time that it is delivered to the Underwriter, and (b) if any event relating to or affecting the Authority, the University or the Bonds shall occur as a result of which it is necessary, in the written opinion of Bond Counsel, to amend or to supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to the Underwriter, forthwith prepare and furnish to the Underwriter (at the expense of the University) up to 250 copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Authority, the Attorney General of the State, Bond Counsel and the Underwriter) which will amend or supplement the Official Statement so that the Official Statement, as amended or supplemented, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to the Underwriter, 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 Underwriter. In addition, the Authority will provide, subject to customary disclaimers regarding the transmission of electronic copies, an electronic copy of the amendment or supplement to the Official Statement to the Underwriter in the currently required designated electronic format stated in Rule G-32. The Underwriter shall comply with the provisions of Rule G-32 as in effect on the date hereof, with respect to the filing of such amendment or supplement to the Official Statement with the MSRB and to notify the Authority of the date on which such amendment or supplement to the Official Statement is filed with the MSRB. For the purpose of this Section 8, the Authority will furnish such information with respect to itself or the University as the Underwriter may from time to time reasonably request.

10. **Survival of Certain Representations and Obligations.** After the Closing, the respective agreements, representations, warranties and other statements of the Authority, the University and the Underwriter sets forth in or made pursuant to this Purchase Contract shall remain in full force and effect, regardless of any investigation or statement as to the results thereof, made by or on behalf of the Underwriter, the University, or the Authority and will survive delivery of and payment for the Bonds.

11. **Notices.** Any notice or other communication to be given to the Underwriter pursuant to this Purchase Contract may be given by mailing or delivering the same in writing to:

Citigroup Global Markets Inc.
390 Greenwich Street, 2nd Floor
New York, NY 10013
Attention: Timothy J. Egan, Managing Director

Any notice or other communication to be given to the Authority under this Purchase Contract may be given by mailing or delivering the same in writing to:

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540-6612
Attention: Jeremy A. Spector, Executive Director

Any notice or other communication to be given to the University under this Purchase Contract may be given by mailing or delivering the same in writing to:

The William Paterson University of New Jersey
300 Pompton Road
Wayne, New Jersey 07470-0913
Attention: Stephen Bolyai, Vice President for Administration and Finance

12. **Governing Law.** This Purchase Contract shall be governed by and enforced in accordance with the laws of the State of New Jersey without regard for conflict of law principles.

13. **Successors.** This Purchase Contract will inure to the benefit of and be binding upon the parties hereto and their respective successors and no other person will have any right or obligation hereunder.

14. **Execution of Counterparts.** This Purchase Contract may be executed in several counterparts, any of which may be in facsimile form and each of which shall be regarded as an original and all of which shall constitute one and the same document.

15. **Assignment.** This Purchase Contract may not be assigned by any of the parties without the written consent of the other parties hereto.

16. **Benefit.** This Purchase Contract is made solely for the benefit of the Authority, the University and the Underwriter (including the successors or assigns of any of said parties) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. The terms "successors" and "assigns" as used herein shall not include any purchaser, as such purchaser, of any of the Bonds from the Underwriter. All representations and agreements of the Authority, the University and the Underwriter in this Purchase Contract shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

17. **Compliance with L. 2005, c. 271 Reporting Requirements.** The Underwriter is 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 Underwriter enters into agreements or contracts such as this Purchase Contract, with a public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from public entities, such as the Authority, in a calendar year. It is the Underwriters' responsibility to determine if filing is necessary. Failure

to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

18. **Cooperation.** The Authority and the University agree to reasonably cooperate with the Underwriter and counsel to the Underwriter in any endeavor to qualify the Bonds for offering and sale under the securities or “Blue Sky” laws of such states as the Underwriter may request and will assist, if necessary, in continuing the effectiveness of such qualification so long as required for the distribution of the Bonds. The Authority and the University consent to the use of the Official Statement by the Underwriter in obtaining such qualifications; provided, however, that the Authority and the University shall not be required to consent to service of process or to file a written consent to suit or service of process. The Authority’s and the University’s failure to consent to service of process or to file a written consent to suit or service of process shall not relieve the Underwriter of its obligations to purchase the Bonds under this Purchase Contract.

19. **Effect.** The performance of obligations of the Authority and the University hereunder is subject to the performance by the Underwriter of its obligations hereunder.

Very truly yours,

CITIGROUP GLOBAL MARKETS INC.

By: _____

Name: Timothy J. Egan
Title: Managing Director

Accepted as of the date first written above:

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By: _____

Name: Jeremy A. Spector
Title: Executive Director

THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY

By: _____

Name: Stephen O. Bolyai
Title: Senior Vice President for Administration and Finance

SCHEDULE 1
UNDERWRITER

Citigroup Global Markets Inc.

EXHIBIT A

PRICING SUMMARY

\$_____ Serial Bonds

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
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\$_____, _____% Term Bonds due July 1, _____, Yield _____%, Price _____

* Priced at the stated yield to the first optional redemption date of July 1, _____ at a redemption price of 100%.

Redemption Provisions

Optional Redemption. The Bonds maturing before July 1, _____ are not subject to optional redemption prior to maturity. The Bonds maturing on or after July 1, _____ are subject to redemption prior to maturity on or after July 1, _____ at the option of the Authority with the prior consent of the University, in whole or in part at any time or from time to time 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. If all or a substantial portion of the Leased Facilities are damaged or destroyed by fire or other casualty, or title to or the temporary use of all or a substantial portion of such facilities is condemned or taken for any public or quasi-public use by any governmental entity exercising or threatening the exercise of the power of eminent domain, or title thereto is found to be deficient, to such extent that in the determination of the University (i) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (ii) the University is thereby prevented from carrying on its normal operations, or (iii) the cost of restoration or replacement thereof would exceed the Net Proceeds of any casualty insurance, title insurance, condemnation awards or sale under threat of condemnation with respect thereto, the Bonds are subject to extraordinary optional redemption prior to maturity, in whole or in part at any time or from time to time, from and to the extent of any condemnation or insurance proceeds deposited in the Debt Service Fund pursuant to the Agreement, at the election of the Authority with the consent of the University. Any such redemption shall be made on the earliest practicable date at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

Mandatory Sinking Fund Redemption. The Bonds maturing on July 1, _____ shall be retired by Sinking Fund Installments as hereinafter described, at a redemption price equal to one hundred percent (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 Bonds on July 1 in each of the years and in the principal amounts as follows:

Bonds maturing July 1,

<u>Year</u>	<u>Principal Amount</u>
-------------	-------------------------

*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 University in lieu of cash payments under the 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.

EXHIBIT B

CERTIFICATION OF NO CHANGE

I, Timothy J. Egan, Managing Director of Citigroup Global Markets Inc. (the “Underwriter ”), does hereby certify on behalf of itself and the other Underwriters that all information, certifications and disclosure statements previously provided in connection with L. 2005, c. 51, enacted March 22, 2005, and Executive Order No. 117 (Corzine 2008), are true and correct as of the date hereof, and that all such statements have been made with full knowledge that the Authority and the State of New Jersey shall rely upon the truth of the statements contained herein and in the Purchase Contract in engaging the Underwriter in connection with the sale and issuance of the Bonds.

IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of September, 2017.

Citigroup Global Markets Inc.

By _____

Name: Timothy J. Egan

Title: Managing Director

EXHIBIT C

**§ _____ NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS,
THE WILLIAM PATERSON UNIVERSITY OF NEW JERSEY ISSUE, SERIES 2017 B**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Citigroup Global Markets Inc. (the “Underwriter ”), on behalf of itself and _____ (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. Sale of the General Rule Maturities.

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

2. Initial Offering Price of the Hold-the-Offering-Price Maturities.

(a) The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Contract of Purchase, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms.

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

(b) Hold-the-Offering-Price Maturities means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) Issuer means the New Jersey Educational Facilities Authority.

(e) 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.

(f) 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.

(g) 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 _____.

(h) 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).

4. Yield

(a) We have been advised by GluckWalrath LLP, as Bond Counsel, that, as used in this certificate, the term "yield" refers to that discount rate calculated on the basis of a 360 day year consisting of twelve months of thirty days each and assuming semiannual compounding which, when used in computing the present value as of the date hereof of all expected payments of the principal of and interest on the Bonds produces an amount equal to the Aggregate Issue Price of the Bonds[, less the cost of bond insurance]. The Bonds include callable bonds maturing on July 1 of the years _____, respectively, which are issued at respective issue prices that exceed the stated redemption price at maturity by more than one-fourth of one percent (.25%) multiplied by the product of the stated redemption price at maturity and the number of complete years to the first optional redemption date of the bond (the "Premium Bonds"). In such case, Bond Counsel has advised that the yield on the issue must be calculated by treating such Premium Bonds as redeemed at their stated redemption price on the optional redemption date that would produce the lowest yield on the issue, in accordance with Treasury Regulations Section 1.148-4(b)(3). Accordingly, Bond Counsel has advised that each of the Premium Bonds shall be treated as redeemed at their stated redemption price on the optional redemption date that would produce the lowest yield on the bond. Such date has been determined to be July 1, 2027.

[The Bonds include a term bond maturing on July 1, 20__ (the "20__ Term Bond"), with mandatory sinking fund payments due on July 1 of the years ____, the weighted average maturity of which is __ years. The difference between the issue price of the 20__ Term Bond (\$____) and its stated redemption price at maturity (\$____) is \$____. Such stated redemption price at maturity does not exceed the issue price of the 20__ Term Bond by more than one-quarter of one percent multiplied by the product of the stated redemption price at maturity and the number of years to the weighted average maturity date of the 20__ Term Bond. Accordingly, Bond Counsel has advised that for purposes of computing yield on the issue, the 20__ Term Bond shall be treated as payable in accordance with its sinking fund redemption schedule.]

[(b) The Authority has obtained a bond insurance policy from _____ ("____") in respect of the Bonds. Based on our experience with bonds similar to the Bonds (i) the bond insurance was an important factor in marketing the Bonds and (ii) the absence of the insurance would have materially affected in an adverse manner the interest rates at which the Bonds could have been sold. The insurance policy will be issued for a premium of \$____ which is net of any credits or rating agency fees. No portion of the premium represents the indirect payment of costs of issuance, including rating agency fees or the provision of additional services by _____. The present value of the insurance is less than the present value of the interest reasonably expected to be saved as a result of using the insurance to secure the Bonds, using as a discount rate the yield on the Bonds, calculated with treating the premiums as interest.]

(c) The yield on the Bonds, calculated in the manner described in Section 4(a), is _____%.

5. Weighted Average Maturity

We have been advised by Bond Counsel that the weighted average maturity of bonds shall be computed by calculating the sum of the products of the issue price of each Maturity of the Bonds and the number of periods to maturity for each maturity of the bonds (determined separately for each), divided by the aggregate of the issue prices. Based upon such methodology, the weighted average maturity of the Bonds is _____ years.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter '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 with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Gluck Walrath LLP 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 the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

CITIGROUP GLOBAL MARKETS INC.

By: _____
Name: Timothy J. Egan
Title: Managing Director

Dated: ____, 2017

EXHIBIT D

FORM OF OPINION OF UNDERWRITER'S COUNSEL

Citigroup Global Markets Inc.
New York, New York

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
\$ _____ Revenue Bonds,
The William Paterson University of New Jersey Issue,
Series 2017 B

Ladies and Gentlemen:

We have acted as counsel to you, Citigroup Global Markets Inc. as underwriter (the "Underwriter") under the Contract of Purchase dated _____, 2017 in connection with the sale and issuance by the New Jersey Educational Facilities Authority (the "Authority") of the above-mentioned Bonds (the "Bonds"). The Bonds are being 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"), a Resolution adopted by the Authority on July 25, 2017 (the "Resolution"), and a Trust Indenture, dated as of September 1, 2017 (the "Trust Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). This opinion is being delivered to you pursuant to Section 7(p) of the Purchase Contract. Capitalized terms used in this opinion and not otherwise specifically defined herein have the meanings assigned to them in the Purchase Contract or the Official Statement (as hereinafter defined), as the case may be, unless the context clearly indicates otherwise.

In our capacity as your counsel, we have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of a record of proceedings with respect to the issuance of the Bonds including, but not limited to (i) the Resolution; (2) the Trust Indenture; (3) the Agreement; (4) the Preliminary Official Statement relating to Bonds dated August __, 2017 (the "Preliminary Official Statement"); (5) the Official Statement relating to the Bonds dated August __, 2017 (the "Official Statement"); (6) executed copies of certificates delivered to you pursuant to the Contract of Purchase dated August __, 2017 by and among the Authority, the University and the Underwriter (the "Purchase Contract"), (7) the opinion letters of GluckWalrath LLP, Bond Counsel; (8) an executed copy of the Purchase Contract and (9) the other documents delivered at the Closing as listed in the closing memorandum for the Bonds (collectively, the "Closing Documents").

In addition, we have examined and relied upon such other documents, instruments, records of proceedings and corporate and public records, and have made such investigations of law, as we have considered necessary or appropriate for the purpose of the opinions set forth

below. In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as certified, photostatic or conformed copies thereof and the authenticity of the originals of all such documents.

Based on the foregoing, and subject to the limitations and qualifications below, we are of the opinion that:

1. The Bonds are exempted securities described in Section 3(a)(2) of the Securities Act of 1933, as amended. No registration with the Securities and Exchange Commission under the Securities Act of 1933, as amended, need be made in connection with the offering and sale of the Bonds.
2. The Continuing Disclosure Agreement satisfies Section (b)(5)(i) of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), which requires an undertaking for the benefit of the holders, including beneficial owners, of the Bonds to provide certain annual financial information and event notices to Municipal Securities Rulemaking Board at the time and in the manner required by the Rule.

In accordance with our understanding with you, we rendered legal advice and assistance to you in the course of your investigation pertaining to, and your participation in the preparation of, the Preliminary Official Statement, the Official Statement and the issuance and sale of the Bonds. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal and related subjects, and reviews of certain documents with your representatives, representatives of the Authority and its bond counsel and financial advisor, and the University and its auditors and financial advisors, during which the contents of the Official Statement and related matters were discussed and reviewed.

The limitations inherent in the independent verification of factual matters and the character of determinations involved in the preparation of the Official Statement are such, however, that we have necessarily assumed the accuracy, completeness and fairness of, and take no responsibility for any of, the statements made in the Official Statement. Also, we do not express any opinion or belief as to the financial, tabular or statistical data contained in the Preliminary Official Statement, and the Official Statement or as to the information contained in the Appendices to the Official Statement.

In the course of our participation in the preparation of the Preliminary Official Statement, and the Official Statement and our representation of you, and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Preliminary Official Statement, and the Official Statement, nothing has come to our attention that would lead us to believe that the Official Statement (except for the financial, tabular and statistical data included therein, information contained under the headings "DESCRIPTION OF THE SERIES 2017 BONDS – Book-Entry-Only System", "RATINGS", "TAX MATTERS," and "LITIGATION," and the corresponding provisions in "INTRODUCTORY STATEMENT,"

and information contained in the Appendices to the Official Statement, as to all of which we express no view), as of its date and as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

We are authorized to practice law in the State of New Jersey, and we do not purport to be experts on, or to express any opinion herein concerning, any law, other than the laws of the State of New Jersey, and the applicable laws of the United States of America.

The opinions expressed herein are solely for the benefit of, and may only be relied upon by, the Underwriter. This opinion may not be relied upon by any other person or entity. The opinions expressed herein are as of the date hereof, and we make no undertaking to amend or supplement such opinions as facts and circumstances come to our attention or changes in the law occur which could affect such opinions.

Notwithstanding anything to the contrary contained herein, the undersigned acknowledges that this opinion is a government record subject to release under the Open Public Records Act (N.J.S.A. 47:1A-1 et seq.).

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING ALL NECESSARY APPROVALS, CONSENTS AND DOCUMENTS
FOR THE RELEASE AND CONVEYANCE OF CERTAIN REAL PROPERTY TO
MONTCLAIR STATE UNIVERSITY**

Adopted: July 25, 2017

WHEREAS, the New Jersey Educational Facilities Authority (the "Authority"), is 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, by resolution duly adopted on April 16, 1997, the Authority approved the interim financing, construction and operation by Floyd Hall Enterprises, L.L.C. ("Floyd Hall") of an arena and stadium on real property owned by the Authority (the "Floyd Hall Parcels") and leased by the Authority to Montclair State University (the "University"); and

WHEREAS, ultimately, Floyd Hall provided permanent financing, and to effect the transaction, the Authority leased the real property to the University pursuant to a Lease and Agreement dated as of May 1, 1997 (the "Lease Agreement"); and the University, the Authority and Floyd Hall entered into an agreement dated as of May 1, 1997 (the "Three-Party Agreement") for the development, acquisition and use of a baseball stadium (the "Stadium") and ice hockey arena (the "Arena") at the University and a related agreement for joint use of the Stadium and Arena by the University and Floyd Hall; and

WHEREAS, by a resolution adopted by the Authority on December 13, 2016, at the request of the University, the Authority approved the (i) amendment of the Stadium Sublease and the Arena Sublease (the "Subleases") to provide for their termination on or about January, 2017 and March, 2020, respectively in order for the interest of Floyd Hall in the Stadium and the Arena to revert to the University and for the University to acquire all of Floyd Hall's interest in the Stadium and the Arena; (ii) the amendment of the Operating Agreement and (iii) the amendment of the Three-Party Agreement to permit termination of the Three-Party Agreement upon the termination of the Subleases; and

WHEREAS, the termination of the Subleases was executed on June 2, 2017 and the interest of Floyd Hall in the Stadium has reverted to the University and the interest of Floyd Hall in the Arena will revert to the University on March 31, 2020; and

WHEREAS, the University has requested that the Authority convey the Floyd Hall Parcels to the University so that the University will not require the Authority's ongoing consent and approval for future undertakings of the University related to the Stadium and the Arena; and

WHEREAS, the University and the Authority have determined that the Authority does not need to continue to retain title to the Floyd Hall Parcels and the title to the Floyd Hall Parcels can be conveyed to the University upon the termination of the Lease Agreement; and

WHEREAS, in order to approve and authorize the conveyance of the Floyd Hall Parcels to the University, Section 3.3 of the Lease Agreement needs to be amended to authorize the earlier termination of the Lease Agreement; and

WHEREAS, Section 3.3 of the Lease Agreement shall be amended as follows:

“3.3 Term of Agreement.

The term of this Agreement shall be for a period of forty (40) years from May 1, 1997, unless terminated earlier by the mutual consent of the parties hereto.”

WHEREAS, the Members of the Authority have determined that it is necessary and advisable to consent to the termination of the Lease Agreement and to the release and conveyance of the Floyd Hall Parcels to the University.

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

Section 1. Approval of Amendment of Lease Agreement. The Members hereby agree to the amendment of Section 3.3 of the Lease Agreement to authorize the earlier termination of the Lease Agreement upon the mutual consent of the parties and hereby approves and authorizes the execution and delivery of the Second Amendment to Lease Agreement and the Acknowledgement of Termination of Lease Agreement (the “Acknowledgement of Termination”) in the forms attached hereto at Exhibit A.

Section 2. Authorization and Approval of Release and Conveyance of Authority-Owned Parcels. Upon execution and delivery of the Second Amendment to Lease Agreement, the termination of the Lease Agreement and the execution and delivery of the Acknowledgment of Termination, the Authority hereby authorizes the release and conveyance of the Floyd Hall Parcels to the University; hereby approves and authorizes the execution and delivery of the deed(s) to the University in form satisfactory to the Authority and the recording thereof by the University; and hereby authorizes the execution and delivery of any and all other agreements, documents, certificates, discharges and notices (the “Conveyance Documents”) that are necessary to effect the release and conveyance of the Floyd Hall Parcels.

Section 3. Authorization of Action by Authorized Officers. The Authority hereby authorizes and directs the Chair, Vice Chair, Secretary, any Assistant Secretary, Assistant Treasurer, Executive Director, Deputy Executive Director or Director of Compliance Management of the Authority and any such officers designated as “acting” or “interim” (each an “Authorized Officer”) to execute and deliver the Acknowledgment of Termination and the deed(s) for the Floyd Hall Parcels to the University in the forms approved by the Authorized Officer executing the same and to take any and all such other actions as may be necessary or

appropriate to effect the termination of the Lease Agreement and the release and conveyance of the Floyd Hall Parcels to the University. The Authorized Officers are authorized to execute, attest and affix the official common seal of the Authority, as applicable, to the Acknowledgment of Termination, the deed or deeds and any and all other necessary Conveyance Documents. Approval of the form of all documents executed pursuant to this Resolution shall be conclusively evidenced by the execution thereof.

Section 4. Effective Date. This Resolution shall take effect in accordance with the provisions of the Act.

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

AYE: Joshua Hodes
Katherine Ungar
Louis Rodriguez
Rochelle Hendricks
Ford M. Scudder (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

THIS SECOND AMENDMENT TO THE AGREEMENT is made this ____ day of _____, 2017, by and between the:

New Jersey Educational Facilities Authority (“Authority” or “Landlord”)

and

Montclair State University (“University” or “Tenant”).

BACKGROUND:

A. Landlord and Tenant are parties to a certain Lease and Agreement dated May 1, 1997 (the “Agreement”), pursuant to which Tenant leased from Landlord certain property, as more particularly described in the Lease (the “Property”), and undertook to build a baseball stadium (the “Yogi Berra Stadium”) and an ice hockey arena (the “Floyd Hall Arena”) on a portion of the Leased Premises.

B. This Second Amendment to the Agreement amends Section 3.3 of the Agreement, entitled “Term of Agreement”, to authorize the earlier termination of the Agreement with the mutual consent of the parties thereto.

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

1. Section 3.3 of the Agreement is hereby amended as follows:

“3.3 Term of Agreement.

The term of this Agreement shall be for a period of forty (40) years from May 1, 1997, unless terminated earlier by the mutual consent of the parties hereto.”

2. This Second Amendment to the Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, executors, administrators, successors and permitted assigns.

3. This Second Amendment to the Agreement may be executed in counterparts each of which when so executed and delivered shall be deemed to be an original, but all such counterparts shall constitute one and the same agreement, binding on the parties as if the parties had signed one document on the same signature page, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended or attached to, any other counterpart.

In witness whereof, the parties have executed this Second Amendment to the Agreement as of the date first set forth above.

New Jersey Educational Facilities Authority

By: _____
Name: Jeremy A. Spector
Title: Executive Director

Montclair State University

By: _____
Name: Jon Rosenhein
Title: Vice President for Finance
And Treasurer

STATE OF NEW JERSEY)

) SS:

COUNTY OF MIDDLESEX)

Before me, the undersigned, this ___ day of _____, 2017 personally appeared Jeremy A. Spector, known to me to be Executive Director of New Jersey Educational Facilities Authority and that he, as such officer, executed the foregoing Second Amendment to the Agreement, and acknowledged the execution of the same to be the free act and deed of said company by virtue of the authority of its Trustees.

Notary Public of New Jersey

STATE OF NEW JERSEY)

) SS:

COUNTY OF _____)

Before me, the undersigned, this ___ day of _____, 2017 personally appeared Jon Rosenhein, known to me to be Vice President for Finance and Treasurer of Montclair State University and that he, as such officer, executed the foregoing Second Amendment to the Agreement, and acknowledged the execution of the same to be the free act and deed of said company by virtue of the authority of its Trustees.

Notary Public of New Jersey

ACKNOWLEDGEMENT AND TERMINATION OF LEASE AND AGREEMENT

THIS ACKNOWLEDGEMENT is made this ____ day of _____, 2017, by and between:

New Jersey Educational Facilities Authority (“NJEFA”); and
Montclair State University (“MSU”)

BACKGROUND:

A. MSU and NJEFA are parties to a Lease and Agreement dated May 1, 1997 (the “Agreement”) to permit the development, acquisition and use of a baseball stadium (the “Yogi Berra Stadium”) and ice hockey arena (the “Floyd Hall Arena”); and

B. MSU, Floyd Hall Enterprises, L.L.C. (“FHE”) and NJEFA are parties to an agreement for the development, acquisition, and use of a Yogi Berra Stadium and the Floyd Hall Arena at MSU dated May 1, 1997 (the “Three-Party Agreement”); and

C. MSU, FHE and NJEFA have agreed to release FHE from the Three-Party Agreement and the Sublease Agreements on the terms and conditions set forth in that certain Agreement for Sublease Termination, Yogi Berra Stadium dated June 2, 2017 and that certain Agreement for Sublease Termination, Floyd Hall Arena dated June 2, 2017 (the “Agreements for Termination”) pursuant to resolutions adopted by NJEFA on December 13, 2016 and MSU’s Board of Trustees Executive Committee on March 14, 2017; and

D. NJEFA adopted a Resolution on July 25, 2017 authorizing the amendment of the Agreement to authorize the early termination of the Agreement by the mutual consent of the parties thereto and the execution of the Acknowledgement and the release and conveyance of the land underlying Floyd Hall Arena and Yogi Berra Stadium to MSU.

AGREEMENT:

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

1. The Agreement shall be terminated effective as of 12:01 a.m. on _____ (the “**Termination Date**”). MSU and NJEFA’s obligations under the Agreement shall be and hereby are terminated as of the Termination Date.

2. From and after the Termination Date, MSU and NJEFA shall not have any further rights or obligations to the other under the Agreement or the Three-Party Agreement as it relates to Yogi Berra Stadium and Floyd Hall Arena.

3. This Acknowledgement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, executors, administrators, successors and permitted assigns.

4. This Acknowledgement may be executed in any number of counterparts each of which when so executed and delivered shall be deemed to be an original, but all such counterparts shall constitute one and the same agreement, binding on the parties as if all parties had signed one document on the same signature page, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended or attached to, any other counterpart.

In witness whereof, the parties have executed this Acknowledgment as of the date first set forth above.

New Jersey Educational Facilities Authority

By: _____

Name: Jeremy A. Spector

Title: Executive Director

Montclair State University

By: _____

Name: Jon Rosenhein

Title: Vice President for Finance
And Treasurer

STATE OF NEW JERSEY)

) SS:

COUNTY OF MIDDLESEX)

Before me, the undersigned, this ___ day of _____, 2017 personally appeared Jeremy A. Spector, known to me to be Executive Director of New Jersey Educational Facilities Authority and that he, as such officer, executed the foregoing Acknowledgement, and acknowledged the execution of the same to be the free act and deed of said company by virtue of the authority of its Trustees.

Notary Public of New Jersey

STATE OF NEW JERSEY)

) SS:

COUNTY OF _____)

Before me, the undersigned, this ___ day of _____, 2017 personally appeared Jon Rosenhein, known to me to be Vice President for Finance and Treasurer of Montclair State University and that he, as such officer, executed the foregoing Acknowledgement, and acknowledged the execution of the same to be the free act and deed of said company by virtue of the authority of its Trustees.

Notary Public of New Jersey

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY DESIGNATING AN EQUAL EMPLOYMENT
OPPORTUNITY/AFFIRMATIVE ACTION OFFICER**

Adopted: July 25, 2017

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") was created pursuant to the New Jersey Educational Facilities Authority Law, P.L. 1967, c. 271, N.J.S.A. 18A:72A-1 et seq., as amended and supplemented (the "Act") and authorized to issue its obligations to provide a means for New Jersey public and private colleges and universities to obtain financing to construct educational facilities as defined in the Act; and

WHEREAS: The New Jersey State Policy Prohibiting Discrimination in the Workplace ("State Policy") requires State agencies, including authorities, to designate an Equal Employment Opportunity/Affirmative Action Officer ("EEO/AA Officer") in accordance with N.J.A.C. 4A:7-3.1, to receive complaints of discrimination/harassment, investigate such complaints, and recommend appropriate remediation of such complaints; and

WHEREAS: The State Policy also requires State agencies, including authorities, to designate an alternate person to receive claims of discrimination/harassment;

WHEREAS: Article III, Section 11 of the Authority's By-Laws states that the Authority may from time to time employ such personnel as it may require to exercise its powers, duties and functions as prescribed by the New Jersey Educational Facilities Authority Act, and all other laws of the State of New Jersey applicable thereto; and

WHEREAS: The Members of the Authority have determined that it is necessary, advisable and appropriate to accept the recommendation of the Executive Director to designate an existing employee of the Authority to serve as the EEO/AA Officer and a second existing employee of the Authority to serve as the alternate EEO/AA Officer.

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

SECTION 1. The Executive Director is hereby authorized and directed to take all necessary and appropriate steps to designate an existing employee of the

Authority to serve as the EEO/AA Officer, a second existing employee of the Authority to serve as the alternate EEO/AA Officer, and to designate another EEO/AA Officer or alternate in the event of a vacancy, and such written designations shall be filed with the minutes of the Authority.

SECTION 2. This Resolution shall take effect in accordance with the Act.

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

AYE: Joshua Hodes
Katherine Ungar
Louis Rodriguez
Rochelle Hendricks
Ford M. Scudder (represented by David Moore)

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2017 BUDGET VARIANCE ANALYSIS
FOR THE MONTH ENDED June 30, 2017**

EXECUTIVE SUMMARY

Net Operating Income

The NJEFA concluded June with year-to-date net operating income in the amount of \$294,524 based on year to date revenues of \$1,731,000 and expenses of \$1,436,476.

Revenues

Year-to-date revenues were \$236,111 less than projected due to timing of the anticipated bond issuance activity.

Expenses

Operating expenditures for the first six months of the year were under budget by \$357,728 primarily due to staff vacancies and timing.

Exhibits

<u>Report</u>	<u>Page</u>
Actual vs. Budget Report	1
Operating Account – Vendor Payments	2
Summary of Construction Funds	3

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
JUNE 2017

	Month Ended June 30, 2017			Six Months Ended June 30, 2017		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Operating Revenues</u>						
Annual Administrative Fees	\$214,337	\$238,685	\$ (24,348)	\$ 1,407,765	\$ 1,432,113	\$ (24,348)
Initial Fees	100,000	87,500	12,500	300,000	525,000	(225,000)
Investment Income	6,368	1,667	4,701	23,235	9,998	13,237
	<u>\$ 320,705</u>	<u>\$ 327,852</u>	<u>\$ (7,147)</u>	<u>\$ 1,731,000</u>	<u>\$ 1,967,111</u>	<u>\$ (236,111)</u>
<u>Operating Expenses</u>						
Salaries	\$165,819	\$187,467	\$ 21,648	\$ 683,626	\$ 812,343	\$ 128,717
Employee Benefits	32,988	37,571	4,583	299,726	364,319	64,593
Provision for Post Ret. Health Benefits	17,850	17,850	-	107,100	107,100	-
Office of The Governor	2,208	2,208	-	13,250	13,252	2
Office of The Attorney General	4,666	4,667	1	27,996	27,998	2
Sponsored Programs	-	1,400	1,400	4,233	8,400	4,167
Telephone	2,978	2,167	(811)	10,019	12,998	2,979
Gasoline & Auto Maintenance	345	300	(45)	345	1,200	855
Rent	15,903	16,667	764	95,417	99,998	4,581
Utilities	1,687	1,792	105	10,120	10,748	628
Postage	516	417	(99)	955	2,498	1,543
Office Supplies & Expenses	2,085	3,625	1,540	15,264	21,750	6,486
Travel & Official Receptions	310	1,167	857	2,726	6,998	4,272
Staff Training & Tuition Reimbursement	-	1,083	1,083	7,734	6,502	(1,232)
Insurance	4,898	6,750	1,852	26,821	40,500	13,679
Annual Report & Newsletters	-	1,900	1,900	2,162	11,400	9,238
Public Relations	189	517	328	189	3,098	2,909
Professional Services	9,209	95,500	86,291	70,189	161,000	90,811
Dues & Subscriptions	2,510	3,433	923	13,551	20,602	7,051
Data Processing	3,255	3,833	578	16,695	23,002	6,307
Maintenance of Equipment	13,982	3,667	(10,315)	19,468	21,998	2,530
Depreciation	1,482	2,750	1,268	8,890	16,500	7,610
Contingency	-	-	-	-	-	-
	<u>282,880</u>	<u>396,731</u>	<u>113,851</u>	<u>1,436,476</u>	<u>1,794,204</u>	<u>357,728</u>
Net Operating Income	<u>\$ 37,825</u>	<u>\$ (68,879)</u>	<u>\$ 106,704</u>	<u>\$ 294,524</u>	<u>\$ 172,907</u>	<u>\$ 121,617</u>

NJEFA
Operating Account - Vendor Payments
June 2017

10:39 AM

Type	Date	Num	Name	Memo	Account	Accrual Basis Amount
Check	06/01/2017	11582	100 & RW CRA, LLC	Inv 110435, 110436	Rent, Utilities	11,806.67
Check	06/02/2017	11584	Vencius, Gary D.	Expense Reimbursement - 2017 Ford Title & Reg.	Automobile Expense	296.00
Check	06/02/2017	EFT	United States Postal Service - Neopost	Replenish Meter	Postage	300.00
Check	06/14/2017	EFT	NJSHBP	HB 6/2017	Employee Benefits	26,340.98
Check	06/14/2017	EFT	NJSHBP	HBR 6/2017	Post Retirement Benefits	3,353.36
Check	06/14/2017	11585	SS&C Technologies, Inc	INV469706	Data Processing	3,255.00
Check	06/14/2017	11586	Lexis Nexis	Inv 1705216147	Dues & Subscriptions	292.00
Check	06/14/2017	11587	NJ Economic Development Authority	June Coverage	Employee Benefits	1,615.21
Check	06/14/2017	11588	DocuSafe	Inv 96312	Office Supplies and Expenses	177.44
Check	06/14/2017	11589	Yang, Ellen	Expense Reimbursement - Travel 5/24/17 Ethics Meeting	Travel & Official Receptions	16.37
Check	06/14/2017	11590	SS&C Technologies, Inc	INV469395	Equipment Maintenance	12,625.00
Check	06/14/2017	11591	Nelson, Steven	Employee Reimbursement	Employee Benefits	202.00
Check	06/14/2017	11592	W.B. Mason Company, Inc.	Inv IS0681010	Office Supplies and Expenses	801.44
Check	06/14/2017	11593	NAHEFFA	NAHEFFA 5/24/17 - JS, SN	Travel & Official Receptions	60.00
Check	06/14/2017	11594	Wegmans Food Markets Inc.	5/23/17 Board Meeting	Travel & Official Receptions	68.00
Check	06/14/2017	11595	CliftonLarsonAllen LLP	Inv 1549632	Professional Services	8,500.00
Check	06/14/2017	11596	Arkadin Inc.	Inv 1035103-0517	Telephone	40.37
Check	06/14/2017	11597	Vencius, Gary D.	Expense Reimbursement - Fuel EFA Auto	Automobile Expense	25.00
Check	06/14/2017	11598	Government News Network	Inv 77492-G	Dues & Subscriptions	318.00
Check	06/14/2017	11599	Garden State Fire & Safety	Inv 37930 Annual Inspection Fire Extinguishers	Office Supplies and Expenses	77.50
Check	06/14/2017	11600	Polar Inc.	Inv 012392, 011796	Office Supplies and Expenses	113.20
Check	06/14/2017	11601	UPS	Inv 2Y687X197, 2Y687X207, 2Y687X227	Postage	180.55
Check	06/14/2017	11602	Willis of New Jersey	Inv 1746855 2017 Ford Fusion	Insurance	597.16
Check	06/14/2017	11603	Office of Information Technology	FY 17 TeamSite License Fee incl PEA	Public Relations	189.47
Check	06/14/2017	11604	Lawrence Auto Group, Inc.	Maintenance Plan - 2017 Ford Fusion	Automobiles	1,645.00
Check	06/14/2017	11605	Thomson Reuters Global Markets Inc.	Inv 94592333, 94602075	Dues & Subscriptions	1,420.00
Check	06/26/2017	11606	Garden State Fire & Security	Inv 208659, 208660, 209028, & 209988	Furniture & Equipment	5,081.00
Check	06/26/2017	11607	Walker, Lisa	Expense Reimbursement - Fuel for EFA Auto	Automobile Expense	23.62
Check	06/26/2017	11608	TGI Office Automation	INV802118 Back Copier	Equipment Maintenance	846.34
Check	06/26/2017	11609	Princeton Healthcare System	Inv 4361, 4442	Employee Benefits	238.00
Check	06/26/2017	11610	The Hartford	Acct 12566813 WC 7/1/17 - 7/1/18	Prepaid Insurance	4,438.00
Check	06/26/2017	11611	UPS	Inv 2Y687X237, 2Y687X247	Postage	35.78
Check	06/26/2017	11612	Bank of America - Acct Analysis	Inv 17050005394	Office Supplies and Expenses	144.41
Check	06/26/2017	11613	Polar Inc.	Inv 013370	Office Supplies and Expenses	63.55
Check	06/26/2017	11614	20/20 Business Solutions, Inc.	Inv 494796	Equipment Maintenance	511.11
Check	06/26/2017	11615	Thomson Reuters - West	Inv 836119115	Dues & Subscriptions	480.00
Check	06/26/2017	11616	Dell Marketing L.P.	Inv 10171451202	Data Processing Equipment	1,673.19
Check	06/26/2017	11617	100 & RW CRA, LLC	Inv 001613, 001631	Office Supplies and Expenses	707.90
Check	06/26/2017	11618	Line Systems	Inv 66054170615	Telephone	2,937.82
Check	06/26/2017	11620	Hilltop Securities Inc.	Reimbursement, 6/8/17 Meeting	Travel & Official Receptions	11.98
Check	06/26/2017	11622	Wegmans Food Markets Inc.	5/17/17 Office Meeting	Travel & Official Receptions	160.49
						91,662.41

New Jersey Educational Facilities Authority
 Summary of Construction Funds
 As of June 30, 2017

<u>Institution</u>	<u>Issue</u>	<u>Description</u>	<u>Bond Proceeds</u>	<u>Net Disbursed</u>	<u>Balance</u>	<u>% Complete</u>
Seton Hall University	2016 Series C	Welcome Center, Bishop Dougherty Univ Center	\$ 38,059,002.20	\$ (9,027,348.91)	\$ 29,031,653.29	24%
The College of Saint Elizabeth	2016 Series D	Renov of O'Connor Hall & Improv, Refund 2008 F	2,627,671.74	(1,273,612.74)	1,354,059.00	48%
Stevens Institute of Technology	2017 Series A	Various Renov & Improvements, Refund 1998 I, 2007 A	76,911,558.14	(13,772,927.18)	63,138,630.96	18%
Princeton University	2017 Series C	Renov, Maint & Partial Refund Commercial Paper	162,455,632.40	(73,596,832.80)	88,858,799.60	45%
Seton Hall University	2017 Series E	Medical & Non-Medical Bldgs, Res & Clinical Admin Offices	31,915,000.00	(242,869.34)	31,672,130.66	1%
Sub Total			\$ 311,968,864.48	\$ (97,913,590.97)	\$ 214,055,273.51	
Public						
New Jersey City University	Series 2010 F	Various Capital Improvements	\$ 14,717,070.83	\$ (13,804,243.03)	\$ 912,827.80	94%
The College of New Jersey	Series 2013 A	Demo of Holman Hall, Construct and Renov of STEM	25,608,240.10	(20,957,767.11)	4,650,472.99	82%
Monclair State University	Series 2014 A	Various Refundings and Capital Projects	156,675,111.09	(121,542,244.20)	35,132,866.89	78%
New Jersey City University	Series 2015 A	Various Renovations & Improv, Refund 02 A, 08 E	37,869,656.10	(26,020,386.32)	11,849,269.78	69%
Ramapo College of New Jersey	Series 2015 B	Refund & Renov to Student Center & Coll. Park Apts	16,039,113.37	(12,800,061.02)	3,239,052.35	80%
William Paterson University of New Jersey	Series 2015 C	Refund & Improv, Renov Hunziker Hall & Wing	20,486,649.75	(20,486,649.75)	0.00	100%
Stockton University	Series 2016 A	Science Center, Academic Bldg, Quad Project	26,207,528.53	(8,002,631.34)	18,204,897.19	31%
Ramapo College of New Jersey	Series 2017 A	Refund 06 I, Renov Library, Learning Center	11,278,830.75	(952,336.63)	10,326,494.12	8%
Sub Total			\$ 308,882,200.52	\$ (224,566,319.40)	\$ 84,315,881.12	
Other Programs						
Equipment Leasing Fund	Series 2014 A&B	Acquisition and Installation of Equipment	\$ 101,266,893.00	\$ (84,693,791.25)	\$ 16,573,101.75	84%
Technology Infrastructure Fund	Series 2014	Development of Technology Infrastructure	41,313,667.00	(32,892,228.61)	8,421,438.39	80%
Capital Improvement Fund	Series 2014 A-D	Capital Improvements	191,905,596.00	(159,941,552.48)	31,964,043.52	83%
Facilities Trust Fund	Series 2014	Construct, Reconstruct, Develop & Improve Facilities	219,977,164.00	(144,598,405.37)	75,378,758.63	66%
Capital Improvement Fund	Series 2016 B	Capital Improvements	146,700,261.19	(13,281,681.79)	133,418,579.40	9%
Sub Total			\$ 701,163,581.19	\$ (435,407,659.50)	\$ 265,755,921.69	
Grand Total			\$1,322,014,646.19	\$ (757,887,569.87)	\$ 564,127,076.32	

This issue has reached a completion rate of 95% or higher and will not appear on future reports.