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SHERYL A. STITT
Deputy Executive Director

**MINUTES OF THE MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON TUESDAY, OCTOBER 17, 2017**

The meeting was called to order at 2:04 p.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 October 2, 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)
Louis Rodriguez
Ford M. Scudder, State Treasurer, Treasurer (represented by David Moore)
Rochelle Hendricks, Secretary of Higher Education (represented by Gregg Edwards)

AUTHORITY MEMBERS ABSENT:

Ridgeley Hutchinson

STAFF PRESENT:

Sheryl A. Stitt, Acting Executive Director
Steven Nelson, Director of Project Management (via phone)
Brian Sootkoos, Director of Finance-Controller
Ellen Yang, Director of Compliance Management
Zachary Barby, Communications/Special Projects Assistant
Matthew Curtis, Information Technology Manager
Carl MacDonald, Project Manager
Jacqueline McFadyen, Associate Project Manager
Kristen Middleton, Assistant Controller

Debra Paterson, Senior Compliance Manager
Sheila Toles, Exec. Assistant/Human Resources Manager
Gary Vencius, Accounting Manager
Lisa Walker, Accountant

ALSO PRESENT:

Clifford Rones, Esq., Deputy Attorney General
Craig Ambrose, Esq., Governor's Authorities Unit

ITEMS OF DISCUSSION

Prior to the approval of the minutes, Chairman Hodes congratulated Ms. Yang on being promoted to Director of Compliance Management. As Director, Ms. Yang is responsible for the management of all compliance matters related to the Authority's capital financing programs, state grant programs for Higher Education and the Authority's operating and ethics compliance procedures.

1. Approval of the Minutes of the Meeting of September 26, 2017

The minutes of the meeting of September 26, 2017 were hand delivered to Governor Chris Christie under the date of September 28, 2017. Mr. Rodriguez moved that the minutes of the meeting be approved as presented; the motion was seconded by Mr. Moore and passed. Mr. Edwards abstained from the vote.

2. Executive Director's Report

Ms. Stitt reported that staff had begun discussions with Governor Christie's Office on transition matters and were preparing information on the status of various activities across the Authority's divisions.

Ms. Stitt reported that at the New Jersey President's Council meeting on October 16th, Secretary Hendricks had expressed support for the approval of P3 project financing opportunities for colleges and universities and for such structured financing services to be provided through the Authority. She reported that Secretary Hendricks also reported to the President's Council on the work that the Authority was engaged in surrounding facilities development and sustainable funding mechanisms with a focus on deferred maintenance, though not exclusively.

Ms. Stitt reported that staff discussions had continued with representatives of Thomas Edison State University and the State Librarian regarding the Public Library bond referendum on the November 2017 ballot. She explained that the Authority had been asked to prepare a budget and cost estimate to provide certain services in the administration of the GO grant program on behalf of the State Librarian should the referendum pass.

Ms. Stitt reported that NJ Biz Magazine ran a feature on higher education in the October issue, which showcased some of the state-of-the-art facilities financed, at

least in part, by the \$1.5 billion in state grants made available through the Higher Education Capital Grant programs and the impact the facilities are having on the quality and access of academic opportunity for New Jersey's students. She reported that the article also had a segment on the work of the Authority in administering the grant programs and other financing services that are helping New Jersey's institutions grow and thrive.

3. Resolution of Appreciation to Steven M. Petrecca, Associate Deputy State Treasurer

The Members were asked to consider the adoption of a resolution acknowledging and expressing appreciation to Steven Petrecca for his leadership as Associate Deputy State Treasurer and Treasurer of the Authority.

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

RESOLUTION OF APPRECIATION TO STEVEN M. PETRECCA

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

The adopted resolution is appended as Exhibit I.

4. Update on the Authority's Information Technology Modernization Initiative

Mr. Curtis, the Authority's IT Manager, gave an update on the Authority's information technology modernization initiative. He reported on his initial assessment of the Authority's infrastructure, outlined the Authority's strategic plan to upgrade its IT systems and explained the benefits of the plan. Mr. Curtis reported that based on his proposal and a recent Executive Order and Circular letter, the Authority's strategic plan will include migration to New Jersey's Office of Information Technology (NJOIT) Garden State Network, Cloud Connect services of Microsoft Office 365 and VOIP service through NJOIT.

5. Report on Project Management Activity

Mr. MacDonald reported that the Authority expected to issue up to \$310 million of bonds by the end of the year on behalf of three Institutions. He reported that two of the transactions would be presented for the Member's consideration later in the meeting and that the third transaction, a new money and refunding opportunity for Georgian Court University, was expected to be presented to the Members at the November 14, 2017 meeting.

Mr. MacDonald reported that, to date, the Authority had issued over \$801 million of bonds this year and with the pending transactions that were expected to close by the end of the year, staff anticipated that the 2017 bond issuance would be over \$1 billion, which would represent the third largest volume issuance year in the Authority's history.

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

6. **Resolution and Form of Legal Documents for the Sale of NJEFA Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt) and NJEFA Revenue Refunding Bonds, Rider University Issue, 2017 Series G (Federally Taxable), In a Principal Amount Not to Exceed \$85,000,000**

Mr. MacDonald reported that Rider University had asked the Authority to procure professionals for the issuance of the 2017 Series F tax-exempt bonds and the 2017 Series G federally taxable bonds in an amount not to exceed \$85,000,000. He reported that the proceeds of the 2017 Series F bonds would be used for the renovation and equipping of various residential and academic facilities; construction of an approximately 30,000 sq. ft. addition to the Science and Technology Center; funding capitalized interest; funding a debt service reserve fund; and to pay certain costs of issuance of the tax-exempt bonds.

Mr. MacDonald reported that the proceeds of the 2017 Series G bonds would be used to refund all of the Authority's outstanding 2012 Series A revenue bonds; fund a debt service reserve fund; and pay certain costs of issuance. He reported that the anticipated par amount of the 2017 Series F new money financing was approximately \$42,000,000 and that the 2017 Series G refunding component had an anticipated par amount of approximately \$40,000,000.

Mr. MacDonald reported that in accordance with its policies and procedures, the Authority distributed and evaluated RFP's for senior/co-senior manager and co-manager(s), trustee, escrow agent and verification agent services. He reported that based on the results of the evaluations, the Authority recommended that Bank of America Merrill Lynch be appointed as senior managing underwriter; The Bank of New York Mellon be appointed as trustee and escrow agent; and The Arbitrage Group, Inc. be appointed as verification agent. Mr. MacDonald explained that the Authority was also requesting that the Members delegate to the Executive Director, Deputy Executive Director or any such officer designated "acting" or "interim" the ability to designate one or more co-managers, if necessary, in accordance with the Authority's standard procurement policies and procedures for co-managers.

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

Julie Karns, Vice President and Treasurer of Rider University thanked the Authority for years of hard work and commitment to the University.

Chairman Hodes thanked Ms. Karns for attending the meeting and for the University's continued support.

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

RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY
EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS,
RIDER UNIVERSITY ISSUE, 2017 SERIES F (TAX-EXEMPT) AND
REVENUE REFUNDING BONDS, RIDER UNIVERSITY ISSUE, 2017
SERIES G (FEDERALLY TAXABLE)

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 and Form of Legal Documents for the Sale of NJEFA Revenue Refunding Bonds, Kean University Issue, Series 2017 C (Federally Taxable) and NJEFA Revenue Refunding Bonds, Kean University Issue, Series 2017 D (Tax-Exempt), In a Principal Amount Not to Exceed \$210,000,000**

Mr. MacDonald reported that Kean University had asked the Authority to procure professionals for the issuance of the Series 2017 C federally taxable bonds and the Series 2017 D tax-exempt bonds in an amount not to exceed \$210,000,000. He reported that the proceeds of both series of bonds would be used to advance refund and defease all or a portion of the Authority's outstanding Series 2009 A bonds and all of the Bergen County Improvement Authority's outstanding Series 2010 A bonds; and to pay certain costs of issuance of the bonds. Mr. MacDonald reported that as of October 4, 2017, the estimated present value debt service savings for the refunding of the Authority's outstanding Series 2009 A bonds totaled \$11.0 million. He reported that as of the same date, present value debt service savings on the refunding of the Bergen County Improvement Authority's Series 2010 A bonds totaled \$1.6 million, bringing the combined refunding benefit, which was based on current market conditions, to \$12.6 million.

Mr. MacDonald reported that in accordance with its policies and procedures, the Authority distributed and evaluated RFP's for senior/co-senior manager and co-manager(s), trustee, escrow agent and verification agent services. He reported that based on the results of the evaluations, the Authority recommended that Morgan Stanley be appointed as senior managing underwriter; U.S. Bank National Association be appointed as trustee and escrow agent and that The Arbitrage Group, Inc. be appointed as verification agent. Mr. MacDonald explained that the Authority was also requesting that the Members delegate to the Executive Director, Deputy Executive Director or any such officer designated "acting" or "interim" the ability to designate one or more co-managers, if necessary, in accordance with the Authority's standard procurement policies and procedures for co-managers.

Kevin Quinn, Esq. of McCarter & English, LLP, bond counsel, described the resolution for the Members' consideration.

Chairman Hodes thanked Ms. Soyka for calling in for the meeting and for the University's continued support.

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

RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE REFUNDING BONDS, KEAN UNIVERSITY ISSUE, SERIES 2017 C (FEDERALLY

TAXABLE) AND REVENUE REFUNDING BONDS, KEAN
UNIVERSITY ISSUE, SERIES 2017 D (TAX-EXEMPT)

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

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

8. **Resolution Authorizing a One-Year Extension of the Appointment of the Authority's Financial Printer**

Ms. Stitt reported that the Authority was requesting the Members' approval to grant a one-year extension to the appointment of ImageMaster, LLC to serve as the Authority's financial printer. She reported that on January 25, 2016, the Authority had distributed an RFP to various firms for the selection of a financial printer for the Authority and that at the February 23, 2016 meeting, the Authority appointed ImageMaster to serve as financial printer for a two-year term from February 23, 2016 through February 22, 2018, with an optional one-year extension at the discretion of the Authority. Ms. Stitt advised that Authority staff was recommending a one-year extension of the appointment from February 23, 2018 through February 22, 2019.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY AUTHORIZING A ONE-YEAR EXTENSION OF THE
APPOINTMENT OF THE AUTHORITY'S FINANCIAL PRINTER

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

The adopted resolution is appended as Exhibit V.

9. **Resolution Authorizing a One-Year Extension of the Appointment of the Authority's Swap Monitor**

Ms. Stitt reported that the Authority was requesting the Members' approval to grant a one-year extension to the appointment of FirstSouthwest to serve as the Authority's swap monitor. She reported that on January 25, 2016, the Authority had distributed an RFP to various firms for the selection of a swap monitor for the Authority and at the February 23, 2016 Authority meeting, the Members appointed FirstSouthwest to serve as swap monitor for a two-year term from February 23, 2016 through February 22, 2018, with an optional one-year extension at the discretion of the Authority. Ms. Stitt advised that Authority staff was recommending a one-year extension of the appointment from February 23, 2018 through February 22, 2019.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY AUTHORIZING A ONE-YEAR EXTENSION OF THE
APPOINTMENT OF THE AUTHORITY'S SWAP MONITOR

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

The adopted resolution is appended as Exhibit VI.

10. **Resolution Authorizing a One-Year Extension of the Appointment of the Authority's Challenged Credit Financial Advisor**

Ms. Stitt reported that the Authority was requesting the Members' approval to grant a one-year extension to the appointment of Public Resource Advisory Group (PRAG) to serve as the Authority's challenged credit advisor. She reported that on December 24, 2015, the Authority had distributed an RFP to the members of the Authority's financial advisor pool seeking a challenged credit financial advisor and that at the January 26, 2016 Authority meeting, the Members appointed PRAG to serve as challenged credit financial advisor for a two-year term from January 26, 2016 through January 25, 2018, with an optional one-year extension at the discretion of the Authority. Ms. Stitt advised that Authority staff was recommending a one-year extension of the appointment from January 26, 2018 through January 25, 2019.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY AUTHORIZING A ONE-YEAR EXTENSION OF THE
APPOINTMENT OF THE AUTHORITY'S CHALLENGED CREDIT
FINANCIAL ADVISOR

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

The adopted resolution is appended as Exhibit VII.

11. **Resolution Authorizing the Second Renewal of the Contract with the Authority's Insurance Broker**

Mr. Sootkoos reported that in 2014 the Authority entered into an agreement with Willis of New Jersey, Inc. for a term of three years from July 1, 2014 to June 30, 2017 with two optional one-year renewals. He reported that at the Authority's May 23, 2017 meeting the Authority had executed the first renewal option with Willis for a term of July 1, 2017 to June 30, 2018. Mr. Sootkoos advised that staff was now requesting the Members' approval to exercise the option under the agreement to have Willis serve as the insurance broker to the Authority for the second renewal period from July 1, 2018 to June 30, 2019.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY AUTHORIZING THE SECOND RENEWAL OF THE
CONTRACT WITH THE AUTHORITY'S INSURANCE BROKER

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

The adopted resolution is appended as Exhibit VIII.

12. Resolution Authorizing Amendments to the Employee Policy Manual

Ms. Yang reported that Section 710 of the Authority's employee policy manual contained the Authority's policy related to prohibited discrimination and harassment in the workplace. She advised that the Authority was revising and updating the section to incorporate, in its entirety, the New Jersey State Policy Prohibiting Discrimination in the Workplace, including the procedures for internal complaints alleging workplace discrimination.

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

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

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

The adopted resolution is appended as Exhibit IX.

13. 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 September 30, 2017.

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

The reports are appended as Exhibit X.

14. Resolution Adopting the Authority's Operating and Capital Budgets for Calendar Year 2018

Mr. Moore reported that on October 10, 2017, the Finance Committee comprised of the Authority's Chair, Josh Hodes, Acting Executive Director Sheryl Stitt and himself along with Craig Ambrose from the Governor's Authorities Unit and Brian Sootkoos, the Authority's Director of Finance, met to discuss and consider staff's proposed 2018 operating and capital budgets. The Members were provided with copies of the proposed operating and capital budgets in their meeting materials. Mr. Moore advised that the Finance Committee was recommending the Members' approval of the budgets as presented.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY ADOPTING THE OPERATING AND CAPITAL
BUDGETS FOR CALENDAR YEAR 2018

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

The adopted resolution is appended as Exhibit XI.

15. Executive Session

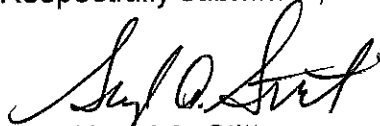
Mr. Hodes announced that the executive session had been canceled.

16. Next Meeting Date

Mr. Hodes reminded everyone that the next meeting would be on Tuesday, November 14, 2017 at 10:00 a.m. at the Authority offices and requested a motion to adjourn.

Mr. Moore moved that the meeting be adjourned at 2:49 p.m. The motion was seconded by Mr. Rodriguez and passed unanimously.

Respectfully submitted,



Sheryl A. Stitt
Acting Secretary



RESOLUTION OF APPRECIATION

TO

Steven M. Petrecca

WHEREAS, since 2010, Steven M. Petrecca, as Associate Deputy State Treasurer for the State of New Jersey, and in his prior position as Assistant State Treasurer, has served as the State Treasurer's designee to the Authority, offering his guidance and financial expertise to the Board and staff; and

WHEREAS, on September 30, 2017, Mr. Petrecca retired from State service and therefore ceased to represent the State Treasurer as his Designee to the Authority; and

WHEREAS, during his time as the State Treasurer's Designee, Mr. Petrecca's contributions have made him an invaluable partner and resource to the Authority having provided the Authority with experienced insight on matters that range from the processes for procurement of public finance professionals, to good stewardship of public funds, to structuring of complex financings, and addressing the numerous challenges that arise from time to time on Authority transactions on behalf of New Jersey's colleges and universities; and

WHEREAS, following passage of the Building Our Future Bond Act in 2012, Mr. Petrecca was instrumental in managing transactions for issuance of GO bonds to fund grants under this program and bonds issued under the Authority's state-supported capital grant programs, and in doing so, oversaw the financing of over \$1 billion in grants as part of the 2013 and 2015 grant solicitations for New Jersey colleges and universities and oversaw the refunding of two series of Capital Improvement Fund bonds, which saved the State and participating institutions more than \$12 million in debt service costs; and

WHEREAS, the Authority's members and staff wish to acknowledge the contributions that Mr. Petrecca has made to the Authority and to extend their appreciation for his dedication and service to New Jersey's higher education community, and to the State.

NOW, THEREFORE, BE IT RESOLVED, that the Authority hereby expresses its sincere gratitude and appreciation to Mr. Petrecca for his leadership and contributions to the EFA, to New Jersey Higher Education and to the State of New Jersey.

BE IT FURTHER RESOLVED, that the Authority hereby honors the public service of Mr. Petrecca and recognizes that his efforts have greatly contributed to its success and to the enhancement of campus facilities at New Jersey's colleges and universities, thereby benefiting all the citizens of the State.

BE IT FURTHER RESOLVED, that the Authority extends its very best wishes to Mr. Petrecca and wishes him much success in all his future endeavors.

BE IT FURTHER RESOLVED, that a copy of this Resolution of Appreciation be given to Mr. Petrecca as a tribute to his dedicated public service to the New Jersey Educational Facilities Authority and to the State of New Jersey.

____ Ms. Ungar ____ 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
Ford M. Scudder (represented by David Moore)
Rochelle Hendricks (represented by Gregg Edwards)

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

NJEFA

INFORMATION TECHNOLOGY UPDATE

Initial Assessment of NJEFA Information Technology (IT) Infrastructure

- Computer room state
- Connectivity and telephony
- Hardware and software
- Backups / disaster recovery /business continuity
- Conclusion

Proposal

- New Jersey Office of Information Technology (NJOIT)
 - Background
 - EO-225 and Technology Circular 16-03-S3
 - Catalog of services
- Subscribed services
 - Garden State Network (GSN)
 - CloudConnect
 - Microsoft Office 365 / SharePoint / OneDrive / Skype /Instant Messaging
 - Voice Over Internet Protocol Telephony (VOIP)
- NJEFA IT Strategic Plan
 - Phase I – Address key infrastructure, systems, security, reliability, availability, and extendibility
 - Phase II – Enhance / upgrade core business systems and functionality across divisions
 - Phase III – Implement framework for IT Governance (COBIT)

Benefits

- Enhanced security
- Improved document management / collaboration tools
- Video teleconferencing and collaboration tools
- Unlimited storage – Network / Personal / Email
- Reduction of physical assets and maintenance
- Increased business continuity / disaster recovery
- Anywhere / anytime access
- Cost savings

New Jersey Educational Facilities Authority Anticipated Projects as of October 17, 2017

Institution	Project	Transaction Type	Expected Par	Expected PV Savings	Expected Closing
<u>Public Institutions</u> Kean University	Refunding 2009A and BCIA 2010A	Negotiated	\$200,000,000	\$12,600,000	December 2017
<u>Private Institutions</u> Rider University	New Money	Negotiated	\$40,000,000	n/a	November 2017

New Jersey Educational Facilities Authority Closed Projects as of October 17, 2017

Institution	Project	Transaction Type	Par	PV Savings	Date Closed
<u>Public Institutions</u>					
Ramapo College of New Jersey William Paterson University	Refund 2006I and new money New money	Negotiated Negotiated	\$99,450,000 \$27,065,000	\$4,021,116 n/a	April 2017 September 2017
<u>Private Institutions</u>					
Stevens Institute of Technology Princeton University Princeton University Seton Hall University	Refund 1998I/2007A and new money Refund 2007E/2007F/2008K New money Refund 2008D and new money	Negotiated Negotiated Competitive Negotiated	\$119,905,000 \$342,240,000 \$141,095,000 \$71,435,000	\$7,332,079 \$52,965,640 n/a n/a	April 2017 April 2017 April 2017 June 2017



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Date: October 17, 2017

To: Members of the Authority

Issue: Rider University, 2017 Series F and 2017 Series G

Below please find the procurement procedures that were undertaken with respect to the various professional appointments in connection with the Rider University, 2017 Series F and 2017 Series G transaction and staff's recommendations with respect thereto.

Bond Counsel

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

Senior/Co-Senior Manager and Co-Managers

On August 2, 2017, Authority staff 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 eight responses from firms seeking appointment as a Senior/Co-Senior Manager and two firms seeking appointment as a Co-Manager. Two firms from the Senior Manager Pool declined to respond. From the Co-Manager Pool, the Authority received four responses from firms seeking appointment as Co-Manager. Two firms from the Co-Manager Pool declined to respond.

Senior Manager/Co-Senior Manager

As highlighted in the RFP, the evaluation of the Senior Manager/Co-Senior Manager responses was performed by three evaluators (one staff member from the Authority, one staff member from the Office of Public Finance, 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	92.5	88.0	86.5	267.0	1	\$5.24
Citigroup	83.2	78.2	82.2	243.5	3	\$4.92
J.P. Morgan	76.9	79.4	79.9	236.3	5	\$3.33
Morgan Stanley	81.5	79.0	79.5	240.0	4	\$5.73
Ramirez & Co	73.4	63.4	68.4	205.2	7	\$3.34
RBC Capital Markets	74.9	73.4	76.4	224.8	6	\$3.33
Siebert Cisneros Shank	73.4	63.4	68.4	205.1	8	\$4.34
Wells Fargo	89.5	82.0	83.0	254.4	2	\$3.55

Recommendation: Bank of America Merrill Lynch (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 August 2, 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>
The Bank of New York Mellon	\$0	\$900	\$3,500	\$4,400
US Bank, National Association	\$0	\$1,000	\$3,500	\$4,500

The Bank of New York Mellon provided the lowest fee quote of \$900 annually, \$3,500 for counsel and waived the acceptance fee, which is in line with fee quotes the Authority has received in response to recent Trustee RFPs. It is the Authority’s recommendation to select The Bank of New York Mellon to serve as Trustee, Bond Registrar and Paying Agent for this transaction.

Verification Agent

On August 31, 2017, the Authority circulated an RFP to five nationally recognized independent certified public accountant firms that regularly perform verification agent services. The RFP was also posted on the Authority’s website. The Authority received two responses. The responsive firms and their respective fees are as follows:

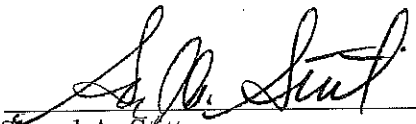
<u>Firm</u>	<u>Fee</u>
The Arbitrage Group, Inc.	\$1,950
Grant Thornton LLP	\$2,000

The Arbitrage Group, Inc. provided the lowest fee quote of \$1,950 which is in line with fee quotes the Authority has received in response to recent Verification Agent RFPs. It is the Authority's recommendation to select The Arbitrage Group, Inc. to serve as Verification Agent for this transaction.

Escrow Agent

The Escrow Agent is the Trustee on the bonds being refunded. The Escrow Agent for this transaction is The Bank of New York Mellon. This role is not the subject of an RFP process.

The Authority's staff involvement in the procurement processes related to the above referenced professionals was completed as of the 10th day of October 2017.

By: 
Sheryl A. Stitt
Acting Executive Director



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TERM SHEET

Borrower: Rider University, Lawrenceville, New Jersey

Issue: 2017 Series F (Tax-Exempt) and 2017 Series G (Federally Taxable)

Amount: Not to Exceed \$85,000,000

Purpose: To provide funds for: (i) with respect to the Tax-Exempt Bonds: (a) the renovation and equipping of the following residential facilities: Conover Hall, Delta Phi Epsilon Sorority Residence (House 10), Kroner Hall, Lake House, Ridge House and Wright Hall; (b) the renovation and equipping of the following academic facilities: Bart Luedeke Center Theater, Fine Arts Theater, Science and Technology Center and Sweigart Hall; and (c) the construction of an approximately 30,000 sq. ft. addition to the Science and Technology Center; (d) funding capitalized interest; (e) funding a debt service reserve fund; and (f) paying certain costs of issuance of the Tax-Exempt Bonds; and (ii) with respect to the Taxable Bonds: (a) the refunding of all of the Authority's outstanding Revenue Bonds, Rider University Issue, 2012 Series A; (b) funding a debt service reserve fund; and (c) paying certain costs of issuance.

Security: General Obligation of the University

Structure: Negotiated Sale, Fixed Rate

Term: No later than July 1, 2057

True Interest Cost: 2017 Series F (Tax- Exempt Bonds): Not to Exceed 6.00%
2017 Series G (Federally Taxable Bonds): Not to Exceed 7.00%

Current

Bond Ratings: Baa2 (Moody's Investors Service)
BBB- (S&P Global Ratings)

Tentative

Sale Date: November 2017

Tentative Closing: November 2017

The Authority Members will be asked to adopt the 2017 Series F and 2017 Series G Series Resolution pertaining to the 2017 Series F and 2017 Series G 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:	McManimon, Scotland & Baumann, LLC
Authority's Counsel:	Attorney General of the State of New Jersey
Authority's Financial Advisor:	Public Resources Advisory Group
University's Financial Advisor:	Prager & Co., LLC
Borrower's Counsel:	Connell Foley LLP
Senior Manager:	Bank of America Merrill Lynch
Co-Senior Manager:	TBD
Co-Manager(s):	TBD
Co-Underwriter's Counsel:	M. Jeremy Ostow, Esq. Eckert Seamans Cherin & Mellott LLC
Trustee/Escrow Agent:	The Bank of New York Mellon
Trustee/Escrow Agent's Counsel:	Hawkins Delafield & Wood LLP
Verification Agent:	The Arbitrage Group, Inc.
Printer:	ImageMaster, LLC

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

**RESOLUTION AUTHORIZING THE ISSUANCE OF
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS, RIDER UNIVERSITY ISSUE,
2017 SERIES F (TAX-EXEMPT), AND
REVENUE REFUNDING BONDS, RIDER UNIVERSITY ISSUE,
2017 SERIES G (FEDERALLY TAXABLE)**

Adopted: October 17, 2017

**RESOLUTION AUTHORIZING THE ISSUANCE OF
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS, RIDER UNIVERSITY ISSUE,
2017 SERIES F (TAX-EXEMPT), AND
REVENUE REFUNDING BONDS, RIDER UNIVERSITY ISSUE,
2017 SERIES G (FEDERALLY TAXABLE)**

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

WHEREAS, the Authority has heretofore issued its Revenue Bonds, Rider University Issue, 2012 Series A (the "*Prior Bonds*"), on behalf of Rider University A New Jersey Non-Profit Corporation (the "*Private University*"); and

WHEREAS, the Private University has determined to undertake a project consisting of the: (i) renovation and equipping of the following residential facilities: Conover Hall, Delta Phi Epsilon Sorority Residence (House 10), Kroner Hall, Lake House, Ridge House and Wright Hall; (ii) renovation and equipping of the following academic facilities: Bart Luedeke Center Theater, Fine Arts Theater, Science and Technology Center and Sweigart Hall; and (iii) construction of an approximately 30,000 sq. ft. addition to the Science and Technology Center (the "*Capital Project*"); and

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

WHEREAS, the Authority has determined that it is necessary and in keeping with its authorized purposes to issue one or both series of bonds to be designated (i) "New Jersey Educational Facilities Authority Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt)" (the "*Tax-Exempt Bonds*") and (ii) "New Jersey Educational Facilities Authority Revenue Refunding Bonds, Rider University Issue, 2017 Series G (Federally Taxable)" (the "*Taxable Bonds*"); and together with the Tax-Exempt Bonds, the "*Bonds*") or such other designation as may be determined by the Authority for the purpose of providing funds to finance the Project, to fund capitalized interest (if necessary), to fund a debt service reserve fund (if necessary), and to pay certain costs of issuance of the Bonds; and

WHEREAS, the Bonds will be issued under and secured by a Trust Indenture dated on or about the date of the issuance of the Bonds (the "*Indenture*") to be entered into by and

between the Authority and The Bank of New York Mellon, Woodland Park, New Jersey, as the initial trustee, bond registrar and paying agent (the "Trustee"); and

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

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

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

WHEREAS, as security for its obligations under the Loan Agreement, the Private University has agreed to execute and deliver a Mortgage and Security Agreement dated on or about the date of the issuance of the Bonds (the "Mortgage") granting the Authority, as mortgagee, a first lien on the property of the Private University described in the Mortgage; and

WHEREAS, upon consultation with Bond Counsel (as hereinafter defined), the Attorney General of the State, the Underwriter (as hereinafter defined), and the Private University, the Authority may assign the Mortgage to the Trustee pursuant to an Assignment of Mortgage (the "Assignment") for the benefit of the holders of the Bonds, if such Assignment will improve the marketing of the Bonds; and

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

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

WHEREAS, the Authority has undertaken procedures to procure professionals in connection with the issuance of the Bonds and the members of the Authority have been provided with a memorandum summarizing the procurement procedure and the Authority staff's recommendations with respect thereto; and

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

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

ARTICLE I

AUTHORIZATION OF BONDS AND APPROVAL OF DOCUMENTS

1.1 Purpose and Issuance of 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 of such officers designated as “acting” or “interim” (each an “*Authorized Officer*”), to execute and deliver all documents necessary to enable the Authority, as permitted by the Act, to finance, on behalf of the Private University, the costs of the Project, to fund capitalized interest (if necessary), to fund a debt service reserve fund (if necessary), and to pay certain costs of issuance of the Bonds, in whole or in part.

1.2 Authorization of the Bonds.

(a) The Authority hereby authorizes the issuance of the Bonds, in the aggregate principal amount not-to-exceed \$85,000,000, in one or more series at one or more times, in order to finance, on behalf of the Private University, the costs of the Project, to fund capitalized interest (if necessary), to fund a debt service reserve fund (if necessary), and to pay certain costs of issuance of the Bonds, in whole or in part. The initial Tax-Exempt Bonds shall be designated “New Jersey Educational Facilities Authority Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt)” or such other designation as an Authorized Officer may determine. The initial Taxable Bonds shall be designated “New Jersey Educational Facilities Authority Revenue Refunding Bonds, Rider University Issue, 2017 Series G (Federally Taxable)” or such other designation as an Authorized Officer may determine.

(b) Based upon the Authority’s competitive request for proposal process under its standard procurement process and procedures and in accordance with Executive Order No. 26 (Whitman 1994) (“*Executive Order No. 26*”) and Executive Order No. 37 (Corzine 2006) (“*Executive Order No. 37*”), the Authority hereby selects and appoints Merrill Lynch, Pierce, Fenner & Smith Incorporated as the senior managing underwriter to purchase the Bonds. Any Authorized Officer is hereby authorized to execute and deliver, on behalf of the Authority, a contract of purchase (the “*Purchase Contract*”) by and among the Authority, the Private University and Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and any other members of an underwriting syndicate headed by such firm (collectively, the “*Underwriter*”), in substantially the form presented to this meeting with such changes as shall be approved by an Authorized Officer, with the advice of McManimon, Scotland & Baumann, LLC, bond counsel to the Authority (“*Bond Counsel*”), and the Attorney General of the State (such approval to be evidenced conclusively by such Authorized Officer’s execution thereof), for the purchase of the Bonds at the price or prices to be agreed upon; provided, however, that the

Underwriter's discount for (x) the Tax-Exempt Bonds shall not exceed \$6.00 per \$1,000 of the principal amount thereof and (y) the Taxable Bonds shall not exceed \$7.00 per \$1,000 of the principal amount thereof. A copy of the Purchase Contract, as executed, shall be filed with the records of the Authority.

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

(d) The Bonds shall be issued in fully registered form, shall be in the denominations and shall be numbered as shall be provided in the Indenture. The Bonds shall be dated, bear interest, mature and be executed and authenticated as shall be set forth in the Indenture; provided, however, that the final maturity date of the Bonds will be no later than July 1, 2057. The Tax-Exempt Bonds shall bear interest at one or more fixed rates as described in the Indenture, with a true interest cost not-to-exceed 6%, and the Taxable Bonds shall bear interest at one or more fixed rates as described in the Indenture, with a true interest cost not-to-exceed 7%. The Bonds shall be subject to redemption as provided in the Indenture; provided, however, that the redemption premium, if any, on the Bonds shall not exceed 5%; provided further, however, that the redemption premium on any Bond subject to optional redemption pursuant to a "make-whole" provision may exceed 5% of the principal amount of such Bond if so provided in the Indenture.

(e) The Bonds shall be in substantially the form set forth in the Indenture, with such insertions, omissions or variations as may be necessary or appropriate, as approved by an Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State.

(f) The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chair, Vice Chair, Executive Director or Deputy Executive Director, and any of such officers designated as "acting" or "interim", and its official common seal (or a facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Executive Director, Deputy Executive Director, Secretary, Assistant Treasurer or any Assistant Secretary, and any of such officers designated as "acting" or "interim", or in such other manner as may be provided by law; *provided*, the Bonds may not be attested by the Authorized Officer executing the Bonds.

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

(h) The Authority hereby finds and determines that the issuance of the Bonds involves certain circumstances under which a negotiated bond sale is permissible as outlined in Executive Order No. 26, namely, volatile market conditions, complex credit and a complex

financing structure, and a competitive sale of the Bonds is not in the best interest of the Authority and the Private University.

1.3 Approval of Preliminary Official Statement and Final Official Statement.

(a) The form of the Preliminary Official Statement relating to the Bonds presented at the meeting at which this Resolution is adopted (the "*Preliminary Official Statement*") is hereby approved (a copy of which shall be filed with the records of the Authority), and distribution by the Underwriter of the Preliminary Official Statement relating to the Bonds is hereby authorized in substantially such form, with such insertions, deletions and changes therein and any supplements thereto as may be approved by an Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State. Any Authorized Officer is hereby authorized to "deem final" the Preliminary Official Statement in accordance with Rule 15(c)2-12 of the Securities and Exchange Commission, if applicable.

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

1.4 Approval of Loan Agreement, Mortgage and Assignment.

(a) The form of the Loan Agreement presented at the meeting at which this Resolution is adopted (a copy of which shall be filed with the records of the Authority) is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to, the Loan Agreement in substantially such form, with such changes therein (including, without limitation, the date thereof and any acceptable covenants or provisions that may be required by the Underwriter or the bond insurer, if any) and any supplements thereto as the Authorized Officer executing the same may approve, with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

(b) For purposes of securing the payments to be made by the Private University under the Loan Agreement, the form of the Mortgage presented at the meeting at which this Resolution is adopted (a copy of which shall be filed with the records of the Authority) is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to the Mortgage with the Private University, in substantially such form, with such changes therein (including, without limitation, the date thereof) and any supplements thereto as the Authorized Officer executing the same may approve with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

(c) In the event it shall be determined to be beneficial to the successful marketing of the Bonds, 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 Assignment in such form as the Authorized Officer executing the same may approve, with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

1.5 Approval of Indenture.

The form of the Indenture presented at the meeting at which this Resolution is adopted (a copy of which shall be filed with the records of the Authority) is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal of the Authority to, the Indenture in substantially such form, with such insertions and changes therein (including, without limitation, the date thereof, the initial interest payment date contained therein, any provisions relating to a policy of insurance insuring principal and interest when due on the Bonds, if any, and any acceptable covenants or provisions that may be required by the Underwriter or the bond insurer, if any) and any supplements thereto as the Authorized Officer executing the same may approve, with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

1.6 Approval of Escrow Deposit Agreement.

The form of the Escrow Deposit Agreement by and between the Escrow Agent (as hereinafter defined) and the Authority (the "*Escrow Deposit Agreement*") presented at the meeting at which this Resolution is adopted (a copy of which shall be filed with the records of the Authority) is hereby approved. Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver, and any other Authorized Officer is hereby authorized to attest, the Escrow Deposit Agreement in substantially such form, with such insertions and changes therein as the Authorized Officer executing the same may approve, with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

1.7 Appointments.

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

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

(c) The Arbitrage Group, Inc. is hereby appointed to act as the verification agent in connection with the refunding of the Prior Bonds pursuant to the terms of the Escrow Deposit Agreement.

1.8 Debt Service Reserve Fund.

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

1.9 Bond Insurance and Surety Authorized.

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

1.10 Continuing Disclosure.

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

1.11 Authorization to Invest Bond Proceeds and Certain Funds.

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

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

1.12 Book-Entry System for the Bonds.

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

1.13 Conformance of Documents.

Any Authorized Officer is hereby authorized and directed to approve, as Bond Counsel may advise, such changes to the forms of the Preliminary Official Statement, the Official Statement, the Purchase Contract, the Loan Agreement, the Indenture, the Mortgage, the Escrow Deposit Agreement, the Continuing Disclosure Agreement 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, if any, when due, with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

ARTICLE II

MISCELLANEOUS

2.1 Incidental Action.

(a) The Authorized Officers are hereby authorized to refund and to call for redemption any of the Prior Bonds selected by the Private University, in consultation with the Authority, the Private University's financial advisor and the Underwriter.

(b) The Authorized Officers of the Authority are hereby authorized and directed to execute and deliver such other documents, certificates, directions, releases and notices, and to take such other action as may be necessary or appropriate, in order to: (i) effectuate the delivery of the Preliminary Official Statement and the execution and delivery of the Purchase Contract, the Loan Agreement, the Indenture, the Mortgage, the Escrow Deposit Agreement, the Continuing Disclosure Agreement and the Official Statement and the transactions contemplated thereby, including, but not limited to, the sale and issuance of the Bonds and the refunding and redemption of the Prior Bonds; (ii) implement the DTC book-entry-only system for the Bonds; (iii) maintain the tax-exempt status of the interest on the Tax-Exempt Bonds (including the preparation and filing of any information reports or other documents with respect to the Tax-Exempt Bonds as may at any time be required under Section 149 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder); (iv) obtain the Policy, if any; and (v) enter into, or cause to be entered into, one or more agreements to invest the proceeds of the Bonds in Qualified Investments.

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

exempt status of the Tax-Exempt Bonds or the security of the holders of the Bonds and that the action and documentation is undertaken in accordance with the documentation for the Bonds.

2.2 Prior Resolutions.

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

2.3 Effective Date.

This Resolution shall take effect in accordance with the Act.

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

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

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

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 Bonds may not be sold, nor may an offer to buy the Official Statement 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.

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER __, 2017

**NEW ISSUE
BOOK-ENTRY ONLY**

RATINGS: See "RATINGS" herein

In the opinion of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority, under existing statutes, regulations, rulings and court decisions, and assuming continuing compliance by the Authority and the University with certain tax-related covenants described herein, interest on the Tax-Exempt Bonds (as defined herein) is not includable in gross income of the owners thereof for federal income tax purposes, pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and is not treated as a preference item under Section 57 of the Code for purposes of calculating the Federal alternative minimum tax imposed on individuals and corporations; such interest is, however, included in the "adjusted current earnings" of certain corporations for purposes of the Federal alternative minimum tax imposed on corporations. Bond Counsel expresses no opinion regarding any other federal tax consequences or other federal taxes arising with respect to the Tax-Exempt Bonds. In the opinion of Bond Counsel, under current law, interest on the 2017 Series Bonds (as defined herein) and any gain on the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.



NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
\$ _____ * REVENUE BONDS, RIDER UNIVERSITY ISSUE,
2017 SERIES F (TAX-EXEMPT) and \$ _____ * REVENUE REFUNDING BONDS,
RIDER UNIVERSITY ISSUE, 2017 SERIES G (FEDERALLY TAXABLE)



Dated: Date of Delivery

Due: July 1, as set forth on the inside cover

The New Jersey Educational Facilities Authority (the "Authority") Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt) (the "Tax-Exempt Bonds") and Revenue Refunding Bonds, Rider University Issue, 2017 Series G (Federally Taxable) (the "Taxable Bonds" and together with the Tax-Exempt Bonds, the "2017 Series Bonds") will be issued by the New Jersey Educational Facilities Authority (the "Authority") on behalf of Rider University (the "University") only as fully-registered bonds without coupons and, when issued, will be registered in the name of and held by Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the 2017 Series Bonds

Purchases of the 2017 Series Bonds will be made in book-entry-only form in denominations of \$5,000 or any integral multiple thereof. Purchasers of the 2017 Series Bonds (the "Beneficial Owners") will not receive certificates representing their interest in the 2017 Series Bonds purchased. So long as Cede & Co., as nominee of DTC, is the registered owner of the 2017 Series Bonds, references herein to the registered owner shall mean Cede & Co. as aforesaid, and shall not mean the Beneficial Owners of the 2017 Series Bonds. See "2017 SERIES BONDS - Book-Entry-Only System" herein. The Bank of New York Mellon, Woodland Park, New Jersey, will act as the Trustee (the "Trustee") for the 2017 Series Bonds.

So long as DTC, or its nominee Cede & Co., is the registered owner of the 2017 Series Bonds, payments of principal, redemption premium, if any, and interest on the 2017 Series Bonds will be made directly to Cede & Co. Disbursement of such payments to the Direct Participants of DTC is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of the Direct Participants, as more fully described herein.

The principal of the 2017 Series Bonds is payable on July 1 in the years shown on the inside cover page. The 2017 Series Bonds will be dated and bear interest from their date of delivery, payable semi-annually thereafter on January 1 and July 1 in each year, commencing January 1, 2018, until maturity or earlier redemption thereof at the rates set forth on the inside cover page.

The 2017 Series Bonds are subject to redemption as described herein.

The 2017 Series Bonds are being issued pursuant to the New Jersey Educational Facilities Authority Law (N.J.S.A. 18A:72A-1 et seq.), as amended and supplemented, a resolution of the Authority adopted October 17, 2017 (the "Resolution"), and a Trust Indenture dated as of November 1, 2017, by and between the Authority and the Trustee (the "Indenture"). The 2017 Series Bonds are being issued for the purpose of making a loan (the "Loan") to the University which, together with other available funds will be applied to: (i) finance the Capital Project (as defined herein); (ii) pay the cost of refunding the Prior Bonds (as defined herein); (iii) fund capitalized interest on the 2017 Series Bonds through July 1, 2020; (iv) fund a debt service reserve fund; and (v) pay certain costs of issuance of the 2017 Series Bonds. The Loan will be made pursuant to a Loan Agreement by and between the Authority and the University dated as of November 1, 2017 (the "Loan Agreement"), secured by a Mortgage and Security Agreement by and between the University and the Authority, dated as of the issuance and delivery of the 2017 Series Bonds (the "Mortgage"), and will be evidenced by a Mortgage Note from the University to the Authority equal to the aggregate principal amount of the 2017 Series Bonds (the "Note"); all of which will be assigned by the Authority to the Trustee without recourse. Payments to be made by the University under the Loan Agreement are a general obligation of the University, payable from any legally available funds of the University. See "SECURITY FOR THE 2017 SERIES BONDS-Payments Under the Loan Agreement" herein.

THE 2017 SERIES BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF NEW JERSEY OR ANY SUCH POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE). THE AUTHORITY HAS NO TAXING POWER.

THIS COVER PAGE, INCLUDING THE INSIDE COVER PAGE, CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF THIS ISSUE OR OF ALL FACTORS RELEVANT TO AN INVESTMENT IN THE 2017 SERIES BONDS. FOR A DISCUSSION OF CERTAIN FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH ON THIS COVER PAGE, IN EVALUATING THE INVESTMENT QUALITY OF THE 2017 SERIES BONDS. INVESTORS ARE ADVISED TO READ THIS OFFICIAL STATEMENT, INCLUDING, BUT NOT LIMITED TO, APPENDIX A AND APPENDIX B, TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION ON THE 2017 SERIES BONDS.

The 2017 Series Bonds are offered when, as and if issued by the Authority and accepted by the Underwriter subject to prior sale, withdrawal or modification of the offer without notice and subject to the receipt of an approving legal opinion of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon for the University by its special counsel, Connell Foley LLP, Jersey City, New Jersey. Certain legal matters will be passed upon for the Underwriter by its co-counsel M. Jeremy Ostow, Esq., South Orange, New Jersey, and Eckert Seamans Cherrin & Mellott, LLC, Lawrenceville, New Jersey and Philadelphia, Pennsylvania. The 2017 Series Bonds are expected to be available for delivery to DTC in New York, New York on or about November __, 2017.

BofA Merrill Lynch

Official Statement dated: November __, 2017

* Preliminary, subject to change.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

**MATURITIES*, PRINCIPAL AMOUNTS*, INTEREST RATES, YIELDS, PRICES
AND CUSIP† NUMBERS**

\$ _____ * REVENUE BONDS, RIDER UNIVERSITY ISSUE,
2017 SERIES F (TAX EXEMPT)

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u> %	<u>Yield</u> %	<u>CUSIP†</u>
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\$ _____ * REVENUE REFUNDING BONDS, RIDER UNIVERSITY ISSUE,
2017 SERIES G (FEDERALLY TAXABLE)

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u> %	<u>Yield</u> %	<u>CUSIP†</u>
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* Preliminary, subject to change.

† 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 Standard & Poor's, Capital IQ. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the 2017 Series 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 2017 Series Bonds, as a result of various subsequent actions including, but not limited to, a refunding in whole or in part 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 2017 Series Bonds.

Draft of October 16, 2017

IN CONNECTION WITH THE OFFERING OF THE 2017 SERIES BONDS, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2017 SERIES 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 2017 SERIES BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

The purchase of the 2017 Series Bonds involves certain investment risks. Accordingly, each prospective purchaser of the 2017 Series Bonds should make an independent evaluation of the entirety of the information presented in the Official Statement, including, its appendices, to obtain information essential to the nature of an informed investment decision in the 2017 Series Bonds.

The information contained herein relating to the New Jersey Educational Facilities Authority (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) 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", and does not represent that any such statements are accurate or complete for purposes of investors making an investment decision with respect to the 2017 Series Bonds.

No dealer, broker, salesman or other person has been authorized by the Authority or Rider University (the "University") to give any information or to make any representations with respect to the 2017 Series Bonds other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the 2017 Series Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Certain information contained herein has been obtained from the University and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and it is not to be construed as a representation of the Authority. The information set forth herein relative to The Depository Trust Company, New York, New York ("DTC") and DTC's book-entry only system has been supplied to the Authority by DTC for inclusion herein. Such information has not been independently verified by the Authority and the Authority does not make any representation as to the accuracy or completeness of such information provided by DTC.

The 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 2017 Series 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 certain exemptions contained in such federal laws. In making an investment decision, investors must rely upon their own examination of the 2017 Series Bonds and the security therefor, including an analysis of the risk involved. The 2017 Series Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the 2017 Series Bonds in accordance with applicable provisions of securities laws of the various jurisdictions in which the 2017 Series Bonds have been registered, qualified or exempted cannot be regarded as a recommendation thereof. Neither such jurisdictions nor any of their agencies have passed upon the merits of the 2017 Series 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 2017 Series Bonds and may not be reproduced or used, in the whole or in part, for any other purpose.

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

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

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NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

OFFICIAL STATEMENT

\$ _____ * REVENUE BONDS, RIDER UNIVERSITY ISSUE,
2017 SERIES F (TAX-EXEMPT) AND
\$ _____ * REVENUE REFUNDING BONDS, RIDER UNIVERSITY ISSUE,
2017 SERIES G (FEDERALLY TAXABLE)

INTRODUCTORY STATEMENT

General

The purpose of this Official Statement (the "Official Statement"), which includes the cover page and the Appendices hereto, is to furnish information concerning the New Jersey Educational Facilities Authority (the "Authority") and its \$ _____ Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt) (the "Tax-Exempt Bonds") and \$ _____ Revenue Refunding Bonds, Rider University Issue, 2017 Series G (Federally Taxable) (the "Taxable Bonds", and together with the Tax-Exempt Bonds, the "2017 Series Bonds"). The 2017 Series Bonds are being issued pursuant to (i) the Act (as defined herein); (ii) a Resolution adopted by the Authority on October 17, 2017 (the "Resolution"); and (iii) a Trust Indenture dated as of November 1, 2017 (the "Indenture") by and between the Authority and The Bank of New York Mellon, as trustee for the 2017 Series Bonds (the "Trustee"). The 2017 Series 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 2017 SERIES BONDS" herein. The 2017 Series Bonds will be subject to optional, extraordinary optional and mandatory sinking fund redemption prior to maturity as described herein. See "DESCRIPTION OF THE 2017 SERIES BONDS – Redemption" herein. Capitalized terms used but not defined herein shall have the meanings ascribed to them in "APPENDIX C – FORMS 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 2017 Series Bonds.

Authority for Issuance

The 2017 Series 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 Rider University, located in Lawrence and Princeton, New Jersey, an independent, non-profit, four-year institution of higher education, 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 RIDER UNIVERSITY" hereto and "APPENDIX B – AUDITED FINANCIAL STATEMENTS" hereto.

* Preliminary, subject to change.

Purpose

The 2017 Series Bonds are being issued to provide funds to be loaned to the University (the "Loan") pursuant to a Loan Agreement dated as of November 1, 2017, by and between the University and the Authority (the "Loan Agreement"), which funds will be used to undertake certain projects consisting of: (i) with respect to the Tax-Exempt Bonds: (a) renovation and equipping of the following residential facilities: Conover Hall, Delta Phi Epsilon Sorority Residence (House 10), Kroner Hall, Lake House, Ridge House and Wright Hall; (b) renovation and equipping of the following academic facilities: Bart Luedeke Center Theater, Fine Arts Theater, Science and Technology Center and Sweigart Hall; and (c) construction of an approximately 30,000 sq. ft. addition to the Science and Technology Center (collectively, the "Capital Project"); (d) together with a portion of the Tax-Exempt Bond, refunding all of the Authority's outstanding Revenue Bonds, Rider University Issue, 2012 Series A (the "Prior Bonds"; the refunding of the Prior Bonds is referred to herein as the "Refunding Project"), (e) fund capitalized interest for the Tax-Exempt Bonds through July 1, 2020; (f) fund a debt service reserve fund for the Tax-Exempt Bonds; and (g) pay certain costs of issuance of the Tax-Exempt Bonds; and (ii) with respect to the Taxable Bonds: (a) refunding of a portion of the Prior Bonds; (b) fund a debt service reserve fund for the Taxable Bonds; and (c) pay certain costs of issuance of the Taxable Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS", "PLAN OF FINANCING" and "APPENDIX A – CERTAIN INFORMATION REGARDING RIDER UNIVERSITY herein for a description of the Project under the heading "Strategic Importance of Planned Projects to be Funded with 2017 Bond Proceeds."

Security and Other Financings

The 2017 Series Bonds are special and limited obligations of the Authority payable solely from the Revenues and the Pledged Property as defined under the Indenture. See "SECURITY FOR THE 2017 SERIES BONDS – Special and Limited Obligations" herein.

Pursuant to the Loan Agreement, the University agrees to pay to the Trustee, on behalf of the Authority, "Basic Loan Payments" (as defined in the Loan Agreement), in immediately available funds at the times and in amounts sufficient for the payment, among other things, of the principal, redemption premium (if any) and interest on the 2017 Series Bonds and all amounts required to be deposited in the funds established under the Indenture, as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise. Under the Loan Agreement, the University also agrees to pay the fees and expenses of the Authority and the Trustee, and various other fees and amounts, including payments required to be deposited in the Rebate Fund, as "Additional Loan Payments" (as defined in the Loan Agreement and together with the Basic Loan Payments, the "Loan Payments"). The University's obligation to make the payments required under the Loan Agreement constitutes a general obligation of the University, payable from any legally available funds of the University. No specific pledge of University tuition or any other revenues of the University is made with respect to the 2017 Series Bonds.

As additional security for the payment of the principal and redemption premium (if any) and interest on the 2017 Series Bonds, and such other payments required by the Loan Agreement, the University covenants and agrees to impose such fees and other charges sufficient at all times to generate revenues, which together with the other legally available moneys of the University, will be sufficient to pay the cost of operating and maintaining the Project (as defined in the Loan Agreement), to pay all payments required by the Loan

Agreement and to pay all other obligations of the University as they become due and payable. See "SECURITY FOR THE 2017 SERIES BONDS – The Loan Agreement" herein.

In order to further secure the University's obligations to the Authority under the Mortgage Note and the Loan Agreement, the University and the Authority shall enter into the Mortgage and Security Agreement, dated as of the date of issuance and delivery of the 2017 Series Bonds (the "Mortgage and Security Agreement"), pursuant to which the University shall pledge certain real and personal property as collateral for the loan made under the Loan. Under the Mortgage and Security Agreement, the University has pledged tuition and other revenue of the University to the Authority. The Mortgage and Security Agreement and the Mortgage Note will be assigned to the Trustee for the benefit of the Bondholders. See "SECURITY FOR THE 2017 SERIES BONDS – Mortgage and Security Agreement" herein.

The Authority has previously issued, and may from time to time in the future issue, other series of its Revenue Bonds to finance or refinance projects of the University, the proceeds of which have been or will be loaned to the University pursuant to separate loan agreements or bond agreements, as applicable. The payments due from the University pursuant to each such agreement are or shall be a general obligation of the University, payable from any legally available moneys of the University and are and may be secured by mortgages on certain campus property along with a pledge of Tuition and Fees (as defined in the Mortgage and Security Agreement). The University has also previously borrowed funds for capital projects from the United States Department of Education (the "US Department of Education Loans"). The US Department of Education Loans are also secured by mortgages on certain campus property along with a pledge of certain student housing revenues. In addition, the University has incurred indebtedness under various State Contract Bond programs. See "SECURITY FOR THE 2017 SERIES BONDS", APPENDIX A - "CERTAIN INFORMATION REGARDING RIDER UNIVERSITY" and APPENDIX B - "AUDITED FINANCIAL STATEMENTS".

Pursuant to the Loan Agreement, the University agrees and covenants that, as long as the 2017 Series Bonds are Outstanding, the University shall not pledge or create or suffer to be created or exist upon tuition any lien, security interest or restriction; provided, however, that the University may seek the Authority's consent to create such pledge of tuition and provided further that if the Authority provides its written consent (which consent shall not be unreasonably withheld) to same then such pledge of tuition shall then secure, on a parity basis, the University's payment obligations under the Loan Agreement and such other obligations for which such consent was requested.

THE 2017 SERIES BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF NEW JERSEY OR ANY SUCH 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 2017 SERIES BONDS" HEREIN.

Additional Parity Obligations

Under the Loan Agreement and pursuant to the Indenture, the University may secure obligations incurred pursuant to Swap Agreements on parity with its repayment obligations with respect to the 2017 Series Bonds with the consent of the Authority.

THE AUTHORITY

Powers of the Authority

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

Sheryl A. Stitt, Acting Executive Director; serves as an Acting 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 (the "Commission") has been abolished and the responsibilities, duties and authorities of the Commission have been transferred to the Secretary of Higher Education.

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

The New Jersey Higher Education system served as the principal advocate for an integrated system of higher education that provides a broad scope of higher education programs and services. The system includes both thirty (30) public and forty (40) independent institutions and enrolls over 420,000 full-time and part-time credit-seeking students statewide.

The thirty (30) public colleges and universities are comprised of Rutgers, The State University of New Jersey ("Rutgers University"); Rowan University; the New Jersey Institute of Technology; Montclair State University; two (2) state colleges and five (5) state universities; and nineteen (19) community colleges. Pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, effective July 1, 2013, all liabilities and debt of the University of Medicine and Dentistry of New Jersey ("UMDNJ") and its assets were transferred to Rutgers University, Rowan University and University Hospital; and UMDNJ, as a legal entity, ceased to exist. The 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.

PLAN OF FINANCING

The proceeds of the Tax-Exempt Bonds will be used to (a) pay costs of the Capital Project, (b) pay a portion of the costs of the Refunding Project, (c) fund capitalized interest for the Tax-Exempt Bonds through July 1, 2020; (d) fund a debt service reserve fund for the Tax-Exempt Bonds; and (e) pay certain costs of issuance of the Tax-Exempt Bonds. The proceeds of the Taxable Bonds will be used to (a) pay a portion of the costs of the Refunding Project, (b) fund a debt service reserve fund for the Taxable Bonds; and (c) pay certain costs of issuance of the Taxable Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

On the date of issuance and delivery of the Taxable Bonds, a portion of the proceeds thereof, together with other available Authority funds held by the Trustee, if any, to be used for the refunding and legal defeasance of the Prior Bonds will be deposited in an escrow fund ("Escrow Fund") to be held by The Bank of New York Mellon, Woodland Park, as escrow agent (the "Escrow Agent"), and established pursuant to an escrow deposit agreement (the "Escrow Agreement") between the Authority and the Escrow Agent. The funds on deposit in the Escrow Fund will be sufficient to pay the principal or Redemption Price of and interest on the Prior Bonds when due and on the redemption date thereof. Upon execution and delivery of the Escrow Agreement and the deposit into the Escrow Fund, the Prior Bonds will no longer be deemed Outstanding for purposes of the indenture pursuant to which the Prior Bonds were issued (the "2012 Indenture") and will cease to be entitled to any lien, benefit or security under the 2012 Indenture, and all covenants, agreements and obligations of the Authority to the Owners of such Prior Bonds shall thereupon be discharged and satisfied. Such Prior Bonds will be secured solely by the applicable cash and Defeasance Securities on deposit in the Escrow Fund. See "VERIFICATION OF MATHEMATICAL CALCULATIONS" herein.

DESCRIPTION OF THE 2017 SERIES BONDS

General

The 2017 Series Bonds will be initially dated and will bear interest from their date of delivery at the interest rates per annum, and will mature, subject to prior redemption, on July 1 in each of the years and in the principal amounts shown on the inside cover of this Official Statement.

The 2017 Series Bonds will be issued in fully registered form, without coupons in the denomination of \$5,000 or any integral multiple thereof. Interest on the 2017 Series Bonds will be payable initially on January 1, 2018 and on each January 1 and July 1 thereafter until maturity or earlier redemption.

Registration and Place of Payment

The 2017 Series Bonds initially will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the 2017 Series Bonds will be made in book-entry only form through DTC participants and no physical delivery of the 2017 Series Bonds will be made to purchasers except as provided herein. See "DESCRIPTION OF THE 2017 SERIES BONDS - Book-Entry Only System" herein.

In the event the 2017 Series Bonds are no longer subject to the book-entry only system, principal and redemption premium, if any, of the 2017 Series Bonds will be payable upon

surrender of the respective 2017 Series Bonds at the principal corporate trust office of the Trustee. Interest on the 2017 Series Bonds will be paid by check or draft mailed by the Trustee to the registered owner thereof as of the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding an interest payment date at the addresses on file on the registration books of the Authority kept by the Trustee, as registrar. Notwithstanding the foregoing, payment of principal of, redemption premium, if any, and interest on any 2017 Series Bond shall be made by wire transfer to any account within the United States of America designated by a Bondholder owning \$1,000,000 or more in aggregate principal amount of 2017 Series Bonds (if requested in writing of the Trustee by such Bondholder not less than five (5) Business Days prior to the applicable payment date and if such Bondholder otherwise complies with the reasonable requirements of the Trustee). A request for wire transfer may specify that it is effective with respect to all succeeding payments of principal, redemption premium, if any, and interest and will be so effective unless and until rescinded in writing by the Bondholder at least five (5) Business Days prior to the Record Date for the payment date to which such rescission is designated to apply.

Book-Entry-Only System

DTC will act as securities depository for the 2017 Series Bonds. The 2017 Series Bonds will be issued as fully-registered securities registered in the name of Cede & Co., DTC's partnership nominee or such other names as may be requested by an authorized representative of DTC. One fully-registered bond certificate will be issued for each maturity of the 2017 Series Bonds, each in the entire aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchase of Ownership Interests. Purchases of the 2017 Series Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2017 Series Bonds on DTC's records. The ownership interest of each actual purchaser of each 2017 Series Bonds (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through whom such Beneficial Owners entered into the transaction. Transfers of ownership interests in the 2017 Series Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2017 Series Bonds, except as specifically provided in the Indenture in the event that use of the book-entry-only system is discontinued.

Payments of Principal, Premium, if any, and Interest. Redemption proceeds, principal and interest payments on the 2017 Series Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Direct and Indirect Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with municipal securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants shall be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2017 Series Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2017 Series Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. Beneficial Owners of the 2017 Series Bonds may wish to ascertain that the nominee holding the 2017 Series Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners, or in the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2017 Series Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2017 Series Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s

consenting or voting rights to those Direct Participants to whose accounts the 2017 Series Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NONE OF THE AUTHORITY, THE TRUSTEE OR THE UNIVERSITY WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE PAYMENT TO, OR THE PROVIDING OF NOTICE FOR, SUCH PARTICIPANTS OR THE PERSONS FOR WHOM THEY ACT AS NOMINEES.

Transfers of 2017 Series Bonds. To facilitate subsequent transfers, all 2017 Series Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of the 2017 Series Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in Beneficial Ownership. DTC has no knowledge of the actual Beneficial Owners of the 2017 Series Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2017 Series Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Neither the Authority nor the Trustee will have any responsibility or obligation, legal or otherwise, to any party other than to the registered owners of any 2017 Series Bonds on the registration books of the Trustee.

Discontinuance of Book-Entry-Only System. In the event (i) DTC determines not to continue to act as securities depository for the 2017 Series Bonds or (ii) the Authority, with the consent of the University and the Trustee, determines in accordance with the terms of the Indenture that (a) DTC is incapable of discharging its duties or (b) it is in the best interests of the holders of the 2017 Series Bonds not to continue the book-entry-only system or that interests of the Beneficial Owners of the 2017 Series Bonds might be adversely affected if the book-entry-only system is continued, then the Authority will discontinue the book-entry-only system with DTC. Upon the occurrence of the event described in (i) or (ii)(a) above, the Authority will attempt to locate another qualified securities depository. If the Authority fails to identify another qualified securities depository to replace DTC or makes the determination noted in (ii)(b) above, the Trustee will authenticate and deliver the 2017 Series Bonds in accordance with the Indenture.

No Assurance Regarding DTC Practices

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

So long as Cede & Co. is the registered owner of the 2017 Series Bonds as nominee of DTC, references herein to the holders or registered owners of the 2017 Series Bonds will mean Cede & Co. and will not mean the Beneficial Owners of the 2017 Series Bonds.

Neither the Authority nor the Trustee will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the Beneficial Owners, (iii)

the selection by DTC or by any Direct or Indirect Participant of any Beneficial Owner to receive payment in the event of a partial redemption of the 2017 Series Bonds or (iv) any other action taken by DTC or its partnership nominee as owner of the 2017 Series Bonds.

Redemption

The 2017 Series Bonds are subject to optional redemption, extraordinary optional redemption and mandatory sinking fund redemption as described below.

Optional Redemption: The Tax-Exempt Bonds maturing on or after July 1, 202__ are subject to optional redemption on any date on or after July 1, 202__ at the option of the Authority with the written consent of the University, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the redemption date.

Redemption of any of the 2017 Series Bonds shall otherwise be effected in accordance with the Indenture.

Extraordinary Optional Redemption: The 2017 Series Bonds shall be subject to redemption prior to maturity, in whole or in part at the option of the Authority at any time, and from time to time, with written notice to the University, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, without redemption premium, in the event that any one or more of the following events shall have occurred: (i) title to, or the temporary use of, all or a material portion of the Project Facilities shall have been taken under the exercise of the power of eminent domain by, or sold in lieu thereof to, any governmental authority or person, firm or corporation acting under governmental authority, which taking or sale prevents or is likely to prevent the carrying on of normal operations of the Project Facilities for a period of at least twelve months; or (ii) the Project Facilities are rendered untenable by any cause whatsoever, including, but not limited to, a hazard against which insurance is required to be maintained in accordance with the Loan Agreement or the Mortgage.

Mandatory Sinking Fund Redemption: The Tax-Exempt Bonds maturing on July 1, 20__ shall be retired by sinking fund installments as hereinafter described, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the 2017 Series Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

*

*Final Maturity

The Tax-Exempt Bonds maturing on July 1, 20__ shall be retired by sinking fund installments as hereinafter described, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the 2017 Series Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Amount</u>
*	

*Final maturity.

The Tax-Exempt Bonds maturing on July 1, 20__ shall be retired by sinking fund installments as hereinafter described, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the 2017 Series Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Amount</u>
*	

*Final maturity.

Redemption of any of the 2017 Series Bonds shall otherwise be effected in accordance with the Indenture.

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

<u>Year</u>	<u>Amount</u>
*	

*Final maturity.

Redemption of any of the 2017 Series Bonds shall otherwise be effected in accordance with the Indenture.

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

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

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

Selection of 2017 Series Bonds for Redemption

In the case of any redemption in part of the 2017 Series Bonds, the 2017 Series Bonds to be redeemed shall be selected by the Trustee, subject to the requirements of the Indenture. A redemption of 2017 Series Bonds shall be a redemption of the whole or of any part of the 2017 Series Bonds; *provided*, that there shall be no partial redemption of less than \$5,000. If less than all the maturities of the 2017 Series Bonds shall be called for redemption under any provision of this Indenture permitting such partial redemption, the particular maturity or maturities of the 2017 Series Bonds to be redeemed shall be selected by the Authority with the consent of the University. If less than all of the 2017 Series Bonds Outstanding of any maturity shall be called for redemption, such 2017 Series Bonds shall be selected by the Trustee, in such manner as the Trustee in its discretion may deem fair and appropriate consistent with industry standards and the requirements of the Indenture; *provided, however*, (a) that the portion of any 2017 Series Bond to be redeemed under any provision of the Indenture shall be in the principal amount of \$5,000 or any multiple thereof, (b) that, in selecting Bonds for redemption, the Trustee shall treat each 2017 Series Bond as representing that number of 2017 Series Bonds that is obtained by dividing the principal amount of such 2017 Series Bond by \$5,000, and (c) that, to the extent practicable, the Trustee will not select any 2017 Series Bond for partial redemption if the amount of such 2017 Series Bond remaining Outstanding would be reduced by such partial redemption to less than the Authorized Denomination. If there shall be

called for redemption less than all of a 2017 Series Bond, the Authority shall execute and deliver and the Trustee shall authenticate, upon surrender of such 2017 Series Bond and at the expense of the University and without charge to the owner thereof, a replacement 2017 Series Bond in the principal amount of the unredeemed balance of the 2017 Series Bond so surrendered.

Notice of Redemption

Notice of redemption of the 2017 Series Bonds will be given by the Trustee by mailing a copy of such notice to DTC, as the registered owner of the 2017 Series Bonds, and such mailing shall be a condition precedent to such redemption. Failure of any Beneficial Owner to receive a copy of such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such 2017 Series Bonds.

If less than all of the 2017 Series Bonds of one maturity shall be called for redemption, the Trustee at the direction of the Authority shall notify DTC not less than thirty (30) nor more than forty-five (45) days prior to the date fixed for redemption of the particular amount of such maturity to be redeemed. DTC shall determine the amount of each Participant's interest in such maturity to be called for redemption and each Participant shall then select the ownership interest in such maturity to be redeemed. At such time as DTC or its nominee is not the registered owner of the 2017 Series Bonds, the transfer provisions and notice of redemption provisions applicable to the 2017 Series Bonds will be adjusted pursuant to the Indenture.

Interest on any 2017 Series Bonds called for redemption shall cease to accrue from and after the date fixed for redemption if, on such date, sufficient moneys for the redemption of all such 2017 Series Bonds, together with interest to the date fixed for redemption, shall be held by the Trustee.

Negotiable Instruments

The 2017 Series 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 2017 Series Bonds.

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ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the 2017 Series Bonds (together with other available funds) shall be applied approximately as follows:

SOURCES:	<u>Tax-Exempt Bonds</u>	<u>Taxable Bonds</u>	<u>Total</u>
Par Amount of the 2017 Series Bonds	\$	\$	\$
Net Original Issue [Premium] [Discount]:	\$	\$	\$
Other Available Funds:	\$	\$	\$
TOTAL SOURCES:			
 USES:			
Deposit to Construction Fund	\$	\$	\$
Deposit to Escrow Fund	\$	\$	\$
Deposit to Capitalized Interest Account	\$	\$	\$
Deposit to Debt Service Reserve Fund	\$	\$	\$
Costs of Issuance ¹	\$	\$	\$
TOTAL USES:	\$	\$	\$

¹ Includes Underwriter's discount, fees and expenses of bond counsel, University counsel, the Trustee, financial advisors for the Authority and the University and other issuance costs.

SECURITY FOR THE 2017 SERIES BONDS

Special and Limited Obligations

The 2017 Series Bonds shall be special and limited obligations of the Authority payable from and secured, equally and ratably, by a pledge of the Revenues (as defined under the Indenture) and Pledged Property (as defined under the Mortgage and Security Agreement) pledged under the Indenture derived by the Authority from payments of the University under the Loan Agreement and Mortgage Note.

As defined in the Indenture, "Pledged Property" means all Revenues and the moneys and earnings held in the Funds and accounts created hereunder (except the Rebate Fund, the Project Mortgage Fund and the Additional Loan Payments Fund) and the right to receive the same (except amounts in respect of administrative expenses in whatever Fund held); all right, title and interest of the Authority in and to the foregoing; and all right, title and interest of the Authority in and to, and the remedies under, the Loan Agreement and the Mortgage Note (but excluding the Reserved Rights of the Authority described in Section 5.01(b) of this Indenture).

As defined in the Indenture, "Revenues" are (i) all Basic Loan Payments; (ii) all amounts received by the Authority in respect of any entry of the Project Facilities, or portion thereof, pursuant to Article II of the Loan Agreement; (iii) any amount directed to be transferred to or deposited in the Construction Fund and the Debt Service Fund pursuant to this Indenture; (iv) all other moneys when received by the Trustee for deposit into the Construction Fund and the Debt Service Fund, including prepayments, insurance proceeds and condemnation proceeds; and (v) all interest, profits or other income derived from the investment of amounts in any Fund or account established pursuant to this Indenture, but not including any administrative fees or expenses or any moneys required to be deposited in the Rebate Fund, the Additional Loan Payments Fund or the Project Mortgage Fund.

THE 2017 SERIES BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY, AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OF NEW JERSEY OR ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE). THE AUTHORITY HAS NO TAXING POWER.

The Loan Agreement

Under the Loan Agreement, the University agrees to pay to the Trustee, on behalf of the Authority, the Basic Loan Payments at the times and in amounts sufficient for the payment of, among other things, the principal, redemption premium (if any) and interest on the 2017 Series Bonds and all amounts required to be deposited in the funds established under the Indenture, as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise. Under the Loan Agreement, the University also agrees to pay the fees and expenses of the Authority and the Trustee and various other fees and amounts including payments required to be deposited in the Rebate Fund as Additional Loan Payments. The University's obligation to make the payments required under the Loan Agreement constitutes a general obligation of the University, payable from any legally available funds of the

University. No specific pledge of tuition or any other revenues of the University is made with respect to the 2017 Series Bonds.

Rate Covenant. As additional security for the payment of the principal and redemption premium, if any, of and interest on the 2017 Series Bonds, and such other payments required by the Loan Agreement, the Mortgage and the Mortgage Note, the University covenants and agrees to impose such fees and other charges sufficient at all times to generate revenues, which together with the other legally available moneys of the University, will be sufficient to pay the cost of operating and maintaining the Project Facilities, to pay all payments required under the Loan Agreement and under the Mortgage and the Mortgage Note and to pay all other obligations of the University as they become due and payable. The aggregate of the amounts comprising the annual payments due under the Loan Agreement, the Mortgage and the Mortgage Note shall be equal at least to one hundred percent (100%) of the amount of principal, sinking fund payments and interest becoming due in the then current year on the 2017 Series Bonds Outstanding, plus required to be paid pursuant to the Loan Agreement.

Term of the Loan Agreement. The Loan Agreement shall remain in full force and effect until the date on which the principal of, redemption premium, if any, and interest on the 2017 Series Bonds and all other payment obligations of the University owing to the Authority and to the Trustee under the Loan Agreement shall have been fully paid or provision for the payment thereof shall have been made as provided by the Indenture and any other documents related thereto, at which time the Authority shall release and cancel the Loan Agreement and release the lien of the Mortgage.

Obligations of University Unconditional. The obligation of the University to pay or cause to be paid the amounts payable under the Loan Agreement shall be absolute and unconditional, and the amount, manner and time of payment of such amounts shall not be decreased, abated, postponed or delayed for any cause or by reason of the happening of any event. The amounts payable by the University shall equal the sums necessary for the payment of the principal and redemption premium, if any, of and interest on the 2017 Series Bonds, and all amounts required to be deposited in the Funds established under the Indenture.

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

Mortgage and Security Agreement

As security for its obligation to make the loan repayments to the Authority, upon the issuance of the 2017 Series Bonds, the University will execute and deliver the Mortgage and Security Agreement, which shall be assigned to the Trustee for the benefit of the holders of the 2017 Series Bonds. The Mortgage and Security Agreement grants the Authority a first lien on certain real property of the University and personal property including Tuition and Fees (as defined in the Mortgage and Security Agreement).

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ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS FOR THE UNIVERSITY

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 2017 Series Bonds, other debt service and the total debt service. In accordance with the Indenture, the principal and interest requirements for the 2017 Series 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	2017 Series Bonds - Principal	2017 Series Bonds - Interest	Other Existing Debt Service of the University ²	<u>Total Debt Service</u>
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 2012 Series A Bonds issued on behalf of the University and the University's portion of debt service for the State Contract Bonds: (i) New Jersey Educational Facilities Authority, Capital Improvement Fund Bonds, Series 2002 A, Series 2014 C, Series 2016 A and Series 2016 B; and (ii) New Jersey Educational Facilities Authority, Dormitory Safety Trust Fund Bonds, Series 2003 A. See APPENDIX B – AUDITED FINANCIAL STATEMENTS for more information

³ Totals may not add due to rounding.

BONDHOLDERS' RISKS

The following is a discussion of certain risks that could affect payments to be made by the University with respect to the 2017 Series Bonds. Such discussion is not, and is not intended to be, exhaustive and should be read in conjunction with all other parts of this Official Statement, and such discussion should not be considered to be a complete description of all risks that could affect such payments. Prospective purchasers of the 2017 Series Bonds should carefully analyze the information contained in the Official Statement, including the Appendices hereto.

NO REPRESENTATION OR ASSURANCE CAN BE GIVEN THAT THE UNIVERSITY WILL GENERATE SUFFICIENT REVENUES TO MEET THE UNIVERSITY'S PAYMENT OBLIGATIONS UNDER THE LOAN AGREEMENT OR THE MORTGAGE NOTE.

Payment of Debt Service; Limitation on Revenues

The principal of, redemption premium, if any, and interest on the 2017 Series Bonds are payable solely from the amounts paid by the University to the Authority under the Loan Agreement. No representation can be made and no assurance can be given that Revenues will be realized by the University in the amounts necessary to make payments at the times and in the amounts sufficient to pay the debt service on the 2017 Series Bonds. The obligations of the University under the Loan Agreement are unsecured, general obligations of the University.

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

Sources of Payment for the 2017 Series Bonds

The principal of, redemption premium, if any, and interest on the 2017 Series Bonds are payable solely from the amounts paid by the University to the Authority under the Loan Agreement. No representation can be made and no assurance can be given that Revenues will be realized by the University in the amounts necessary to make payments at the times and in the amounts sufficient to pay the debt service on the 2017 Series Bonds.

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

Student Enrollment

Although the University believes that such factors as the ratio of the number of applications to available places, the number of accepted students who enroll, the academic qualifications of admitted students, the effectiveness of the University's student recruitment efforts and general demographic trends, in addition to the strength of its academic program, faculty and facilities, indicate that a stable demand for its educational programs will continue, no assurance can be given that it will do so. A significant decrease in the University's enrollment could adversely affect the University's financial position and results of operations.

Tuition Revenues

Tuition revenue is the principal revenue source for the University. The University in the past has been able to raise tuition and related fees in sufficient amounts without adversely affecting enrollment, there can be no assurance that it will continue to be able to do so in the future.

Reliance on Financial Aid

A substantial percentage of the students at the University receive some form of scholarship or tuition discount, including many of whom are primarily dependent upon such financial aid to pay tuition and other costs of their education. Significant changes in the availability of federal loan programs and other forms of student aid could also adversely affect the University's enrollment.

Investment Income: Unrestricted Net Assets

Committees of the Board of Trustees of the University periodically review the asset allocation of the investment pool in the context of the primary financial objective to provide funds for the current and future operations of the University, including its programs and affiliates. An equally important objective is the financial goal of preserving and enhancing the endowment fund's inflation-adjusted purchasing power, while providing a relatively predictable, stable and continuous stream of income. Although the unrestricted portion of the University's endowment funds and the payout therefrom are available for debt service payments on the 2017 Series Bonds, no assurance can be given that unforeseen developments in the securities markets will not have an adverse effect on the market value of those investments and the income generated therefrom.

Competition

The University currently faces substantial competition from other private and public colleges and universities. If, as a result of competition or otherwise, the enrollment levels were to be materially lower than in past years, there could be an adverse effect on the University's revenues and the effect could be material. The University could face additional competition in the future from other educational institutions that offer comparable services and programs to the population which the University presently serves. This could include the establishment of new programs and the construction, renovation or expansion of competing educational institutions, as well as tuition discounting programs of competing educational institutions.

Fluctuations in Market Values of Investments

Earnings on investments have historically provided the University an important source of cash flow and capital appreciation to support its programs and services, to finance capital expenditure investments and to build cash reserves. Historically the value of both debt and equity securities has fluctuated and, in some instances, the fluctuations have been quite significant. Diversification of securities holdings may diminish the impact of these fluctuations. However, no assurances can be given that the market value of the investments of the University will grow, or even remain at current levels and there is no assurance that such market value will not decline.

Damage or Destruction

Although the University will be required to maintain certain insurance as set forth in the Loan Agreement, there can be no assurance that the University will not suffer losses for which insurance cannot be or has not been obtained or that the amount of any such loss will not exceed the coverage of such insurance policies.

Government Funding

Federal and state governments provide funding to support education, including tuition assistance. These sources of funding and the governmental programs that support them have been and will continue to be subject to modifications and revision due to state and federal policy decisions, legislative action and government funding limitations. The financial condition of the University could be adversely affected by these actions and the ability of the University to maintain its creditworthiness will be based on its ability to successfully manage the outcome of any such actions.

Enforcement of Remedies

The remedies granted to the Trustee or the owners of the 2017 Series Bonds upon an Event of Default under the Indenture or the Loan Agreement may be dependent upon judicial actions, which are often subject to discretion and delay. Under existing law, the remedies specified in the Indenture and the Loan Agreement may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the 2017 Series Bonds will be qualified as to the enforceability of the provisions of the Indenture and the Loan Agreement by limitations imposed by state and federal laws, rulings and decisions affecting equitable remedies regardless of whether enforceability is sought in a proceeding at law or in equity and by bankruptcy, reorganization, insolvency, receivership or other similar laws affecting the rights of creditors generally.

Limitations on Security

As stated above, the 2017 Series Bonds are secured by payments to be made by the University under the Loan Agreement. The University's obligation to make the payments required under the Loan Agreement constitutes a general obligation of the University, payable from any legally available funds of the University. No specific pledge of University tuition or any other revenues of the University is made with respect to the 2017 Series Bonds.

Realization of Value on the Mortgaged Facilities and Absence of Title Insurance

The obligations under the Loan Agreement are secured by the Mortgage and Security Agreement. All of the Mortgaged Facilities are special purpose buildings and would not generally be suitable for industrial or commercial use. Consequently, it may be difficult to find a buyer or lessee for such property if it were necessary to foreclose on the Mortgage. In addition, the value of the lien on the Mortgaged Facilities could be diluted by the issuance of additional indebtedness, which is secured equally and ratably with the 2017 Series Bonds. Thus, upon any default, it may not be possible to realize the amount of the outstanding the 2017 Series Bonds from a sale or lease of the Mortgaged Facilities.

[While the University has covenanted in the Mortgage that it has fee simple title or a valid leasehold interest to the applicable Mortgaged Facilities, no third party has insured the state of the title or the lien of the Mortgage in connection with the issuance of the 2017 Series Bonds. The absence of title insurance means a defect in the title to the Mortgaged Facilities, if any, which impacts the use of the facilities of the University, may result in the Trustee realizing less than the full value of the Mortgaged Facilities upon the sale thereof.]

Bankruptcy

The ability of the Trustee to exercise rights under the Loan Agreement may be limited by bankruptcy, insolvency, reorganization or other similar laws or equitable principles related to or affecting the enforcement of creditors' rights generally. In the event the University becomes a debtor under the United States Bankruptcy Code, 11 U.S.C. §§10 *et seq.* (the "Bankruptcy Code"), payments under the Loan Agreement may be stayed or under certain circumstances subject to avoidance and the interests of the Trustee with respect to payments on the 2017 Series Bonds may not extend to payments acquired after the commencement of such a bankruptcy case. Furthermore, if the bankruptcy court concludes that the Trustee has "adequate protection," it may enter orders affecting the security of the Trustee, including orders providing for the substitution, subordination and sale of the security of the Trustee. In addition, a reorganization plan may be adopted even though it has not been accepted by the Trustee if the Trustee is provided with the benefit of its original lien or the "indubitable equivalent." Thus, in the event of the bankruptcy of the University, the amount realized by the Trustee may depend on the bankruptcy court's interpretation of "indubitable equivalent" and "adequate protection" under then existing circumstances. The bankruptcy court may also have the power to invalidate certain provisions of the Loan Agreement that make bankruptcy and related proceedings by the University an event of default thereunder.

Tax-Exempt Status of the University and the 2017 Series Bonds; Effect of Determination of Taxability

The Internal Revenue Service (the "IRS") has determined that the University is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and therefore is exempt from federal income taxation. In addition, the University is generally exempt from ad valorem property taxation. As a charitable organization, the University is subject to a number of requirements affecting its operations. The IRS has indicated that it is giving greater scrutiny to certain tax-exempt organizations, including universities.

The failure of the University to remain qualified as a tax-exempt organization could affect the amount of funds available to pay debt service on the 2017 Series Bonds. Such failure, as well as failure of the University to comply with certain legal requirements set forth in the Loan

Agreement, the Tax Certificate and certain other documents aimed at satisfying applicable requirements of the Code (see "TAX MATTERS"), could cause the inclusion of interest on the 2017 Series Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the 2017 Series Bonds.

It is possible that a period of time may elapse between the occurrence of the event which causes interest to become taxable and the determination that such an event has occurred. In such a case, interest previously paid on the 2017 Series Bonds could become retroactively taxable from the date of their issuance. Additionally, certain owners of the 2017 Series Bonds are subject to possible adverse tax consequences. See "TAX MATTERS" herein.

In addition, the possible modification or repeal of certain existing federal income tax laws or property tax laws or other loss by the University of the present advantages of such laws, or any legislation imposing additional conditions on tax-exempt organizations, could adversely impact the financial position of the University.

Economic Factors Beyond the University's Control

The costs of education are heavily subsidized by governmental and private financial aid. The financial condition of the University may be adversely affected by a diminution of these financial aids. Despite substantial public and private financial aid, a large portion of the costs of education are paid by the students. The financial condition of the University may be adversely affected by changes in the economy (particularly in the State from which the University draws a significant percentage of its students) that result in a decreased ability of students to pay for the costs of education. Inflation in the University's operating costs in excess of that anticipated could result in increases in tuition and other student charges beyond the economic means of prospective students.

Other Risk Factors

1. Inability of the University to control increases in operating costs, including salaries, wages and fringe benefits, supplies, utility costs, maintenance and other expenses without being able to obtain corresponding increases in revenues from students or other sources.
2. The ability of the University to attract experienced administrators, with the requisite skills and expertise, and a sufficient number of faculty and other professionals.
3. Employee strikes and other adverse labor actions that could result in a substantial reduction in revenues without corresponding decreases in costs.
4. The occurrence of natural disasters, including earthquakes, may damage the facilities of the University, interrupt utility service to the facilities, or otherwise impair the operation of the University and the generation of revenues from the facilities. To the extent commercially feasible, the facilities of the University are covered by general property insurance in an amount which management considers to be sufficient to provide for the replacement of such facilities in the event of a natural disaster.
5. Claims presently unknown to the University.
6. Withdrawal of any current exemptions from local real estate taxes, business privilege taxes and similar impositions.

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 2017 Series Bonds or questioning or affecting the validity of the 2017 Series Bonds or the proceedings or authority under which the 2017 Series 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 Loan Agreement or to secure 2017 Series Bonds in the manner herein described.

The University

There is not now pending or, to the knowledge of the University, threatened, any proceeding or litigation contesting the Project or the Loan Agreement, the Mortgage and Security Agreement, the Mortgage Note, or the 2017 Series Bonds, or the ability of the University to perform its obligations under the Loan Agreement, the Mortgage and Security Agreement or the Mortgage Note, nor is there pending 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 2017 Series Bonds, the Loan Agreement, the Mortgage and Security Agreement or the Mortgage Note.

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services, LLC ("S&P") and Moody's Investors Service Inc. ("Moody's") have provided ratings for the 2017 Series Bonds of "____" and "____", respectively. These ratings reflect only the view of such organizations and any desired explanation of the significance of such ratings should be obtained from S&P and 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 2017 Series Bonds.

VERIFICATION OF MATHEMATICAL CALCULATIONS

_____. (the "Verification Agent") will verify, from the information provided to it, the mathematical accuracy, as of the date of delivery of the 2017 Series Bonds, of the computations contained in the provided schedules to determine that the amount to be deposited pursuant to the Escrow Agreement, together with interest earnings on such amounts, will be sufficient to pay, when due, the principal, interest and call premium payment requirements, if any, of the Prior Bonds. The Verification Agent will express no opinion on the assumptions provided to it.

FINANCIAL ADVISOR TO THE AUTHORITY

Public Resources Advisory Group, Inc. ("PRAG") is acting as the Financial Advisor to the Authority in connection with the issuance of the 2017 Series Bonds. PRAG is not obligated to undertake, and has not undertaken, an independent verification of, nor has it assumed responsibility for the accuracy, completeness or fairness of, the information contained in the Official Statement. PRAG is an independent advisory firm and is not engaged in the business of underwriting, trading, or distributing municipal securities or other securities. PRAG's fee is not contingent upon the sale of and closing of the 2017 Series Bonds.

FINANCIAL ADVISOR TO THE UNIVERSITY

Prager & Co., LLC (the "Financial Advisor") has acted as financial advisor to the University concerning the 2017 Series Bonds, and will receive compensation contingent upon the sale and delivery of the 2017 Series Bonds.

UNDERWRITING

Under a Bond Purchase Agreement (the "Bond Purchase Agreement") entered into between the Authority, the University and Merrill Lynch, Pierce, Fenner & Smith Incorporated (the "Underwriter"), the Tax-Exempt Bonds are being purchased at an aggregate purchase price of \$[] (said purchase price reflects the par amount of the Tax-Exempt Bonds, plus net original issue [premium] of \$[] and less an Underwriter's discount of \$[]). The Taxable Bonds are being purchased at an aggregate purchase price of \$[] (said purchase price reflects the par amount of the Taxable Bonds, plus net original issue [premium] of \$[] and less an Underwriter's discount of \$[]). The Bond Purchase Agreement provides that the Underwriter will purchase all of the 2017 Series Bonds, if any are purchased. The University has agreed to indemnify the Underwriter and the Authority against certain liabilities. The obligation of the Underwriter to accept delivery of the 2017 Series Bonds is subject to various conditions contained in the Bond Purchase Agreement.

The Underwriter intends to offer the 2017 Series 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 the 2017 Series Bonds to certain dealers (including depositing 2017 Series Bonds into investment trusts) at prices lower than the public offering price.

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 2017 Series Bonds, the University will enter into an undertaking in the form of a Continuing Disclosure Agreement with the Trustee as dissemination agent, substantially in the form set forth in "APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT" for the benefit of the holders of the 2017 Series Bonds, to provide or cause a dissemination agent to provide certain financial information and operating data relating to the University not later than one hundred eighty (180) days after the end of its fiscal year (which fiscal year currently ends on June 30 of each year) commencing with the fiscal year of the University ending June 30, 2018 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". The operating data to be provided will be similar to the statistical information set forth in "APPENDIX A – CERTAIN INFORMATION REGARDING RIDER UNIVERSITY".

The Underwriter's obligation to purchase and accept delivery of the 2017 Series Bonds is conditioned upon their receiving, at or prior to the delivery of the 2017 Series Bonds, evidence that the University has made the continuing disclosure undertaking set forth in the Continuing Disclosure Agreement.

A failure by the University to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in the Continuing Disclosure Agreement will not constitute an Event of Default under the Indenture or the Loan Agreement, and the holders of the 2017 Series Bonds are limited to the remedies set forth in the Continuing Disclosure Agreement.

The Authority and the holders of the 2017 Series Bonds are recognized under the Continuing Disclosure Agreement as being third-party beneficiaries thereunder and may enforce any such right, remedy or claim conferred, given or granted thereunder in favor of the Trustee or the holders of the 2017 Series Bonds, as the case may be.

[The University has not failed to comply, in all material respects, with any previous undertakings to provide continuing disclosure in compliance with the requirements of the Rule.]

TAX MATTERS

Section 103(a) of the Code provides that interest on the Tax-Exempt Bonds is not included in gross income for federal income tax purposes only if certain requirements are met. In their Arbitrage and Tax Certificates (the "Tax Certificates"), which will be delivered in connection with the issuance of the Tax-Exempt Bonds, the Authority and the University will make certain representations, certifications of fact and statements of reasonable expectation in connection with the issuance of the Tax-Exempt Bonds and certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of the interest on the Tax-Exempt Bonds from gross income under Section 103(a) of the Code.

In the opinion of McManimon, Scotland & Baumann, LLC ("Bond Counsel"), under existing statutes, regulations, administrative pronouncements and judicial decisions, and in reliance on the representations, certifications of fact and statements of reasonable expectation made by the Authority and the University in their Tax Certificates and assuming compliance by the Authority and the University with their ongoing covenants in the Tax Certificates, interest on the Tax-Exempt Bonds is not included in the gross income of the owners thereof for federal income tax purposes pursuant to the Code and is not an item of tax preference to be included in calculating alternative minimum taxable income under the Code for purposes of the alternative minimum tax imposed with respect to individuals and corporations. Bond Counsel is also of the opinion that interest on the Tax-Exempt Bonds held by corporate taxpayers is included in "adjusted current earnings" in calculating alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on corporations.

Certain Federal Tax Consequences Relating to the Tax-Exempt Bonds

Although interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Tax-Exempt Bonds may otherwise affect the federal income tax liability of the recipient. The nature and extent of these other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Purchasers of the Tax-Exempt Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions and certain recipients of Social Security benefits, are advised to consult their own tax advisors as to the tax consequences of purchasing or holding the Tax-Exempt Bonds.

Bank Qualification

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

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

New Jersey Gross Income Tax

In the opinion of Bond Counsel, the interest on the 2017 Series Bonds and any gain realized on the sale of the 2017 Series Bonds are not includable as gross income under the New Jersey Gross Income Tax Act.

Future Events

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 Tax-Exempt Bonds for federal income tax purpose, or the exclusion of interest on and any gain realized on the sale of the Tax-Exempt 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 Tax-Exempt Bonds.

EACH PURCHASER OF THE TAX-EXEMPT BONDS SHOULD CONSULT HIS OR HER OWN ADVISOR REGARDING ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED FEDERAL OR NEW JERSEY STATE TAX LEGISLATION, ADMINISTRATIVE ACTION TAKEN BY TAX AUTHORITIES OR COURT DECISIONS.

ALL POTENTIAL PURCHASERS OF THE TAX-EXEMPT BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

Taxable Bonds - General

Interest on the Taxable Bonds is included in gross income for federal income tax purposes.

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

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

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

Sale or Redemption of Taxable Bonds

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

Possible Recognition of Taxable Gain or Loss upon Defeasance of Taxable Bonds

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

Backup Withholding

written to support the promotion or marketing of the transaction(s) or matter(s) addressed by the written advice; and (iii) the taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

ALL POTENTIAL PURCHASERS OF THE TAXABLE BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

OTHER LEGAL MATTERS

All legal matters incident to the authorization and issuance of the 2017 Series Bonds are subject to the approval of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority, whose approving legal opinion, in substantially the form included as APPENDIX E to this Official Statement, will be available at the time of the delivery of the 2017 Series Bonds. Certain legal matters will be passed upon for the University by its special counsel, Connell Foley LLP, Jersey City, New Jersey, and for the Underwriter by its co-counsel, M. Jeremy Ostow, Esq., South Orange, New Jersey, and Eckert Seamans Cherrin & Mellott, LLC, Lawrenceville, New Jersey and Philadelphia, Pennsylvania.

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 2017 Series Bonds, are securities in which the State and all political subdivisions of the State, their officers, boards, commissions, departments or other agencies, all banks, bankers, savings banks, trust companies, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations, and other persons carrying on an insurance business, 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 2017 Series Bonds issued pursuant to authority contained in the Act, and with those parties who may enter into contracts with the Authority pursuant to the provisions of the Act, that the State will not limit, alter or restrict the rights vested by the Act in the Authority and the participating colleges (as defined in the Act) to maintain, construct, reconstruct and operate any project (as defined in the Act) or to establish and collect such rents, fees, receipts or other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the bondholders authorized by the Act, and with the parties who may enter into contracts with the Authority pursuant to the provisions of the Act, or in any way impair the rights or remedies of such bondholders or such parties until the 2017 Series Bonds, together with

interest thereon, are fully paid and discharged and such other contracts are fully performed on the part of the Authority.

INDEPENDENT AUDITORS

The financial statements of the University as of June 30, 2017 and for the year then ended included in APPENDIX B to this Official Statement, have been audited by KPMG LLP, independent auditors, as stated in their report, also included in APPENDIX B of this Official Statement.

MISCELLANEOUS

The references herein to the provisions of the Act, the Indenture, the Resolution, the 2017 Series Bonds, the Loan Agreement, the Mortgage and Security Agreement, the Mortgage Note and 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.

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 change in the affairs of the University or the Authority since the date hereof.

Appendices A, B, C, D, E [and F] 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 2017 Series Bonds. Except as otherwise stated, the Authority makes no representations or warranties whatsoever with respect to the information contained herein. The Official Statement is not to be construed as a contract or agreement between or among the Authority, the University, or the purchasers or Beneficial Owners of any of the 2017 Series Bonds.

The information regarding the University contained in "APPENDIX A – CERTAIN INFORMATION REGARDING RIDER UNIVERSITY" attached hereto has been provided by the University.

APPENDIX A
CERTAIN INFORMATION REGARDING RIDER UNIVERSITY

APPENDIX C
FORMS OF CERTAIN LEGAL DOCUMENTS

APPENDIX D
FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E
FORM OF APPROVING OPINION OF BOND COUNSEL

MORTGAGE AND SECURITY AGREEMENT

by and between

**RIDER UNIVERSITY A NEW JERSEY
NON-PROFIT CORPORATION,**

as Mortgagor

and

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY,

as Mortgagee

Dated [CLOSING DATE]

**New Jersey Educational Facilities Authority
Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt), and
Revenue Refunding Bonds, Rider University Issue, 2017 Series G (Federally Taxable)**

Prepared by, record and return to:

**John V. Cavaliere, Esq.
McManimon, Scotland & Baumann, LLC
75 Livingston Avenue
Roseland, New Jersey 07068**

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Exhibit A - Permitted Encumbrances	

MORTGAGE AND SECURITY AGREEMENT

This **MORTGAGE AND SECURITY AGREEMENT** (this “Mortgage”) is made on [CLOSING DATE] by and between RIDER UNIVERSITY A NEW JERSEY NON-PROFIT CORPORATION duly organized and existing under the laws of the State of New Jersey, located at 2083 Lawrenceville Road, Lawrenceville, New Jersey 08648 (the “University” and the “Mortgagor”) and the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, a body corporate and politic, constituting an instrumentality of the State of New Jersey, having its principal place of business at 103 College Road East, Princeton, New Jersey 08540-6612 (the “Authority” and the “Mortgagee”).

WITNESSETH:

WHEREAS, the Authority has been established under 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”) and is empowered by the Act to make loans to participating public and private colleges and universities to finance and refinance the construction of educational facilities; and

WHEREAS, the Authority has agreed to make a loan (the “Loan”) to the University pursuant to a Loan Agreement, dated as of [November 1, 2017] (the “Loan Agreement”), by and between the Authority and the University to finance the Project (as defined in the hereinafter defined Trust Indenture); and

WHEREAS, in order to obtain funds with which to make the Loan, the Authority has determined to issue its Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt), in a principal amount of \$[SERIES F BOND AMOUNT] and its Revenue Refunding Bonds, Rider University Issue, 2017 Series G (Federally Taxable), in a principal amount of \$[SERIES G BOND AMOUNT] (collectively, the “Bonds”) pursuant to a Trust Indenture, dated as of [November 1, 2017] (the “Trust Indenture”), by and between the Authority and The Bank of New York Mellon, as trustee (the “Trustee”); and

WHEREAS, the obligations of the Mortgagor under the Loan Agreement will be secured by this Mortgage and evidenced by the 2017 Series F Mortgage Note and the 2017 Series G Mortgage Note, both dated [CLOSING DATE], which, together with all extensions, modifications, amendments and renewals thereof, is herein called the “Note” and which are in the aggregate principal amount of \$[TOTAL PRINCIPAL AMOUNT], bears interest at the per annum rates and provides for the repayment of principal and interest at the times and in the amounts set forth therein; and

WHEREAS, the Mortgagor has duly executed and delivered this Mortgage to secure the Mortgagor’s obligations under the Loan Agreement and the Note.

NOW, THEREFORE, in order to further secure the payment of all sums due or to become due under the Note, the Loan Agreement and under the terms of the Mortgage, as well as to secure the performance of all of the Mortgagor’s covenants and agreements contained in the Note, the Loan Agreement and the Mortgage, and in consideration of the Loan and the further

sum of One Dollar (\$1.00) to the Mortgagor in hand well and truly paid by the Mortgagee at or before the delivery hereof, the receipt and sufficiency whereof is hereby acknowledged, the Mortgagor has granted, bargained and sold, mortgaged and granted a security interest in, and set-over, and by these presents does grant, bargain and sell, mortgage, grant a security interest in, and set-over unto the Mortgagee, its successors and assigns, all of the Mortgagor's right, title and interest in and to the real estate more particularly described in **Schedule A** attached hereto and made a part hereof (hereinafter called the "Land").

TOGETHER with the tenements, hereditaments, appurtenances and all the estates and rights of the Mortgagor in and to the said Land.

TOGETHER with all the right, title and interest of the Mortgagor in and to all streets, roads and public places, opened or proposed, adjoining the said Land, and all easements and rights of way, public or private, now or hereafter used in connection with said Land.

TOGETHER with all right, title and interest of the Mortgagor, now owned or hereafter acquired, in and to any and all sidewalks and alleys, and all strips and gores of land, adjacent or used in connection with said Land.

TOGETHER with all buildings, structures and improvements of every kind and description now or hereafter erected or placed on said Land.

TOGETHER with all building materials, supplies, equipment, machinery and other chattels delivered or being upon the Land and intended to be incorporated or installed in such buildings, structures and improvements as fixtures, except for the equipment as set forth in Section 3.12 hereof and all replacements thereof and substitutions therefor.

TOGETHER with all of the Mortgagor's right, title and interest now owned or hereafter acquired in and to all Personal Property (as hereinafter defined), all of which the Mortgagor represents and warrants is and will be owned by the Mortgagor free from any prior conditional sales, chattel mortgages, security interests, liens or encumbrances except for those liens described in **Exhibit A** attached hereto (the "Permitted Encumbrances") and is intended to be subject to the lien of this Mortgage as if part of the real estate. This provision shall be self-operative, and this Mortgage, to the extent that any such Personal Property shall not be deemed to be part of the real estate, shall constitute a security agreement under the New Jersey Uniform Commercial Code with respect thereto and the Mortgagor will execute and deliver to the Mortgagee on demand, and hereby irrevocably appoints the Mortgagee, or any officer of the Mortgagee, the attorney-in-fact of the Mortgagor to execute, deliver and file such financing statements and other instruments as the Mortgagee may require in order to perfect and maintain such security interest under the New Jersey Uniform Commercial Code upon the Personal Property.

As used herein, the term "Personal Property" means (i) the tuition and fees of the Mortgagor ("Tuition and Fees") and (ii) all fittings, appliances, apparatus, equipment, machinery, fixtures, chattels, building materials and other articles of tangible personal property, of any kind or nature, which was purchased or refinanced with funds under the Loan Agreement, together with all replacements thereof and additions thereto, now, or at any time hereafter,

affixed or attached to or placed upon, or used in any way in connection with the complete and comfortable use, enjoyment, operation, maintenance and occupancy of said Land, buildings, structures and improvements.

TOGETHER with the reversions, remainders, easements, rents, issues and profits arising or issuing from said Land, and/or the buildings, structures and improvements thereon, including, but not limited to the rents, issues and profits arising or issuing from all insurance policies, sale agreements, licenses, options, leases and subleases now or hereafter entered into covering any part of said Land or the buildings, structures and improvements thereon, all of which insurance policies, sale agreements, licenses, options, leases, subleases, rents, issues and profits are hereby assigned and shall be caused to be assigned to the Mortgagee by the Mortgagor. The Mortgagee, or any officer of the Mortgagee, is hereby irrevocably appointed attorney-in-fact for the Mortgagor to collect such rents, issues and profits. The Mortgagor will execute and deliver to the Mortgagee on demand such assignments and instruments as the Mortgagee may require to implement, confirm, maintain and continue the assignment hereunder.

TOGETHER with any and all awards, damages, payments and other compensation, and any and all claims therefor, and rights thereto, which may result from taking or injury by virtue of the exercise of the power of eminent domain of, or to, or any damage, injury or destruction in any manner caused to, said Land or buildings, structures and improvements thereon, or any part thereof, or from any change of grade or vacation of any street abutting thereon, all of which awards, damages, payments, compensation, claims and rights are hereby assigned, transferred and set over to the Mortgagee to the fullest extent that the Mortgagor may under the law so do. The Mortgagee is hereby irrevocably appointed attorney-in-fact for the Mortgagor to settle for, collect and receive any such awards, damages, payments and compensation from the authorities making the same, to appear in and prosecute any proceeding therefor, and to give receipts and acquittance therefor.

TOGETHER with all rights, title and interest of the Mortgagor in and to all unearned premiums accrued, accruing or to accrue under any and all insurance policies now or hereafter obtained by the Mortgagor subject to the provisions of the Loan Agreement.

All of which property, and rights therein, hereinabove described or mentioned being hereinafter collectively called the "Mortgaged Property."

TO HAVE AND TO HOLD the Mortgaged Property unto the Mortgagee, its successors and assigns.

AND at all times until the entire unpaid principal indebtedness of the Note and the Loan Agreement, including all sums now or hereafter due to the Mortgagee under the terms hereof, are fully paid, together with all interest thereon, the Mortgagor covenants, promises and agrees with the Mortgagee as follows:

ARTICLE I
COVENANTS AS TO TAXES AND ASSESSMENTS

1.1. Payment By Mortgagor.

The Mortgagor shall cause to be paid and discharged, and shall furnish to the Mortgagee, upon written request of the Mortgagee, proper receipts for, all taxes, assessments, water and sewer rents and charges and all license or permit fees, levies, and governmental charges, payments in lieu of any of the foregoing, general or special, ordinary or extraordinary, foreseen or unforeseen, of any kind and nature whatsoever, which are or may have been, or may hereafter be, charged, assessed, levied, confirmed or imposed upon or against the Mortgaged Property, or any part thereof, by any lawful authority, or which may become a lien thereon. Except as permitted by Section 3.8 hereof, the Mortgagor shall not suffer, and shall promptly cause to be paid and discharged, any lien or charge whatsoever which by any present or future law may be or become superior, or on a parity with the lien of this Mortgage, either in lien or in distribution out of the proceeds of any judicial sale of the Mortgaged Property, or any part thereof, including the attorneys' commission for collection hereinafter provided for. The Mortgagor will cause to be paid, when due, all charges for utilities whether public or private.

1.2. Advances By Mortgagee.

If the Mortgagor shall fail to cause to be paid any such taxes, assessments, levies, charges, prior liens or fees as required by Section 1.1 hereof, the Mortgagee may at its option, but shall be under no obligation to do so, pay such taxes, assessment, levies, charges, prior liens or fees as required by Section 1.1 hereof; and the Mortgagor will repay to the Mortgagee on demand any amount so paid by the Mortgagee with interest at the Default Rate set forth in Section 7.7 hereof and, until so paid, the same shall be secured by this Mortgage.

1.3. No Deduction For Taxes.

The Mortgagor covenants and agrees to pay to the Mortgagee the principal and interest owing on the Note and all other payments provided under the Note, the Loan Agreement and herein and the principal and interest on every other obligation secured hereby without deduction or credit for any amount for taxes assessed or to be assessed against the Mortgaged Property.

ARTICLE II INSURANCE

2.1. Coverages.

The Mortgagor covenants and agrees to insure the Mortgaged Property and provide all other insurance coverages required under the Loan Agreement, all at the Mortgagor's cost and expense.

2.2. Collection of Insurance.

In the event of any loss or damage to the Mortgaged Property, the Mortgagor will give immediate written notice thereof to the Mortgagee, and the Mortgagee may make proof of loss thereof if not made promptly by the Mortgagor. Subject to the provisions of Article V of this Mortgage, the Mortgagee may on behalf of the Mortgagor adjust and compromise any claims under such insurance and collect and receive the proceeds thereof and endorse drafts and the Mortgagee is hereby irrevocably appointed attorney-in-fact of the Mortgagor for such purposes. The Mortgagee shall hold such proceeds for the purposes and in the manner set forth in Article V of this Mortgage. The Mortgagee may deduct from such proceeds any expenses properly incurred by the Mortgagee in collecting the same, including counsel fees.

2.3. Rights in Policies Upon Default.

If the Mortgagee shall acquire title to the Mortgaged Property either by virtue of a deed in lieu of foreclosure, or a judicial sale thereof pursuant to proceedings under the Note or this Mortgage, then all of the Mortgagor's estate, right, title and interest in and to all such policies, including unearned premiums thereon and the proceeds thereof, shall vest in the Mortgagee.

2.4. The Mortgagee's Right to Obtain Insurance.

If the Mortgagor shall fail to procure, pay for and deliver to the Mortgagee any policy or policies of insurance or renewals thereof as required in this Article II, the Mortgagee may, at its option, but shall be under no obligation to do so, effect such insurance and pay the premiums therefor, and the Mortgagor will repay to the Mortgagee on demand any premiums so paid, with interest at the Default Rate set forth in Section 7.7 hereof and, until so paid, the same shall be secured by this Mortgage.

**ARTICLE III
GENERAL REPRESENTATIONS AND
COVENANTS OF THE MORTGAGOR**

3.1. Payment of Note and Other Sums Due.

The Mortgagor shall pay to the Mortgagee the principal of and the interest on the entire unpaid principal indebtedness, including all sums now or hereafter due the Mortgagee under the terms hereof and under the Note and the Loan Agreement, together with all interest thereon, punctually as and when the same shall become due by the terms thereof and hereof. The Mortgagor will observe and perform all of the terms, provisions, conditions, covenants and agreements on the part of the Mortgagor to be observed and performed under the Note, the Loan Agreement and this Mortgage.

3.2. Authority of the Mortgagor.

The Mortgagor warrants that it is lawfully authorized to mortgage and encumber the Mortgaged Property.

3.3. Alteration, Additions, Removals.

Except for the alterations and additions contemplated by the Project, the Mortgagor will not cause or permit any building, structure or improvement or other property now or hereafter covered by the lien of this Mortgage and constituting part of the Mortgaged Property to be removed, or demolished in whole or in part, or any Personal Property constituting part of the Mortgaged Property to be removed, severed or destroyed, without the prior written consent of the Mortgagee. All alterations and additions approved by the Mortgagee shall become part of the Mortgaged Property subject to the lien of this Mortgage. Notwithstanding the foregoing, the Mortgagor may make alterations, additions and other improvements to the Mortgaged Property without the written consent of the Mortgagee, provided that such alterations, additions and improvements do not demolish, damage or impair the Mortgaged Property, and the Mortgagor may remove any part of the Personal Property and it shall thereafter be free of any security interest or lien created hereby, on condition that simultaneously with, or prior to, such removal such part of the Personal Property shall be replaced with other property to perform the function of the property removed and of a value and quality at least equal to that of the replaced property and free from any title retention or security agreement or other encumbrance. By such removal and replacement the Mortgagor shall be deemed to have subjected such equipment to the lien of this Mortgage. The Mortgagor will not abandon or cause or permit any waste to the Mortgaged Property.

3.4. Repairs and Maintenance.

Throughout the term of this Mortgage, the Mortgagor, at its sole cost and expense, will take good care of the Mortgaged Property and the sidewalks, curbs and vaults, if any, adjoining the Mortgaged Property and will put and keep the same in good, safe and first class condition, and all necessary repairs thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, and foreseen and unforeseen. All repairs made by the Mortgagor shall be equal in quality and class to the original work. The necessity for and adequacy of repairs to the buildings

and improvements pursuant to this Mortgage shall be measured by the standard which is appropriate for structures of similar construction and class, provided that the Mortgagor shall in any event make all repairs necessary to avoid any structural damage or injury to the buildings and improvements to keep the buildings and improvements in a proper condition for their intended uses.

3.5. Inspection and Repairs by the Mortgagee.

The Mortgagor will permit the Mortgagee and the Mortgagee's representatives to enter the Mortgaged Property at reasonable times to inspect the same. In case of any breach or default under this Article III, the Mortgagee may, at its option, enter the Mortgaged Property to protect, restore or repair any part thereof, but the Mortgagee shall be under no obligation to do so. The Mortgagor will repay to the Mortgagee on demand any sums paid by the Mortgagee to protect, restore or repair any part of the Mortgaged Property, with interest thereon at the Default Rate set forth in Section 7.7 hereof, and, until so paid, the same shall be secured by this Mortgage.

3.6. Compliance with Act and Other Laws.

Throughout the term of this Mortgage, the Mortgagor, at its sole cost and expense, shall promptly comply, and shall cause all tenants of the Mortgaged Property to comply, with the Act and all other present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, courts, departments, commissions, boards and officers, any national or local Board of Fire Underwriters, or any other body exercising functions similar to those of any of the foregoing, which may be applicable to the Mortgaged Property, the maintenance and use thereof and the sidewalks, curbs and vaults adjoining the Mortgaged Property whether or not such law, ordinance, order, rule, regulation or requirement shall necessitate structural changes or improvements, or the removal of any encroachments or projections, ornamental, structural or otherwise, onto or over property contiguous or adjacent thereto. The Mortgagor will comply with all orders and notices of violation thereof issued by any governmental authority. The Mortgagor will pay all license fees and similar municipal charges for the use of the Mortgaged Property and the other areas now or hereafter constituting a part thereof or used in connection therewith and will not, unless so required by any governmental agency having jurisdiction, discontinue use of the Mortgaged Property without prior written consent of the Mortgagee. If the Mortgagor shall fail to perform any covenant herein, the Mortgagee may (but shall be under no obligation to) perform such covenants for the account of the Mortgagor and any sums paid by the Mortgagee in such event shall be repaid by the Mortgagor to the Mortgagee with interest thereon at the Default Rate set forth in Section 7.7 hereof and, until so paid, the same shall be added to the principal sum secured by this Mortgage.

3.7. Transfer of Mortgaged Property.

The Mortgagor shall not transfer all or any part of the Mortgaged Property or any interest therein, directly or indirectly, other than as permitted by the Loan Agreement nor shall the Mortgagor suffer or permit any conveyance, assignment or transfer by execution sale or operation of law or otherwise.

3.8. No Additional Liens Without Mortgagee's Consent.

Mortgagor covenants and agrees that it will not further encumber or mortgage the Mortgaged Property, or any part thereof, or any interest therein and will not execute, deliver or take back any mortgage or mortgages whether or not subordinate to this Mortgage without the prior written consent of Mortgagee (which consent shall not be unreasonably withheld); provided, however, that the Mortgagor may grant a parity or subordinate lien on Tuition and Fees.

3.9. No Set-Offs.

The Mortgagor represents to the Mortgagee that it has no knowledge of any offsets, counterclaims or defenses to the principal indebtedness secured hereby, or to any part thereof, or the interest thereon, either at law or in equity. The Mortgagor, within three (3) days of receipt in person or within (10) days of request by mail, will furnish a duly acknowledged written statement in form satisfactory to the Mortgagee stating either that the Mortgagor knows of no offsets or defenses existing against the Mortgage indebtedness, or if such offsets or defenses are alleged to exist, of the nature and extent thereof.

3.10. Payment of Costs and Expenses of the Mortgagee.

The Mortgagor shall promptly pay upon demand, with interest thereon at the Default Rate set forth in Section 7.7 hereof, all expenses and costs incurred by the Mortgagee, including attorney's fees, in connection with any action, proceeding, litigation or claim instituted or asserted by or against the Mortgagee or in which the Mortgagee becomes engaged, wherein it becomes necessary in the reasonable opinion of the Mortgagee to defend or uphold the lien of this Mortgage, or the validity or effectiveness of any assignment of any claim, award, payment, property damage insurance policy or any other right or property conveyed, encumbered or assigned by the Mortgagor to the Mortgagee hereunder, or the priority of any of the same, and all such expenses and costs, and interest thereon, may be added to and become part of the principal indebtedness of the Mortgagor hereunder, and be secured in all respects hereby as if part of the principal indebtedness of the Mortgagor hereunder and under the Note and the Loan Agreement.

3.11. Change in Tax Status of the Mortgage.

In the event of the passage after the date of this Mortgage of any law of the State of New Jersey, or any other governmental entity, changing in any way the laws now in force for the taxation of the mortgages, or debts secured thereby, for state or local purposes, or the manner of the operation of any such taxes, so as to affect the interest of the Mortgagee, then and in such event, the Mortgagor shall bear and pay the full amount of such taxes, provided that if for any reason payment by the Mortgagor of any such new or additional taxes would be unlawful or if the payment thereof would constitute usury or render the Loan or other indebtedness secured hereby wholly or partially usurious under any of the terms or provisions of the Note, the Loan Agreement or this Mortgage, or otherwise, the Mortgagee may, at the Mortgagee's option: (i) declare the whole sum secured by this Mortgage, with interest thereon, to be immediately due and payable or (ii) pay that amount or portion of such taxes as renders the Loan or other indebtedness secured hereby unlawful or usurious, in which event the Mortgagor shall

concurrently therewith pay the remaining lawful and non-usurious portion or balance of said taxes.

3.12. No Security Interests in Personal Property.

Except as otherwise permitted by the Loan Agreement and by Section 3.8 hereof, the Mortgagor will not, without the written consent of the Mortgagee, create or suffer to be created any security interest under the New Jersey Uniform Commercial Code, or other encumbrance in favor of any party other than the Mortgagee, or create or suffer any reservation of title by any such other party, with respect to any Personal Property, nor shall any such property be the subject matter of any lease or other transaction whereby the ownership or any beneficial interest in any of such property is held by any person or entity other than the Mortgagor (or the Mortgagee as provided herein). All such property shall be purchased for cash or in such manner that no lien shall be created thereon except the lien of this Mortgage, unless the Mortgagee shall agree in writing to the contrary before a contract to purchase any such property is executed. The Mortgagor will deliver to the Mortgagee, on demand, any contracts, bills of sale, statements, receipted vouchers or agreements, under which the Mortgagor claims title to any Personal Property incorporated in the improvements or subject to the lien of this Mortgage.

3.13. Further Action By the Mortgagor.

The Mortgagor shall at its expense: (i) promptly upon request of the Mortgagee, do all acts and things, including, but not limited to, the execution of any further assurances, deemed necessary by the Mortgagee, to establish, confirm, maintain and continue the lien created and intended to be created hereby, all assignments made or intended to be made pursuant hereto, and all other rights and benefits conferred or intended to be conferred on the Mortgagee hereby, and the Mortgagor shall pay all costs incurred by the Mortgagee in connection therewith, including all filing and recording costs, cost of searches, and counsel fees incurred by the Mortgagee; and (ii) furnish the Mortgagee with a written certification signed by the Mortgagor, or an officer of the Mortgagor on the Mortgagor's behalf, as to all then existing leases for space covering any part of the Mortgaged Property, the names of the tenants, the rents payable thereunder and the dates to which such rents are paid, together with executed copies of all such leases.

3.14. Protection of the Mortgage Lien.

The Mortgagor will promptly perform and observe, or cause to be performed or observed, all of the terms, covenants and conditions of all instruments of record affecting the Mortgaged Property, non-compliance with which may affect the security of this Mortgage, or which may impose any duty or obligation upon the Mortgagor or any sublessee or other occupant of the Mortgaged Property or any part thereof, non-compliance with which may affect the security of this Mortgage, and the Mortgagor shall do or cause to be done all things necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and rights in favor of or constituting any portion of the Mortgaged Property. The Mortgagor warrants that it is vested with a fee simple interest in the Mortgaged Property and agrees to defend such interest in the Mortgaged Property against any person whomsoever lawfully claiming or to claim the same or any part thereof, and will keep and maintain this Mortgage as a valid first lien on the Mortgaged Property, subject only to Permitted Liens. The Mortgagor warrants that none of the

rents, issues, or profits of the Mortgaged Property or any part thereof has been previously assigned.

3.15. Use and Occupancy of Premises.

If at any time the then existing use or occupancy of the Mortgaged Property shall, pursuant to any zoning or other law, ordinance or regulation, be permitted only so long as such use or occupancy shall continue, the Mortgagor will not cause or permit such use or occupancy to be discontinued without the prior written consent of the Mortgagee.

3.16. The Mortgagee's Right to Perform.

If the Mortgagor shall default in the observance or performance of any term, covenant, condition or agreement on the part of the Mortgagor to be observed and performed hereunder, then the Mortgagee shall have the right and is hereby authorized, but without any obligation to do so, to perform the same and to discharge the Mortgagor's obligations on behalf of the Mortgagor and to pay any sum necessary for that purpose, and the sums so expended by the Mortgagee shall be an obligation of the Mortgagor, shall bear interest at the Default Rate set forth in Section 7.7, shall be payable on demand, shall be added to the principal indebtedness under the Note or the Loan Agreement, and shall be secured by this Mortgage. The Mortgagee shall be subrogated to all the rights, equities and liens discharged by such expenditure. Such performance by the Mortgagee on behalf of the Mortgagor shall not constitute a waiver of such default by the Mortgagee and shall not limit the Mortgagee's rights, remedies and recourses hereunder, under the Note or the Loan Agreement or provided at law or in equity.

3.17. Financing Statements and Recordings.

(a) Financing statements pursuant to the Uniform Commercial Code have been prepared simultaneously with the execution and delivery hereof, and are intended to be forthwith filed in the offices of the recording officer of Mercer County and of the Secretary of State of the State of New Jersey. The Mortgagee is authorized to file additional financing statements and continuations thereof in each jurisdiction where the Mortgagee deems it necessary, and, at the request of the Mortgagee, the Mortgagor will join the Mortgagee in executing one or more additional financing statements pursuant to the Uniform Commercial Code in form satisfactory to the Mortgagee, and will pay the cost of filing or recording such financing statements or executed counterparts of this Mortgage, as financing statements, in all public offices at any time and from time to time whenever such filing or recording is deemed by the Mortgagee to be necessary or desirable. The Mortgagor will also pay the cost of filing or recording all such continuation statements deemed by the Mortgagee to be necessary or desirable.

(b) The Mortgagor will from time to time deliver or cause to be delivered to the Mortgagee, if requested by the Mortgagee, an opinion of independent counsel addressed to the Mortgagee stating that no filing, registration or recording and no re-filing, re-registration or re-recording of any instrument is necessary during the year immediately succeeding the date of such opinion in order to fully preserve and protect the security of the Mortgagee and the rights of the Mortgagee hereunder and to perfect the lien of this Mortgage or, if such filing, registration or

recording or re-filing, re-registration or re-recording is necessary, setting forth the requirements to be met and promptly thereafter shall deliver to the Mortgagee an opinion of independent counsel showing that they have been met.

(c) The office where the Mortgagor keeps its accounting records concerning the Mortgaged Property covered by this Mortgage is at its address set forth above.

3.18. P.L. 2005, c. 92.

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

ARTICLE IV
ENVIRONMENTAL REPRESENTATIONS AND COVENANTS

4.1. Definitions.

As used in this Article IV, the following terms shall have the following meanings:

(a) Clean-Up. Removal and/or remediation of, or other response to, Contamination to the satisfaction of all applicable governmental agencies, in compliance with Environmental Laws and in compliance with good commercial practice.

(b) Contamination. The presence on, or Release on, or to, the Mortgaged Property of any Hazardous Substance.

(c) Environmental Documents. (i) Any and all documents submitted by the University to or received from the United States Environmental Protection Agency, the New Jersey Department of Environmental Protection and/or any federal, State, county or municipal environmental or health agency concerning environmental aspects of the condition of the Mortgaged Property or the University's operations upon the Mortgaged Property; and (ii) any and all reviews, audits, reports, or other analyses concerning environmental conditions, including but not limited to the presence or absence of Hazardous Substances, on or under the Mortgaged Property that have been prepared by or on behalf of the University.

(d) Environmental Laws. Any and all federal, state and local laws, statutes, codes, ordinances, regulations, rules or other requirements (including, but not limited to, consent decrees and judicial or administrative orders affecting the Mortgaged Property), relating to environmentally related human health or safety concerns ("Human Health or Safety Concerns") or to the environment, including, but not limited to, those applicable to the storage, treatment, disposal, handling and release of any Hazardous Substances, all as amended or modified from time-to-time. The following statutes and all rules and regulations relating thereto are a part of the Environmental Laws: the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. § 9601-9675); the Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. § 6901 *et seq.*); the Clean Water Act, as amended (33 U.S.C. § 1251 *et seq.*); the Clean Air Act, as amended (42 U.S.C. § 7401 *et seq.*); the Federal Insecticide, Fungicide and Rodenticide Act, as amended ("FIFRA") (7 U.S.C. § 136 *et seq.*); the Hazardous Materials Transportation Act, as amended (49 U.S.C. § 1801 *et seq.*); the Toxic Substances Control Act (15 U.S.C. § 2601 *et seq.*); the New Jersey Spill Compensation and Control Act, as amended (the "Spill Act") (*N.J.S.A.* 58:10-23.11 *et seq.*); the New Jersey Industrial Site Recovery Act, ("ISRA") formerly known as the New Jersey Environmental Cleanup Responsibility Act, as amended ("ECRA") (*N.J.S.A.* 13:1K-6 *et seq.*); the New Jersey Solid Waste Management Act, as amended (*N.J.S.A.* 13:1E *et seq.*); *N.J.S.A.* 58:10A-21 *et seq.*, as amended ("New Jersey Tank Registration Act"); the New Jersey Water Pollution Control Act, as amended (*N.J.S.A.* 58:10A-1 *et seq.*); the New Jersey Air Pollution Control Act (*N.J.S.A.* 26:2C-1 *et seq.*); the Safe Drinking Water Act (33 U.S.C. § 1251 *et seq.*); the Occupational Safety and Health Act (29 U.S.C. § 2601 *et seq.*); the New Jersey Worker and Community Right to Know

Act (*N.J.S.A. 34:5A-1 et seq.*); and the New Jersey Toxic Catastrophe Prevention Act (*N.J.S.A. 13:1-19 et seq.*).

(e) Hazardous Substances. Any dangerous, toxic or hazardous pollutant, contaminant, chemical, waste, material or substance as defined in or governed by any Environmental Law or otherwise relating to Human Health or Safety Concerns or the environment, and also including, but not limited to, urea-formaldehyde, polychlorinated biphenyls, asbestos or asbestos-containing materials, nuclear or radioactive fuel or waste, radon, explosives, known carcinogens, petroleum, petroleum products, or any other waste, material, substance, pollutant or contaminant that might cause any injury to human health or safety or to the environment or that might subject the owner or operator of the Mortgaged Property to any claims, causes of action, costs, damages, penalties, expenses, demands, or liabilities, however defined, under any applicable Environmental Law. Notwithstanding the foregoing, for purposes of this Article IV, Hazardous Substances shall not include *de minimus* quantities of janitorial and cleaning supplies or other retail goods sold or stored in the ordinary course of business by tenants under leases affecting the Mortgaged Property.

(f) Regulatory Actions. Any claim, demand, action or proceeding brought or instigated by any governmental authority in connection with any Environmental Law, including, without limitation, civil, criminal and/or administrative proceedings, and whether or not seeking costs, damages, penalties or expenses.

(g) Release. The spilling, leaking, disposing, discharging, emitting, depositing, injecting, leaching, escaping, or any other release, or threatened release, however defined, and whether intentional or unintentional, of any Hazardous Substance.

(h) Third Party Claims. Third party claims, actions, demands or proceedings (other than Regulatory Actions) based on breach of contract, negligence, trespass, strict liability, nuisance, toxic tort or detriment to human health or welfare due to Contamination, and whether or not seeking costs, damages, penalties or expenses.

4.2. Representations and Warranties.

The University represents and warrants to the best of its knowledge, after due inquiry and investigation:

(a) Other than as necessary in the ordinary course of business, and as otherwise described in Schedule B, no part of the Mortgaged Property was ever used, nor is it being used now, as a landfill, dump or other disposal, storage, transfer or handling area for Hazardous Substances; for industrial, military or manufacturing purposes; or as a gasoline service station or a facility for selling, dispensing, storing, transferring or handling petroleum and/or petroleum products.

(b) Except as otherwise described in Schedule B, no underground or above-ground storage tanks (whether or not currently in use), urea-formaldehyde materials, asbestos, asbestos-containing materials, polychlorinated biphenyls (PCBs) or nuclear fuels or wastes (i) are currently located on or under the Mortgaged Property, or (ii) had been located on or under the Mortgaged Property.

(c) Except as otherwise described in Schedule B, there has not been or is not now occurring, any Release of any Hazardous Substance on or under the Mortgaged Property in violation of Environmental Laws.

(d) The University's use, if any, and/or disposal, if any, of Hazardous Substances on the Mortgaged Property and/or disposal elsewhere, if any, of Hazardous Substances generated on or from the Mortgaged Property, has been in compliance with all applicable Environmental Laws.

(e) No Hazardous Substance has come to be located on or under the Mortgaged Property from another location in violation of Environmental Laws.

(f) The Mortgaged Property and the use and operation thereof, are currently, and at all times during the University's occupancy or operation of the Mortgaged Property have been, in compliance with all applicable Environmental Laws.

(g) No Third Party Claims and/or Regulatory Actions have been asserted or assessed against the University and/or the Mortgaged Property, and no Third Party Claims and/or Regulatory Actions are pending or, to the best of University's knowledge, threatened against the University and/or the Mortgaged Property.

(h) Except as otherwise described in Schedule B, the Mortgaged Property is not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites or any other list, schedule, log, inventory or record, however defined, maintained by any federal, state or local governmental agency with respect to sites from which there is or has been, a Release of any Hazardous Substance. The University has not transported or arranged for the transportation of any Hazardous Substances from the Mortgaged Property to any location which is: (i) listed on the National Priorities List Under CERCLA; (ii) listed for possible inclusion on the National Priorities List by the Environmental Protection Agency in CERCLA or on any similar state list; or (iii) the subject of any Regulatory Action which may lead to claims against the Authority for clean-up costs, remedial work, damages to natural resources or for personal injury claims, including, but not limited to, claims under CERCLA.

(i) Except as otherwise described in Schedule B, the University has not received and is not in possession of any Environmental Documents.

(j) None of the real property owned and/or occupied by the University including, but not limited to, the Mortgaged Property, has been or is now being used as a "Major Facility" as such term is defined in *N.J.S.A. 58:10-23.11b(1)*. The University will not use the Mortgaged Property in the future as a "Major Facility."

(k) There are no liens against the Mortgaged Property arising under any Environmental Law or based upon a Regulatory Action and/or Third Party Claim; and further, no lien has been attached to any revenues or any real or Personal Property owned by the University including, but not limited to, the Mortgaged Property, as a result of the Chief Executive of the New Jersey Spill Compensation Fund expending monies from said fund pursuant to *N.J.S.A. 58:10-23.11g*, and/or to pay for "Cleanup and Removal Costs" as such term is defined in *N.J.S.A.*

58:10-23.11b(d) arising from an intentional or unintentional action or omission of the University or any previous owner and/or operator of the Mortgaged Property.

(l) The University is satisfied that ISRA was not applicable to its purchase of the Mortgaged Property and is satisfied that ISRA is not applicable to its mortgage of the Mortgaged Property.

4.3. Covenants.

(a) The University will not permit or conduct on the Mortgaged Property either the generation, treatment, manufacture, use, storage or disposal of any Hazardous Substance, except in compliance with all Environmental Laws. In addition, the University will not permit the Mortgaged Property to be used for any of the purposes set forth in Section 4.2(a) hereof.

(b) The University will promptly notify the Authority in writing, of any material existing, pending or threatened (i) investigation, inquiry, claim or action by any governmental authority in connection with any Environmental Laws, (ii) Third Party Claims, (iii) Regulatory Action, and/or (iv) Contamination of the Mortgaged Property.

(c) In the event that any investigation and/or Clean-Up of any Hazardous Substance or other environmental condition on or under the Mortgaged Property is required as a result of or relating to any of the following, then the University shall complete or cause to be completed, at its own expense, such investigation and/or Clean-Up: (i) any Release of any Hazardous Substance on or under the Mortgaged Property or the presence of any Hazardous Substance which has come to be located on or under the Mortgaged Property from another location; (ii) any injury to human health or safety or the environment by reason of the environmental condition of, or activities on or under the Mortgaged Property; or (iii) any violation, or alleged violation, of any applicable Environmental Law.

(d) After the date of this Mortgage, the University will deliver to the Authority, so long as the Bonds are Outstanding (as defined in the Trust Indenture) and the Authority has any interest in the Mortgaged Property, complete copies of any and all Environmental Documents.

(e) The University will keep the Mortgaged Property free of any lien imposed pursuant to any Environmental Law. In the event that there shall be filed a lien against the Mortgaged Property by the New Jersey Department of Environmental Protection, pursuant to and in accordance with the provisions of the Spill Act (specifically, *N.J.S.A.* 58:10-23.11f(f)), as a result of the Chief Executive of the New Jersey Spill Compensation Fund having expended monies from said fund pursuant to *N.J.S.A.* 58:10-23.11g, and/or "Cleanup and Removal Costs," as such term is defined in *N.J.S.A.* 58:10-23.11b(d), arising from an intentional or unintentional action or omission of the University, resulting in the releasing, spilling, pumping, pouring, emitting, emptying or dumping of "Hazardous Substances," as such term is defined in *N.J.S.A.* 58:10-23.11b(k), into waters of the State of New Jersey or onto lands from which it might flow or drain into said waters, then the University shall, within sixty (60) days from the date that the University is given notice that the lien has been placed against the Mortgaged Property (or within

such shorter period of time in the event that the State of New Jersey has commenced steps to cause the Mortgaged Property to be sold pursuant to the lien), either (i) pay the claim and remove the lien from the Mortgaged Property, or (ii) furnish to the Authority either (A) a bond satisfactory to 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 reasonably satisfactory to the Authority in an amount sufficient to discharge the claim out of which the lien arises.

(f) At any time, and from time to time (and even after the occurrence of and during the continuance of any Event of Default under the Loan Agreement or this Mortgage), if the Authority so requests in response to one or more factual situations becoming known to the University and/or the Authority indicating a possible violation of any of the environmental representations, warranties, covenants and indemnities set forth in this Article IV, the University shall have an environmental review, audit and/or report prepared for the Authority if none has previously been so provided. The duty of the University to provide an environmental review, audit and/or report shall continue after the occurrence of and during the continuance of any Event of Default under the terms of this Mortgage or the Loan Agreement.

(g) The Authority, before exercising its foreclosure rights under this Mortgage and after the occurrence of any Event of Default under this Mortgage or the Loan Agreement, may itself, or by its employees, agents, contractors or representatives, enter upon the Mortgaged Property for the purposes of conducting such soil and chemical tests or other investigations, examinations, or analyses (hereafter referred to as "Investigation") as the Authority may reasonably desire. The Authority shall provide the University with reasonable notice before entering the Mortgaged Property to conduct any such Investigation, and the University shall cooperate fully in such Investigation.

(h) The Authority and its employees, agents, contractors, consultants and/or representatives shall conduct any such Investigation in a manner which does not unreasonably interfere with the University's use of and operations on the Mortgaged Property, provided however that reasonable temporary interference with such use and operations is permissible if the Investigations cannot otherwise be reasonably and inexpensively conducted. In the event that this Mortgage is foreclosed, the University shall deliver the Mortgaged Property to the Authority free of all Hazardous Substances and in compliance with all Environmental Laws.

(i) The University shall use its best efforts to assure compliance with all Environmental Laws by all lessees, tenants, subtenants, occupants, licensees and users of the Mortgaged Property.

4.4. Indemnities.

(a) The University agrees to, and does hereby, indemnify, defend (with counsel reasonably acceptable to the Authority) and hold harmless the Authority and any member, director, officer, employee, counsel, consultant and agent (all being included in the word "Authority" for the purposes of this Section 4.4(a)) from any and all claims, causes of action, damages, demands, fines, laboratory fees, liabilities, losses, penalties, settlements, expenses and/or costs, however defined and of whatever kind or nature, known or unknown,

(including, but not limited to, attorneys' fees, consultants' fees, and related expenses, all of which shall be reasonable) which may be asserted against, imposed on, suffered or incurred by, the Authority, arising out of or in any way related to or due to (i) the disposal, Release of any Hazardous Substance on, from, under, or affecting the Mortgaged Property, Personal Property, persons, animals or otherwise, or the presence of any Hazardous Substance which has come to be located on or under the Mortgaged Property from another location, (ii) any injury to human health, or safety (including wrongful death), or the environment by reason of the environmental condition of, or activities past or present on, or under, the Mortgaged Property; (iii) any violation, or alleged violation, of any Environmental Law; (iv) any material misrepresentation by the University in this Mortgage and/or the Loan Agreement or in any other documents or material furnished by the University to the Authority and/or its representative in connection with the issuance of the Bonds; (v) any breach of, or other failure to comply with, or any default after expiration of applicable grace and cure periods under, any provision of this Mortgage; (vi) any lawsuit brought or threatened, settlement reached, or governmental order relating to such Hazardous Substances, demand of governmental authorities or any policies or requirements of the Authority based upon or in any way related to such Hazardous Substances; or (vii) any lien imposed upon the Mortgaged Property in favor of any governmental entity as a result of the presence, disposal, Release of Hazardous Substances on, from, under or affecting the Mortgaged Property, water, Personal Property, persons, animals or otherwise. The duty of the University to indemnify, defend, and hold harmless includes, but is not limited to, proceedings or actions commenced by any person (including, but not limited to, any federal, state, or local governmental agency or entity) before any court or administrative agency. The University further agrees that pursuant to its duty to indemnify under this Section 4.4(a) it shall indemnify the Authority against all expenses incurred by the Authority as they become due and not wait for the ultimate outcome of any litigation or administrative proceeding. Nothing in this paragraph shall require or obligate the University to indemnify or hold harmless the Authority from or against any loss, claim, damage, liability or expense caused by any gross negligence or willful misconduct of the Authority.

(b) If the University fails to comply with any of the provisions of this Article IV, and/or fails to initiate and diligently pursue any required Clean-Up, the Authority may, in its sole discretion, either (i) declare a default under this Mortgage and the Loan Agreement; or (ii) after notice to the University, cause the Clean-Up of any Hazardous Substance or other environmental condition on or under the Mortgaged Property, or both; or (iii) pay on behalf of the University as a result of any Regulatory Actions; or (iv) make any other payment or perform any other reasonable act which will prevent a lien in favor of any federal, state or local governmental authority from attaching to the Mortgaged Property; or (v) pay, on behalf of the University, any damages, costs, fines or penalties imposed on the University as a result of any Third Party Claims or any one or more of the foregoing. The costs of such Clean-Up and/or exercise of the remedies hereinabove set forth by the Authority shall be added to the indebtedness under the Loan Agreement (whether or not any court has ordered the Clean-Up), and, said costs shall become due and payable, with interest thereon, at the Default Rate as set forth in Section 7.7 of this Mortgage. After the occurrence of a default hereunder, the University shall give the Authority and its employees, agents, contractors and representative, access to the Mortgaged Property to conduct any Clean-Up that the Authority in its sole discretion, deems appropriate; however, the Authority has no affirmative obligation to conduct any such Clean-Up,

and this Mortgage and the Loan Agreement shall not be construed as creating any such obligation or any liability on the part of the Authority.

(c) Any partial exercise by the Authority of the remedies set forth in Section 4.4(b) hereof, or any partial undertaking on the part of the Authority to cure the failure of the University to comply with the Environmental Laws, shall not obligate the Authority to complete the actions taken or require the Authority to expend further sums to cure such noncompliance; nor shall the exercise of any such remedies operate to place upon the Authority any responsibility for the operation, control, care, management or repair of the Mortgaged Property or make the Authority the "operator" of the Mortgaged Property within the meaning of the Environmental Laws. The Authority, by making any such payment or incurring any such costs, shall be subrogated to any rights of the University to seek reimbursement from any third parties, including, without limitation, a predecessor-in-interest to the University's title to the Mortgaged Property, who may be a "responsible party" or otherwise liable under the Environmental Laws.

4.5. General.

(a) The representations, warranties, covenants and indemnities contained in this Article IV shall continue after and survive the execution and delivery of this Mortgage, the discharge of the Bonds and any foreclosure of this Mortgage and any acquisition of title to the Mortgaged Property by the Authority and they shall be deemed continuing representations, warranties and indemnities for the benefit of the Authority and any successors and assigns of the Authority, including any transferee of the title of the Authority or any subsequent purchaser at a foreclosure sale, and any subsequent owner of the Mortgaged Property claiming through or under the title of the Authority; provided, however, those covenants in Sections 4.3(c), (f), (g) and (h) shall not survive the discharge of the Bonds.

(b) The representations and warranties of the University in this Article IV are based on its investigations of the Mortgaged Property, and the Authority is entitled to rely thereon notwithstanding any independent investigations by the Authority or its employees, agents, contractors or representatives.

(c) The University and its successors and assigns, hereby waive, release and agree not to make any claim or bring any cost recovery action against the Authority under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 *et seq.*, or any state equivalent, or any similar law, statute, code, ordinance, regulation, rule or other requirement now existing or hereafter enacted. It is expressly understood and agreed that to the extent that the Authority is strictly liable under any such law, statute, code, ordinance, regulation, rule or other requirement, the indemnification obligation of the University to the Authority under this Article IV shall likewise be without regard to fault on the part of the University with respect to any violation or condition which results in any liability to the Authority.

(d) The Authority's rights and remedies against the University under this Article IV shall be in addition to and not in lieu of all other rights and remedies of the Authority under this Mortgage, the Loan Agreement, at law or in equity.

ARTICLE V
DAMAGE OR DESTRUCTION

5.1. Damage or Destruction.

In case of damage to or destruction of the Mortgaged Property or any part thereof the Mortgagor shall promptly give written notice thereof to the Mortgagee. Regardless of the amount of any such damage or destruction and regardless of the sufficiency of the insurance proceeds received on account thereof, if any, the Mortgagor shall, subject to Sections 5.2(a) and (b) hereof, either (i) prepay a corresponding portion of Bonds in accordance with Section 4.01(b) of the Trust Indenture, or (ii) restore, repair, replace, rebuild or alter the same as nearly as possible to its value, condition and character immediately prior to such damage or destruction or with such changes or alterations as may be made with the Mortgagee's approval. Such restoration, repairs, replacements, rebuilding or alteration (sometimes hereinafter collectively called the "Restoration") shall be commenced promptly and prosecuted with reasonable diligence.

5.2. Application of Insurance Proceeds and Other Moneys.

(a) If there shall occur any damage to or destruction of the Mortgaged Property improvements (the "Improvements") and in the Mortgagee's opinion the Mortgaged Property cannot be substantially restored (hereinafter referred to as "Major Damage or Destruction"), the Mortgagee may, with the consent of the Mortgagor, apply all or part of the insurance proceeds to prepay a corresponding portion of the Bonds in accordance with Section 4.01(b) of the Trust Indenture.

(b) If there shall occur any damage to or destruction of the Improvements not constituting Major Damage or Destruction (as determined by an Independent Appraiser (as defined below) to be chosen by the Mortgagee) (hereinafter referred to as "Non-major Damage or Destruction"), then, provided that the Mortgagor is not in default hereunder, the insurance proceeds shall be paid as follows:

(i) If the aggregate insurance proceeds received by reason of any single instance of Non-major Damage or Destruction shall be less than \$50,000, such insurance proceeds shall be paid over to the Mortgagor for application to the Restoration.

(ii) If the aggregate insurance proceeds received by reason of any single instance of Non-major Damage or Destruction shall be \$50,000 or more, such proceeds will be deposited in escrow with the Trustee as escrow agent for the purpose of paying the cost of the Restoration. Such proceeds shall be disbursed by the Trustee from time to time upon written direction of the Mortgagee as work progresses in the manner prescribed by the Mortgagee, provided that prior to any disbursement, the Mortgagee is in receipt of a report of an independent licensed architect chosen by the Mortgagee stating that the portion of the work for which disbursement is requested has been completed; and further provided that the Mortgagee is in receipt of proof satisfactory to it that there are no outstanding mechanics' liens or materialmen's liens and that all charges, costs and expenses incurred with respect to such portion of the work completed to the

date of such disbursement have been paid in full. Restoration of the damaged or destroyed improvements must be substantially equal in size, quality and value (as determined by an independent appraiser who is a member of the American Appraisal Institute (an "Independent Appraiser") to be chosen by the Mortgagee) to improvements then presently erected on the premises as immediately before the loss or damage, and plans and specifications for the Restoration must be approved by the Mortgagee in advance of the performance of any such work. The adjustment of such insurance proceeds with the insurance carrier must be approved by the Mortgagee and the amount of the proceeds must be sufficient for the Restoration of the improvements damaged in accordance with the foregoing standards. If it is determined by an independent licensed architect chosen by the Mortgagee that the improvements so damaged cannot be repaired, reconstructed or replaced with improvements equal in size, quality and value using only the insurance proceeds, then the Mortgagor will deposit with the Trustee in escrow such additional sums (which need not be segregated) as shall be sufficient, in the judgment of the Mortgagee, to meet the cost of the Restoration with like improvements equal in size, quality and value (as determined by an Independent Appraiser to be chosen by the Mortgagee) as existed immediately prior to the loss, before commencement of any work or the disbursement of any insurance proceeds. Any funds or insurance proceeds remaining after the completion of the Restoration may, at the option of the Mortgagee, be applied by the Mortgagee in reduction of the then outstanding principal balance due under the Mortgage. If the Mortgagor does not complete the Restoration, the Mortgagee shall have the right, at its sole option, to do so with the balance of the insurance proceeds or funds deposited by the Mortgagor or to redeem a corresponding portion of Bonds in accordance with Section 4.01(b) of the Trust Indenture

(iii) Except to the extent that insurance proceeds are received by the Trustee and applied to the redemption of the Bonds in accordance with Section 4.01(b) of the Trust Indenture, nothing herein contained shall be deemed to excuse the Mortgagor from repairing or maintaining the Mortgaged Property as provided herein or restoring all damage or destruction to the Mortgaged Property, regardless of whether or not there are insurance proceeds available or whether any such proceeds are sufficient in amount, and the application or release by the Trustee of any insurance proceeds shall not cure or waive any default or notice or invalidate any act done pursuant to such notice.

(iv) Proceeds held by the Trustee need not be segregated and shall be held in an interest-bearing account.

5.3. No Postponement of Payments.

No damage or destruction of the Mortgaged Property nor any application of insurance proceeds to the payment of the sums secured by this Mortgage shall postpone or reduce the amount of any of the current installments of principal or interest becoming due under the terms of the Loan Agreement or the Note which shall continue to be made in accordance with the terms thereof until all such sums and all interest due thereunder are paid in full.

ARTICLE VI CONDEMNATION

6.1. Awards Deposited with the Mortgagee.

In the event that the Mortgaged Property, or any part thereof, shall be taken in condemnation proceedings or by exercise of any right of eminent domain (hereinafter collectively called "condemnation proceedings"), the Mortgagor and the Mortgagee shall have the right to participate in any such condemnation proceedings and the award that may be made in any such proceeding or the proceeds thereof shall be deposited with the Trustee and distributed in the manner set forth in this Article VI.

6.2. Condemnation.

If at any time during the term of this Mortgage title to any interest in the Mortgaged Property shall be taken as aforesaid, all of the award or proceeds deposited with the Trustee pursuant to Section 6.1 hereof shall be applied by the Trustee at the option of the Mortgagee and, upon the written direction of the Mortgagee, either substantially in the same manner and subject to the same conditions as those provided in Section 5.2 hereof with respect to insurance and other moneys or to redeem a corresponding portion of Bonds in accordance with Section 4.01(b) of the Trust Indenture. Any balance remaining on deposit with the Trustee after payment of such costs of demolition, repair and restoration as aforementioned, shall be retained by the Trustee and applied to the payment of the principal of and interest on the Note secured by this Mortgage or to any other sum due to the Mortgagee hereunder or under the Loan Agreement, and any balance then remaining shall be paid to the Mortgagor. In the event that the costs of such demolition, repairs and restoration shall exceed the net amount deposited with the Trustee, the Mortgagor shall pay the deficiency. If, prior to the receipt by the Trustee of such sums, the Mortgaged Property shall have been sold on foreclosure of this Mortgage, the Mortgagee shall have the right, whether or not a deficiency judgment shall have been sought, recovered or denied, to receive such sums to the extent of the debt remaining unsatisfied after such sale, with interest thereon at the Default Rate set forth in Section 7.7 hereof, and to receive all counsel fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such sums.

6.3. No Postponement of Payments.

No application of condemnation proceeds to the payment of the sums secured by this Mortgage shall (a) postpone or reduce any of the current installments of principal or interest becoming due under the terms of the Loan Agreement or the Note which shall continue to be paid in accordance with the terms thereof until all such sums and all interest due thereunder are paid in full, or (b) reduce the Mortgagor's obligation to repair or restore the Mortgaged Property in accordance with Article III hereof.

**ARTICLE VII
EVENTS OF DEFAULT AND REMEDIES**

7.1. Events of Default.

Each of the following is hereby declared to be an "Event of Default:"

(a) Default shall be made (i) in the payment of any installment of the principal of or interest on the indebtedness secured by this Mortgage or any sum which is payable under the Note, the Loan Agreement or this Mortgage as and when the same shall become due and payable, or (ii) in the payment of any other amount due under the Loan Agreement and such amount remains unpaid for ten (10) business days after receipt by the Mortgagor of the statement required under Section 2.4 of the Loan Agreement;

(b) there shall occur an Event of Default as defined in the Loan Agreement;

(c) any warranty, representation, certification, financial statement or other information made or furnished at any time pursuant to the terms of the Loan Agreement or this Mortgage, or otherwise by the Mortgagor, or by any person secondarily liable under the Note or the Loan Agreement, in connection with the Loan transaction secured hereby, shall prove to be materially false;

(d) default shall be made by the Mortgagor in the performance of or compliance with any of the provisions, warranties, covenants, promises, agreements, terms or conditions contained in the Note, the Loan Agreement or this Mortgage other than those referred to in paragraphs (a) to (c), inclusive, above, or in any lease affecting the Mortgaged Property; or

(e) the Mortgagor shall make an assignment for the benefit of creditors, or a receiver shall be appointed for the Mortgagor or all or any part of the Mortgaged Property, or bankruptcy, insolvency, reorganization, arrangement, debt, adjustment, receivership, liquidation or dissolution proceedings shall be instituted by the Mortgagor or involuntarily instituted against the Mortgagor and shall not be finally terminated within sixty (60) days after such involuntary institution.

7.2. Acceleration; Remedies Upon Default.

Upon the happening of any one or more Events of Default, the entire unpaid balance of the principal, the accrued interest, and all other sums secured by this Mortgage shall, at the option of Mortgagee become immediately due and payable without notice or demand, and Mortgagee may immediately:

(a) Foreclosure. Institute an action of mortgage foreclosure, or take such other action as the law may allow, at law or in equity, for the enforcement thereof and realization on the mortgage security or any other security which is herein or elsewhere provided for, and proceed thereon to final judgment and execution thereon for the entire unpaid balance of said principal indebtedness, with interest, at the rates and pursuant to the methods of calculation specified in the Note and the Loan Agreement, together with all other sums secured by this Mortgage, all costs of suit, interest at the above rate on any judgment obtained by the Mortgagee

from and after the date of any Sheriff's Sale of the Mortgaged Property until actual payment is made by the Sheriff of the full amount due the Mortgagee, and attorneys' fees, without further stay, any law, usage, or custom to the contrary notwithstanding.

(b) Entry. Enter into possession of the Mortgaged Property, with or without legal action, and by lawful force if necessary; lease the same; collect all rents and profits therefrom and, after deducting all costs of collection and administration expense, apply the net rents and profits to the payment of taxes, water and sewer rents, charges (including but not limited to agents' compensation and fees and costs of counsel and receivers) and to the maintenance, repair or restoration of the Mortgaged Property, or on account and in reduction of the principal or interest, hereby secured, in such order and amounts as the Mortgagee, in the Mortgagee's sole discretion, may elect. The Mortgagee shall be liable to account only for rents and profits actually received by the Mortgagee.

(c) Receivership. Have a receiver appointed to enter into possession of the Mortgaged Property, collect the rents, issues and profits therefrom and apply the same as the court may direct. The Mortgagee shall be entitled to the appointment of a receiver without the necessity of proving either the inadequacy of the security or the insolvency of the Mortgagor or any other person who may be legally or equitably liable to pay moneys secured hereby and the Mortgagor and each such person shall be deemed to have waived such proof and to have consented to the appointment of such receiver. Should the Mortgagee or any receiver collect rents, issues or profits from the Mortgaged Property, the moneys so collected shall not be substituted for payment of the debt nor can they be used to cure the default, without the prior written consent of the Mortgagee.

7.3. Other Remedies.

Upon the occurrence of an Event of Default hereunder, the Mortgagee pursuant to the foregoing remedies, or in addition thereto, (i) shall be entitled to resort to its several securities for the payment of the sums secured hereby in such order and manner as the Mortgagee may think fit without impairing the Mortgagee's lien in or rights to any of such securities and without affecting the liability of any person, firm or corporation for the sums secured hereby, except to the extent that the indebtedness secured hereby shall have been reduced by the actual monetary consideration, if any, received by the Mortgagee from the proceeds of such security; (ii) may, in the Mortgagee's sole discretion, release for such consideration, or none, as the Mortgagee may require, any portion of the Mortgaged Property without, as to the remainder of the security, in any way impairing or affecting the lien of this Mortgage or the priority thereof or improving the position of any subordinate lienholder with respect thereto, except to the extent that the indebtedness secured hereby shall have been reduced by the actual monetary consideration, if any, received by the Mortgagee for such release; and/or (iii) may accept the assignment or pledge of any other property in place thereof as the Mortgagee may require without being accountable for so doing to any other lienor. In the event of any breach or anticipatory breach by the Mortgagor of any of the covenants, agreements, terms or conditions contained in this Mortgage, the Mortgagee shall be entitled to enjoin such breach or anticipatory breach and shall have the right to invoke any right and remedy allowed at law or in equity or by statute or otherwise as though other remedies were not provided for in this Mortgage.

7.4. Waiver of Errors and Notices.

The Mortgagor hereby waives and releases (a) all technical errors, defects and imperfections in any proceedings instituted by the Mortgagee under this Mortgage, and (b) all notices not herein elsewhere specifically required of the Mortgagor's default or of the Mortgagee's exercise, or election to exercise, any option or remedy under this Mortgage.

7.5. Remedies Cumulative.

Each right and remedy of the Mortgagee provided for in this Mortgage shall be cumulative and shall be in addition to every other right or remedy provided for in this Mortgage or now or hereafter existing at law, or in equity or by statute or otherwise, and the exercise or beginning of the exercise by the Mortgagee of any one or more of the rights or remedies provided for in this Mortgage or now or hereafter existing at law, or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Mortgagee of any or all other rights or remedies provided for in this Mortgage or now or hereafter existing at law, in equity or by statute or otherwise.

7.6. Possession of the Mortgaged Property.

After the occurrence of an Event of Default, the Mortgagor shall, on demand, surrender possession of the Mortgaged Property to the Mortgagee, and the Mortgagor hereby consents that, at any time after such demand, the Mortgagee may take reasonable steps to enter upon the Mortgaged Property, and without liability for trespass, damages or otherwise, let the same, collect all rents therefrom and apply the rents, after payment of all charges and expenses, on account of the Mortgagor's obligations hereunder and of the debt secured hereby whether then matured or not; and the Mortgagee, by virtue of such right to possession and as attorney-in-fact of the Mortgagor, may dispossess, by summary proceedings or otherwise, any tenant of all or any part of the Mortgaged Property then or thereafter in default under his lease and any tenant whose leasehold estate is subordinate to the lien of this Mortgage whether or not such tenant is so in default; and the Mortgagor hereby irrevocably appoints the Mortgagee attorney-in-fact of the Mortgagor for all such purposes. In the event that the Mortgagor or any party claiming through the Mortgagor is an occupant of part of the Mortgaged Property, the Mortgagor and any such party shall surrender possession to the Mortgagee immediately upon any default hereunder and demand by the Mortgagee, and if the Mortgagor or any party claiming through the Mortgagor remains in possession, such possession shall be as tenant of the Mortgagee, and the Mortgagor or such party shall pay monthly in advance to the Mortgagee such rent for the premises so occupied as the Mortgagee may reasonably demand, and in default of so doing, the Mortgagor may also be dispossessed by summary proceeding or otherwise. In case of the appointment of a receiver of rents and profits of the Mortgaged Property, the covenants of this paragraph may be enforced by such receiver.

7.7. Advances By the Mortgagee, Default Rate and Late Charge.

Upon the occurrence of an Event of Default (or, in the case of an emergency threatening the Mortgaged Property or the Mortgagee's rights therein, the occurrence of an event which if uncured will constitute an Event of Default with the passage of time), the Mortgagee may (but

shall not be obligated to) pay any sum or perform any other obligation for the account of the Mortgagor which the Mortgagor has failed to pay or perform, and sums so spent by the Mortgagee shall be added to the principal sum secured by this Mortgage and be repayable by the Mortgagor on demand, and shall bear interest from the date of advance by the Mortgagee at the highest interest rate on any of the Bonds then Outstanding (the "Default Rate"), and to require payment thereof on demand.

7.8. No Waiver Implied.

Any failure, forbearance or delay by the Mortgagee in insisting upon the strict performance by the Mortgagor of any of the terms, covenants, agreements, conditions and provisions hereof shall not be deemed to be a waiver of any of the terms, covenants, agreements, conditions and provisions hereof, and the Mortgagee, notwithstanding any such failure, forbearance or delay, shall have the right thereafter to insist upon the strict performance by the Mortgagor of any provisions of this Mortgage to be performed by the Mortgagor.

7.9. Sale as a Whole or in Parcels.

In case of any sale under this Mortgage, by virtue of judicial proceedings, the Mortgaged Property may be sold in one parcel and as an entirety or in such parcels, manner or order as the Mortgagee in its sole discretion may elect.

7.10. Waiver.

The Mortgagor hereby waives and relinquishes the benefits of any present or future laws (i) exempting the Mortgaged Property or any part thereof from attachment, levy or sale on execution, or any part of the proceeds arising from any sale thereof and (ii) requiring any notice to the Mortgagor with respect to the exercise of any remedies by the Mortgagee after the occurrence of an Event of Default.

7.11. Right to Insurance, Taxes and Rents Upon Default.

Upon the occurrence of any Event of Default hereunder, all of the Mortgagor's right, title and interest in and to any and all policies of insurance affecting or covering the Mortgaged Property, and all unearned insurance premiums or refunds of insurance premiums, due or to become due, and all proceeds and other benefits to be received under insurance policies of every nature affecting or covering the Mortgaged Property, all refunds of taxes and water and sewer charges, heretofore or hereafter paid on or with respect to the Mortgaged Property, together with all rents and profits thereof, may, at the Mortgagee's election, be applied to the indebtedness secured hereby, in such order and priority as the Mortgagee may elect.

7.12. Assembly of Collateral.

Upon the occurrence of an Event of Default, the Mortgagee may require the Mortgagor to assemble the Mortgaged Property consisting of the personalty and make it available to the Mortgagee at a place to be designated by the Mortgagee that is reasonably convenient to all parties. All expenses of retaking, holding, preparing for sale, lease or other use or disposition, selling, leasing or otherwise using or disposing of the Mortgaged Property consisting of

personalty and the like which are incurred or paid by the Mortgagee as authorized or permitted hereunder, including also all attorneys' fees, legal expenses and costs, shall be added to the indebtedness secured by this Mortgage, and the Mortgagor shall be liable therefor.

7.13. Exercise of Remedies.

Notwithstanding anything to the contrary contained in this Mortgage, all remedies shall be directed by the Authority.

**ARTICLE VIII
MISCELLANEOUS PROVISIONS**

8.1. Notices.

All notices, demands, requests and consents required under this Mortgage shall be in writing. All such notices, demands, requests and consents shall be deemed to have been properly served two (2) days after the time such notice, demand or request shall be mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed to the Mortgagee and the Mortgagor (in the case of the Mortgagor, to the attention of the Mortgagor's Vice President for Finance and Treasurer) at the addresses mentioned above or at such other address or addresses as a party may hereafter designate in writing to the other parties.

8.2. Satisfaction of Mortgage.

This Mortgage shall terminate upon the payment in full of all sums secured hereby and the fulfillment and performance of all of the conditions of this Mortgage, the Note and the Loan Agreement. Thereupon, this Mortgage and the estate and security interest hereby granted and created shall then cease, terminate and become void, and the Mortgagee shall execute and deliver such Mortgage satisfactions and other documents as the Mortgagor may reasonably request to evidence the same.

8.3. Right to Contest Taxes and Other Charges.

The Mortgagor shall have the right to contest taxes, assessments and charges imposed upon it or the Mortgaged Property or the application of laws, ordinances and other requirements to the Mortgaged Property, all in accordance with and subject to the conditions in the Loan Agreement.

8.4. Definitions of Certain Terms.

Wherever used in this Mortgage, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, the word "Mortgagor" shall include its successors and assigns or any subsequent owner or owners of the Mortgaged Property; the word "Mortgagee" shall mean the party to whom this Mortgage is given or any subsequent holder or holders of this Mortgage; the word "person" shall mean an individual, corporation, general partnership, limited partnership, unincorporated association, or any other legal entity; and the masculine, feminine or neuter gender shall include the other genders.

8.5. Amendments.

All amendments and modifications of this Mortgage must be in writing and signed by the parties hereto.

8.6. Invalid Provisions Disregarded.

If any term or provision of this Mortgage or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Mortgage, or the application of such terms or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Mortgage shall be valid and be enforced to the fullest extent permitted by law.

8.7. Section Headings.

The headings of the articles and sections of this Mortgage and the table of contents are for convenience of reference only and shall not limit or affect the meaning, scope or effect of any terms and conditions hereof.

8.8. Governing Law.

This Mortgage shall be construed and enforced in accordance with the laws of the State of New Jersey.

8.9. Waiver of Trial by Jury.

THE MORTGAGOR HEREBY WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER PARTY HERETO AGAINST THE OTHER IN ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS MORTGAGE, THE NOTE OR THE DEBT.

{THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK}

IN WITNESS WHEREOF, the Mortgagor and the Mortgagee have caused this Mortgage to be duly executed by their respective corporate officers on the day and year first above written.

ATTEST:

**RIDER UNIVERSITY A NEW JERSEY
NON-PROFIT CORPORATION,
as Mortgagor**

[Julie A. Karns]
[Vice President for Finance and
Treasurer]

By: _____
[Dr. Gregory G. Dell'Omo]
[President]

STATE OF NEW JERSEY)
)ss:
COUNTY OF MERCER)

BE IT REMEMBERED that on November __, 2017, before me the subscriber personally appeared [Dr. Gregory G. Dell'Omo], who I am satisfied is the person who signed the within instrument as the [President] of Rider University A New Jersey Non-Profit Corporation, the Mortgagor named therein, and this person thereupon acknowledged that said instrument made by said University was signed and delivered by this person as such officer aforesaid and that the within instrument is the voluntary act and deed of said University, made by virtue of authority from its Board of Trustees.

ATTEST:

**NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY,
as Mortgagee**

Steven P. Nelson
Assistant Secretary

By: _____
Sheryl A. Stitt
Acting Executive Director

STATE OF NEW JERSEY)
)ss:
COUNTY OF MIDDLESEX)

BE IT REMEMBERED that on November ___, 2017, before me the subscriber personally appeared Sheryl A. Stitt, the Acting Executive Director of the New Jersey Educational Facilities Authority, who, I am satisfied, is the person who has signed the within instrument as the Acting Executive Director of said Authority, the Mortgagee named therein, and this person thereupon acknowledged that said instrument made by the Authority was signed and delivered by this person as such officer aforesaid and that the within instrument is the voluntary act and deed of said Authority, made by virtue of said Authority's Members.

{Signature Page to Mortgage}

SCHEDULE A
DESCRIPTION OF LAND

SCHEDULE B

ENVIRONMENTAL EXCEPTIONS

[]

EXHIBIT A
PERMITTED ENCUMBRANCES



\$ _____
New Jersey Educational Facilities Authority
\$ _____ **Revenue Bonds, Rider University Issue,**
2017 Series F (Tax-Exempt)

BOND PURCHASE AGREEMENT

_____, 2017

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

Rider University
2083 Lawrenceville Road
Lawrenceville, New Jersey 08648

Dear Ladies and Gentlemen:

Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative (the "Representative") acting for and on behalf of itself and the underwriters named in the list attached hereto and incorporated herein by this reference as Schedule I (the Representative and the underwriters are referred to collectively as the "Underwriters"), hereby offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with the New Jersey Educational Facilities Authority (the "Authority"), which, upon the Authority's acceptance of this offer and upon execution hereof on behalf of Rider University, a New Jersey non-profit corporation (the "University"), will be binding upon the Authority, the University and the Underwriters. Capitalized terms used herein and not otherwise defined shall have the same meanings assigned to such terms in the Official Statement hereinafter referred to.

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

1. Purchase and Sale of 2017 Series Bonds.

Upon the terms and conditions and upon the basis of the representations, warranties and covenants herein, the Underwriters hereby agree to purchase from the Authority, and the Authority hereby agrees to sell to the Underwriters \$ _____ aggregate principal amount of the Authority's Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt) (the "2017 Series Bonds" or the "Bonds") at the rates and in the amounts as attached hereto as Exhibit A, to be issued under and pursuant to a resolution duly adopted by the Authority on October 17, 2017 (the "Resolution"), and a Trust Indenture, dated as of November 1, 2017 (the "Indenture"), by and between the Authority and The Bank of New York Mellon, Woodland Park, New Jersey (the "Trustee"). The 2017 Series Bonds are being purchased at a purchase price equal to

\$_____ (representing \$_____ being the principal par amount thereof, plus net original issue premium in the amount of \$_____, and less an Underwriters' discount in the amount equal to \$_____). The obligations of the Authority to sell, and of the Underwriters to purchase hereunder, are with respect to all (but not less than all) of the 2017 Series Bonds. The purchase price shall be paid in accordance with Section 8 hereof by the Underwriters at the Closing (as hereinafter defined).

2. Purpose of 2017 Series Bonds.

The 2017 Series Bonds are being issued to provide funds which will be used to undertake a project consisting of: (a) financing (i) the renovation and equipping of the following residential facilities: Conover Hall, Delta Phi Epsilon Sorority Residence (House 10), Kroner Hall, Lake House, Ridge House and Wright Hall; (ii) the renovation and equipping of the following academic facilities: Bart Luedeke Center Theater, Fine Arts Theater, Science and Technology Center and Sweigart Hall; and (iii) the construction of an approximately 30,000 sq. ft. addition to the Science and Technology Center; (b) funding capitalized interest for the 2017 Series Bonds through July 1, 2020; (c) funding a debt service reserve fund for the 2017 Series Bonds; and (d) paying certain costs of issuance of the 2017 Series Bonds (collectively, the "Project").

The 2017 Series Bonds shall be issued pursuant to the provisions of the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Laws of 1967, as amended and supplemented (the "Act"), the Resolution and the Indenture. The 2017 Series Bonds shall be issued under and secured as provided therein, shall be dated, shall mature, shall be redeemable and shall otherwise be as described in the Resolution and the Indenture. The 2017 Series Bonds will be issued in the denominations provided in the Indenture and shall be fully registered in the form authorized by the Indenture. The proceeds of the 2017 Series Bonds shall be loaned by the Authority to the University pursuant to a Loan Agreement, dated as of _____, 2017, by and between the Authority and the University (the "Loan Agreement"). As security for its obligations under the Loan Agreement, the University will execute and deliver a Mortgage and Security Agreement dated _____, 2017 (the "Mortgage") granting the Authority, as mortgagee, a first lien on the property of the University described in the Mortgage. The University will deliver a mortgage note to the Authority (the "Mortgage Note"). The Authority will assign the Mortgage to the Trustee pursuant to an Assignment of Mortgage (the "Assignment").

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 (Codey 2004) is a material term and condition of this Bond Purchase Agreement and binding upon the parties hereto, including the Underwriters.

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

3. **Delivery of the 2017 Series Bonds.**

Delivery of the 2017 Series Bonds in definitive registered form, duly executed and authenticated, bearing CUSIP numbers without coupons with one 2017 Series Bond certificate 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) as the Representative shall direct. Delivery of related documentation shall be made at the offices of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey ("Bond Counsel"), at the Closing Time. Payment of the purchase prices for each series of the 2017 Series Bonds, respectively, shall be made by the Underwriters in Federal Reserve Funds or other immediately available funds at 10:00 a.m. prevailing Eastern time, on _____, 2017, or such other time or date as shall be mutually agreed upon by the Authority and the Representative. The delivery of and payment for the 2017 Series 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 2017 Series Bonds shall be available for examination by the Underwriters at least twenty-four (24) hours prior to the Closing Time.

The Authority has previously authorized the distribution of the Preliminary Official Statement, dated _____, 2017, relating to the 2017 Series Bonds (the "Preliminary Official Statement"), which the Authority hereby "deems final" as of its date within the meaning of Rule 15c2-12 promulgated under the provisions of the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"). The official statement of the Authority relating to the 2017 Series Bonds shall be dated the date hereof and shall be in substantially the form of the Preliminary Official Statement, with such additions, deletions and modifications thereto as may be approved by the Representative and the Authority's Authorized Officer, with execution of such official statement by the Authority's Authorized Officer being conclusive as to approval. The final official statement as executed by an Authorized Officer of each the Authority and the University, together with the cover and inside cover page, any and all appendices, exhibits, reports and summaries included therein or attached thereto, and any amendments or supplements thereto that may be authorized for use by the Authority with respect to the 2017 Series Bonds, is hereinafter referred to as the "Official Statement." The Authority shall deliver or cause to be delivered to the Underwriters, within seven (7) business days after the date of this Bond Purchase Agreement (but in no event later than two (2) business days prior to the Closing), an electronic copy, subject to customary disclaimers regarding the transmission of electronic copies, of the Official Statement in the currently required designated format stated in the Municipal Securities Rulemaking Board ("MSRB") Rule G-32 and the EMMA Dataport Manual (as hereinafter defined). By acceptance of this Bond Purchase Agreement, the Authority authorizes the use by the Underwriters of the Official Statement in connection with the public offering and sale of the 2017 Series Bonds. Within one (1) business day after the receipt of the Official Statement from

the Authority, but in no event later than the date of the Closing, the Representative shall, at its own expense, submit the Official Statement to EMMA (as hereinafter defined). The Representative 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 by the MSRB from time to time setting forth the processes and procedures with respect to submissions to be made to the primary market disclosure service of EMMA by underwriters under MSRB Rule G-32.

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

4. **Establishment of Issue Price.**

(a) The Representative, on behalf of the Underwriters, agrees to make a bona fide public offering of all the 2017 Series Bonds and to assist the Authority in establishing the issue price of the 2017 Series Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, substantially in the form attached hereto as Exhibit C, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Representative, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the 2017 Series Bonds. [All actions to be taken by the Authority under this Section 4 to establish the issue price of the 2017 Series 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 for the maturities set forth in Schedule A of Exhibit C attached hereto,] the Authority represents that it will treat the first price at which 10% of each maturity of the 2017 Series Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). [If, as of the date hereof, the 10% test has not been satisfied as to any maturity of the 2017 Series Bonds for which the Authority has elected to utilize the 10% test, the Representative agrees to promptly report to the Authority the prices at which 2017 Series Bonds of that maturity or maturities have been sold by the Underwriters to the public. That reporting obligation shall continue until the earlier of the date upon which the 10% test has been satisfied as to the 2017 Series Bonds of that maturity or maturities or the Closing Date.]

(c) [The Representative confirms that the Underwriters have offered the 2017 Series Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the final Official Statement. Schedule A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the 2017 Series Bonds for which the 10% test has not been satisfied and for which the Authority and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the 2017 Series Bonds, the Underwriters will neither offer nor sell unsold 2017 Series 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 Underwriters have sold at least 10% of that maturity of the 2017 Series Bonds to the public at a price that is no higher than the initial offering price to the public.

The Authority acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in the Agreement Among Underwriters dated _____, 2017 (the “AAU”) and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2017 Series Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or selling group member is a party to a retail distribution agreement that was employed in connection with the initial sale of the 2017 Series Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the 2017 Series Bonds.

- (d) The Representative confirms that:
- (i) the AAU, any selling group agreement and each retail distribution agreement (to which the Representative and any member of a selling group is a party) relating to the initial sale of the 2017 Series Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold 2017 Series Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the 2017 Series

Bonds of that maturity or all 2017 Series 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 Representative and as set forth in the related pricing wires, and

- (ii) the AAU and any selling group agreement relating to the initial sale of the 2017 Series Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter and any member of a selling group that is a party to a retail distribution agreement to be employed in connection with the initial sale of the 2017 Series 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 2017 Series Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriters that either the 10% test has been satisfied as to the 2017 Series Bonds of that maturity or all 2017 Series 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 Representative or the Underwriters and as set forth in the related pricing wires.

(e) The Underwriters acknowledge that sales of any 2017 Series Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this Section 4. Further, for purposes of this Section 4:

- (i) “public” means any person other than an underwriter or a related party to an underwriter,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2017 Series Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the 2017 Series 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 2017 Series Bonds to the public),
- (iii) a purchaser of any of the 2017 Series Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and

the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

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

5. Representations, Warranties and Agreements of the Authority.

By its acceptance hereof the Authority hereby represents and warrants to, and agrees with, the Underwriters that:

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

(b) The Authority has complied with all provisions of the laws of the State pertaining to the authorization, sale and issuance of the 2017 Series Bonds, including the Act, and no further approvals are necessary to be obtained prior to the issuance of the 2017 Series Bonds and the Authority has full power and authority to: (i) execute and deliver the Official Statement; (ii) execute, issue, sell, deliver and perform its obligations under the 2017 Series Bonds; (iii) execute, deliver and perform its obligations under the Resolution, the Indenture, the Loan Agreement, the Mortgage, the Assignment and this Bond Purchase Agreement; and (iv) carry out and consummate all transactions contemplated by the 2017 Series Bonds, the Resolution, the Indenture, the Loan Agreement, the Mortgage, the Official Statement, this Bond Purchase Agreement and the Arbitrage and Tax Certificate of the Authority dated the date of Closing (the "Authority's Tax Certificate") and any and all other agreements relating thereto.

(c) The information and statements in the Preliminary Official Statement 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, and will be at all times up to and including the date of Closing, true and correct in all material respects and did not and do not contain any untrue statement of a material fact or omit to state any material fact necessary to make statements therein, in light of the circumstances under which they were made, not misleading.

(d) The Authority will advise the Underwriters and the University promptly of any proposal to amend or supplement the Official Statement pursuant to Section 9 hereof. The Authority will advise the Underwriters promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the 2017 Series Bonds.

(e) The 2017 Series Bonds, the Resolution, the Indenture, the Loan Agreement, the Mortgage, the Assignment, the Authority's Tax Certificate and this Bond Purchase Agreement (collectively, the "Authority Documents") 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 2017 Series Bonds, when delivered to and paid for by the Underwriters at the Closing will be in conformity with the description thereof in the Official Statement and will be in conformance with, and entitled to the benefits of the provisions of the Act, the Resolution, the Indenture, the Mortgage, the Assignment, the Authority's Tax Certificate and the Loan Agreement.

(f) Except as set forth in the Preliminary Official Statement or 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 2017 Series Bonds, or the pledging of revenues and other funds of the Authority referred to in the Indenture thereto, or in any way contesting or affecting the validity or enforceability of the 2017 Series Bonds, the Resolution, the Indenture, the Loan Agreement, the Mortgage, the Assignment, the Authority's Tax Certificate or this Bond Purchase Agreement or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Authority or its authority with respect to the 2017 Series Bonds, the Resolution, the Indenture, the Loan Agreement, the Mortgage, the Assignment, the Authority's Tax Certificate or this Bond Purchase Agreement.

(g) The execution or adoption, as applicable, and delivery of, and performance of the Authority's obligations under the Resolution, the Indenture, the Loan Agreement, the Mortgage, the Assignment, the Authority's Tax Certificate and this Bond Purchase Agreement and the other agreements contemplated thereby; the execution and delivery of the Official Statement; the sale, execution, issuance and delivery of the 2017 Series Bonds; and the consummation of all transactions to which the Authority is a party contemplated by the 2017 Series Bonds, the Resolution, the Indenture, the Loan Agreement, the Mortgage, the Assignment, the Authority's Tax Certificate, this Bond Purchase Agreement, and the Official Statement have been duly authorized by all necessary action on the part of the Authority and do not and will not conflict with the Act or constitute on the Authority's part a breach of or a default under any existing law or administrative regulation, 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 Underwriters shall be deemed a representation and warranty by the Authority to the Underwriters as to the statements made therein with the same effect as if such representation or warranty was set forth herein.

(i) The Authority will pay or cause to be paid only from the proceeds of the 2017 Series Bonds, other available funds or other moneys provided by the University, all expenses incident to the performance of its obligations under this Bond Purchase Agreement and the fulfillment of the conditions imposed hereunder, including but not limited to, the cost of preparing, executing, printing, engraving, photocopying, mailing and delivery of the 2017 Series

Bonds in the form required hereby, the Preliminary Official Statement, the Official Statement (not to exceed 250 copies) and the Indenture; the fees and disbursements of the Trustee and its counsel in connection with the issuance of the 2017 Series 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 2017 Series Bonds, including but not limited to meals, transportation and lodging of those employees; and all other expenses relating to the sale and delivery of the 2017 Series Bonds, except those expressly provided for in the following sentence. The Authority shall be under no obligation to pay any expenses incident to the performance of the obligations of the Underwriters hereunder, including fees and disbursements of M. Jeremy Ostow, Esq. and Eckert Seamans Cherin & Mellott, LLC ("Co-Counsel to the Underwriters") and "Blue Sky" filing fees or advertising expenses in connection with the public offering of the 2017 Series Bonds. If the Closing does not occur as a result of the failure of the University to meet its obligations under this Bond Purchase Agreement, the University shall pay all expenses incurred by the Authority and the Underwriters.

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

6. Representation, Warranties and Agreements of the University.

In order to induce the Underwriters to enter into this Bond Purchase Agreement and with full acknowledgment and appreciation of the fact that the investment value of the 2017 Series Bonds and the ability of the Underwriters to resell the 2017 Series Bonds are dependent upon the credit standing of the University, and in consideration of the foregoing and of the execution and delivery of this Bond Purchase Agreement by the parties hereto, the University represents and warrants to and covenants with the Underwriters and the Authority as of the date hereof and as of the Closing that:

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

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

(c) The University has complied with all applicable laws of the State and has full power and authority to carry out and to consummate all transactions contemplated to be performed by it pursuant to the Loan Agreement, the Mortgage, the Mortgage Note, the Tax Certificate of the University dated the date of Closing (the "University's Tax Certificate"), the Continuing Disclosure Agreement, dated the date of Closing, by and between the University and

the Trustee, relating to the 2017 Series Bonds (the “Continuing Disclosure Agreement”), this Bond Purchase Agreement and any and all other agreements relating hereto and thereto (collectively, the “University Documents”) and the Official Statement.

(d) The (i) execution and delivery by the University of the University Documents, (ii) approval by the University of the Official Statement, (iii) the application of the proceeds of the 2017 Series Bonds, together with other available moneys, for the purposes described in the Official Statement, and (iv) the compliance with the provisions of any and all of the foregoing documents, do not and will not constitute a default under any agreement or instrument to which the University is a party or by which the University or any of its properties is or may be bound, nor will such action result in any violation of the Articles of Incorporation or By-Laws of the University, any statute, order, rule or regulation applicable to the University, or any order of any federal, state or other regulatory agency or other governmental body having jurisdiction over the University, and all consents, approvals, authorizations and orders of any governmental or regulatory agency that are required for the execution and delivery of the University Documents and the consummation of the transactions contemplated thereby and hereby, insofar as they may relate to the University, have been obtained or will be obtained prior to the delivery of the 2017 Series Bonds and are or will be in full force and effect at the Closing.

(e) No default, Event of Default or event which, with notice or lapse of time, or both, would constitute a default or an Event of Default under the Indenture, any of the University Documents or any other material agreement or material instrument to which the University is a party or by which the University is or may be bound or to which any properties of the University are or may be subject, has occurred and is continuing.

(f) The audited financial statements of the University as set forth in APPENDIX B to the Preliminary Official Statement and the Official Statement present fairly the financial position of the University as of the date indicated and, constitute the full, complete and latest audited financial information relating to the University, and the information contained therein is accurate and complete and is not misleading in any material respect. There has been no material adverse change in the condition, financial or otherwise, of the University as of the date set forth in the audited financial statements, as of and for the period ended that date, except as may be disclosed in the Preliminary Official Statement and the Official Statement.

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

(h) [Reserved].

(i) The descriptions and information contained in the Preliminary Official Statement and the Official Statement relating to (i) the University and its properties, (ii) the University's operations and financial and other affairs, (iii) the application of the proceeds to be received by the University from the sale of the 2017 Series Bonds, and (iv) the material contained under the caption "LITIGATION" (insofar as the information contained under such caption relates to the University) and contained in APPENDIX A and APPENDIX B to the Preliminary Official Statement and the Official Statement were, as of the date of the Preliminary Official Statement and will be as of the date of the Official Statement and at all times up to and including the date of Closing, true and correct in all material respects; and, based on the University's participation in the preparation of the Preliminary Official Statement and the Official Statement but without having independently verified the information contained therein, other than as stated above, nothing has come to the University's attention that would cause the University to believe that the Preliminary Official Statement or the Official Statement, as of their respective dates, and the Official Statement as of the Closing Date, as it relates to the University, contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(j) Except as described in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any public board or body pending or, to the knowledge of the University, threatened against or affecting the University or any of its properties (or, to the best of the University's knowledge after due inquiry, dated the date hereof, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on (i) the title of the University's officers to their respective offices, (ii) the existence or the organization of the University or any power of the University, (iii) the validity of the proceedings for the adoption, authorization, execution, or repayment of the 2017 Series Bonds or its performance in connection with this Bond Purchase Agreement, the Official Statement or any University Documents, (iv) the validity or the enforceability of the 2017 Series Bonds, the Resolution, this Bond Purchase Agreement, the other University Documents or of any agreement or instrument to which the University is a party and which is used or contemplated for use in consummation of the transactions contemplated by this Bond Purchase Agreement, the Indenture, the Official Statement or the University Documents, or (v) the tax-exempt status of the 2017 Series F Bonds or the University.

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

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

the 2017 Series Bonds remain outstanding, impair its status as a 501(c)(3) organization, as that term is used in Section 145 of the Code.

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

(n) The University agrees to cooperate reasonably with the Underwriters and Counsel to the Underwriters in any endeavor to qualify the 2017 Series Bonds for offering and sale under the securities or "blue sky" laws of such jurisdiction of the United States as the Underwriters may request, provided that the University shall not be required to qualify to do business in any jurisdiction where it is not now so qualified, or to take any action which would subject it to general service of process in any jurisdiction where it is not now so subject. The University ratifies and consents to the use of the Official Statement by the Underwriters in obtaining such qualification.

(o) Neither the University nor anyone acting on its behalf has, directly or indirectly, offered the 2017 Series Bonds for sale to, or solicited any offer to buy the same from, anyone other than the Underwriters.

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

(q) If the Closing shall not occur as a result of the failure of the University to meet its obligations under this Bond Purchase Agreement for such reasons within the control of the University, the University shall pay all of the reasonable and documented expenses of the Authority and the Underwriters as described in Section 5(i) above.

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

(s) The University hereby ratifies and consents to the use by the Underwriters, prior to the date hereof, of the Preliminary Official Statement in connection with the public offering of the 2017 Series Bonds and confirms that it deems the Preliminary Official Statement to be "final" as of its date for purposes of Rule 15c2-12, except for the information not required to be included therein under Rule 15c2-12.

(t) The University hereby authorizes the use and distribution of the Official Statement by the Underwriters in connection with the public offering and sale of the 2017 Series Bonds.

7. Representations, Warranties and Agreements of the Representative.

By its acceptance hereof, the Representative hereby represents and warrants to, and agrees with, the Authority and the University that:

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

(b) The 2017 Series Bonds, the Indenture, the Loan Agreement, the Mortgage, the Assignment, the Continuing Disclosure Agreement, the Preliminary Official Statement, Official Statement and this Bond Purchase Agreement have been reviewed by the Underwriters and contain terms acceptable to, and agreed to by, the Underwriters.

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

(d) For itself that it has not entered into and, based upon the representations and warranties received by the Representative from the other Underwriters under the AAU, it is not aware that any other Underwriter has entered into any undisclosed financial or business relationships, arrangements or practices required to be disclosed in the Official Statement pursuant to Securities and Exchange Commission Release No. 33-7049; 3433741; FR-42; File No. S7-4-94 (March 9, 1994) or required to be disclosed in the Official Statement pursuant to MSRB rules.

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

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

117 Certification of No Change” in the form attached hereto as Exhibit B, and to continue to comply with the provisions of L. 2005, c. 51 and Executive Order No. 117 and as required by law, during the term of this Bond Purchase Agreement and for so long as the Representative and the other Underwriters have any obligations under this Bond Purchase Agreement.

(g) In accordance with Executive Order No. 9 (Codey 2004), dated and effective as of December 6, 2004, the Representative certifies for itself and, in reliance upon the representations and warranties made by the other Underwriters to the Representative in the AAU, for the other Underwriters, that neither the Representative nor any of the other Underwriters has employed or retained, directly or indirectly, any consultant who will be paid on a contingency basis if the Authority engages such firm to provide such underwriting services in connection with the 2017 Series Bonds.

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

(i) For itself that it has not entered into and, based upon the representations and warranties received by the Representative from the other Underwriters in the AAU, it is not aware that any other Underwriter has entered into any financial or business relationships, arrangements or practices with the Financial Advisor, or any other participant concerning or relating to the 2017 Series Bonds.

(j) The Representative represents and warrants for itself, and in reliance upon the representations and warranties made by the other Underwriters to the Representative in the AAU, for the other Underwriters, that each Underwriter has complied with the requirements of *N.J.S.A. 52:32-58* and has filed a certification with the Authority that it is not identified on the list of persons engaging in investment activities in Iran.

8. Conditions to the Underwriters' Obligations.

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

(a) On the Closing Date, (i) the Resolution, the Indenture, the Loan Agreement, the Continuing Disclosure Agreement, the Official Statement and this Bond Purchase Agreement shall have been duly adopted, authorized, executed, as appropriate, and delivered by the Authority and by the University, as appropriate, and each of the foregoing and all related official action of the Authority and of the University necessary to issue the 2017 Series Bonds shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Representative; (ii) the Authority and the University shall have duly adopted and there shall be in full force and effect such 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 Representative, the Authority and the University; (v) no Event of Default (as defined in the Indenture or in the Loan Agreement) or event which, with the lapse of time or the giving of notice or both would constitute such an Event of Default, shall have occurred and be continuing; and (vi) the Resolution, the Indenture, the Loan Agreement and the Continuing Disclosure Agreement shall be fully enforceable in accordance with their respective terms.

(b) The Underwriters shall not have elected to cancel their obligation hereunder to purchase the 2017 Series Bonds, which election shall be made by written notice to the Authority only if between the date hereof and the Closing: (i) any event shall have occurred that, in the reasonable judgment of the Representative, either (A) makes untrue or incorrect in any materially adverse respect any statement or information contained in the Official Statement or (B) is not reflected in the Official Statement, but should be reflected therein in order to make the statements and information contained therein not misleading in any materially adverse respect and such event, in the reasonable judgment of the Representative, is such as to materially and adversely affect (x) the marketability of the 2017 Series Bonds, or (y) the ability of the Underwriters to enforce confirmations of or contracts for the sale of the 2017 Series Bonds; or (ii) there shall have occurred any new outbreak of hostilities or other national or international calamity or crisis, the effect of which on the financial markets of the United States of America, in the reasonable judgment of the Representative, is such as to materially and adversely affect the ability of the Underwriters to enforce confirmations of or contracts for the sale of the 2017 Series Bonds; or (iii) there shall be in force a general suspension of trading on the New York Stock Exchange the effect of which on the financial markets is such as to materially and adversely affect the marketability of the 2017 Series 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 2017 Series Bonds to be registered under the Securities Act of 1933, as amended, or requiring the Resolution or the Indenture to be qualified under the Trust Indenture Act of 1939, as amended; or (vi) a stop order, ruling or regulation by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made (which is beyond the control of the Underwriters or the Authority to prevent or avoid) to the effect that the issuance, offering or sale of the 2017 Series Bonds, as contemplated hereby or as described in the Official Statement, or any document relating to the issuance, offering or sale of the 2017 Series Bonds is or would be in violation of any provision of the Federal securities laws at Closing, including the Securities Act of 1933, as amended, or of the Trust Indenture Act of 1939, as amended; (vii) legislation shall be enacted by the Congress of the United States or any legislation, ordinance, rule or regulation shall be enacted by any governmental body, department or agency of the State or a final decision by a federal court (including the Tax Court of the United States) or a court of the State shall be rendered, or a final ruling, regulation or release or official statement by or on behalf of the President, the Treasury Department of the United States, the Internal Revenue Service or other federal or State agency shall be made, with respect to federal or State taxation upon revenues or other income of the general character of interest on the 2017 Series Bonds, or which would have the effect of changing directly or indirectly the federal or State income tax consequences of interest on bonds of the general character of the 2017 Series Bonds in the hands of the holders thereof and which,

in the Representative's reasonable opinion, materially and adversely affects the marketability of the 2017 Series Bonds; or (viii) there shall have occurred since the date of this Bond Purchase Agreement any materially adverse change in the affairs or financial condition of the University, except for changes which the Official Statement discloses are expected to occur; or (ix) there shall have occurred any downgrading or withdrawal from a rating agency that, at the date of this Bond Purchase Agreement, has published a rating (or has been asked to furnish a rating on the 2017 Series 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 2017 Series Bonds).

(c) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change, in the condition, financial or otherwise, of the University from that set forth in the Official Statement that in the reasonable judgment of the Representative, is material and adverse and that makes it, in the reasonable judgment of the Representative, impracticable to market the 2017 Series Bonds on the terms and in the manner contemplated in the Official Statement.

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

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

(ii) An opinion or opinions of Bond Counsel, dated the date of the Closing and addressed to the Authority and the Representative to the effect that: (A) the statements contained in the Official Statement in the sections captioned "INTRODUCTORY STATEMENT," "THE AUTHORITY," "PLAN OF FINANCING," "DESCRIPTION OF THE 2017 SERIES BONDS" (excluding the subsections captioned "Book-Entry Only System" and "No Assurance Regarding DTC Practices"), "SECURITY FOR THE 2017 SERIES BONDS," "CONTINUING DISCLOSURE" (excluding the last two paragraphs thereof), "LEGALITY FOR INVESTMENT," "PLEDGE OF STATE NOT TO AFFECT RIGHTS OF BONDHOLDERS" and in APPENDIX C – "FORM OF CERTAIN LEGAL DOCUMENTS" and in APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT" thereto, insofar as such statements purport to summarize certain provisions of the Act, the 2017 Series Bonds, the Resolution, the Indenture, the Loan Agreement, and the Continuing Disclosure Agreement are reasonable summaries of such provisions, and the statements on the cover page relating to tax matters and under the section in the Official Statement captioned "TAX MATTERS," insofar as such statements purport to summarize certain provisions of tax law, regulations, rulings and notices, are reasonable summaries of the provisions so summarized; (B) based upon the participation of Bond Counsel in the preparation of the Official Statement and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement (except for the sections referred to specifically in clause (A) above), Bond Counsel has no reason to believe that, as of the date of the Official

Statement and as of the date of Closing, the Official Statement (except for the financial, tabular and other statistical information included therein and except for the information under the headings “DESCRIPTION OF THE 2017 SERIES BONDS-Book-Entry-Only System” and “No Assurance Regarding DTC Practices,” “LITIGATION,” “FINANCIAL ADVISOR TO THE UNIVERSITY,” “FINANCIAL ADVISOR TO THE AUTHORITY,” “UNDERWRITING,” and in “APPENDIX A – CERTAIN INFORMATION REGARDING RIDER UNIVERSITY,” and “APPENDIX B – FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR’S REPORT OF RIDER UNIVERSITY” as to which no view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; (C) the 2017 Series Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Resolution and the Indenture are not required to be qualified under the Trust Indenture Act of 1939, as amended; (D) this Bond Purchase Agreement has been duly authorized, executed and delivered by the Authority, is valid and binding upon the Authority and is enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, moratorium or similar laws or equitable principles relating to the enforcement of creditors’ rights; and (E) the Official Statement has been duly approved and executed by the Authority.

(iii) Reserved.

(iv) An opinion of Connell Foley LLP, Roseland, New Jersey (“Counsel to the University”), dated the date of the Closing and addressed to the Authority, the Representative, Bond Counsel and the Trustee, which opinion, to the extent that it is based on the knowledge of Counsel to the University, signifies that in the course of their representation of the University, after due inquiry, no facts have come to their attention that would give them actual knowledge or actual notice that any such opinions or other matters are not accurate, and which will opine that: (i) the University is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (the “Code”) and to the best of such firm’s knowledge and belief, after due inquiry, is in compliance with the terms, conditions and limitations contained in the most recent determination letter of the Internal Revenue Service with respect to the status of the University as an organization described in said Section 501(c)(3), is exempt from federal income taxes under Section 501(a) of the Code, is not a “private foundation” as defined in Section 509(a) of the Code and has done nothing to impair its status as an exempt organization under the Code; (ii) to the best of such firm’s knowledge, after due inquiry, the University has made all filings necessary to maintain its status as an exempt organization and has done nothing which would impair its status as an exempt organization described in Section 501(c)(3) of the Code; (iii) the University is duly created and validly existing and in good standing under the laws of the State; (iv) the University has full corporate power and authority to execute, deliver and perform its obligations under the Loan Agreement, the Mortgage, the Mortgage Note, the Continuing Disclosure Agreement, this Bond Purchase Agreement, the Official Statement and all other and said documents have been duly authorized, executed and delivered by the University and constitute legal, valid and binding agreements of the University enforceable in accordance with their respective terms; (v) no consent of or authorization by or license or approval of or registration or declaration with any governmental authority is required in connection with the execution, delivery and performance by the University of, or the validity or enforceability of, the University Documents; (vi) the execution and delivery of the University Documents and the

performance of its obligations thereunder by the University have not resulted and will not result in a violation of any law or regulation or conflict with or constitute a breach of or default under, or result in the creation of any lien, charge or encumbrance under (except to the extent permitted under the University Documents), and, to the best of Counsel to the University's knowledge, the University is not in violation or breach of or in default under, (A) the Articles of Incorporation or By-Laws of the University or any applicable law, (B) any applicable administrative regulation of the State, the United States or any department, division, agency or instrumentality of either thereof, or (C) any applicable court or administrative decree or order or any mortgage, deed, contract, agreement, note or other instrument to which the University is a party or by which it is bound; (vii) the University has duly authorized the taking of any and all actions necessary to carry out and give effect to the transactions contemplated to be performed on its part by the University Documents; (viii) there is no action, suit, proceeding, inquiry, or investigation at law or in equity before or by any court, regulatory agency, public board or body pending or, to the best of Counsel to the University's knowledge, threatened which would in any way affect the existence of the University or the titles of its officers to their respective offices or seeking to restrain or to enjoin the sale, issuance or delivery of the 2017 Series Bonds or the execution and delivery of the University Documents, the application of the proceeds of the 2017 Series Bonds in accordance with the Indenture or the collection or application of the revenues and assets of the University pledged or to be pledged to pay the principal of, premium, if any, and interest on the 2017 Series Bonds or in any way contesting or affecting the validity or enforceability of the 2017 Series Bonds and the University Documents or any action of the University contemplated by any of said documents or by the Official Statement or in any way contesting the powers of the University or its authority with respect to its performance under the University Documents, or any action on the part of the University contemplated by any of said documents or by the Official Statement, or which, if adversely determined, would have a material adverse effect on the financial operations or financial condition of the University, nor to Counsel to the University's knowledge, after due inquiry, is there any basis therefor; (ix) the pledge and security interest created and covenants made pursuant to the Loan Agreement are legal, valid and binding obligations of the University enforceable in accordance with the terms thereof, except as enforceability may be limited by bankruptcy, reorganization, insolvency or other similar laws or equitable principles affecting the enforcement of creditor's rights generally; (x) the descriptions and the summaries in the Official Statement set forth under the captions "LITIGATION – The University" and in "APPENDIX A – CERTAIN INFORMATION REGARDING RIDER UNIVERSITY" are accurate and fairly present the information intended to be shown with respect thereto (except for the financial and statistical data included therein and the assumptions with respect thereto as to which no opinion need be expressed); and (xi) without having undertaken to determine independently the accuracy, the completeness or the adequacy of the statements contained in the Official Statement, except as noted in clause (x) above, as of the date of the Closing, no facts have come to the knowledge of Counsel to the University that would lead Counsel to the University to believe that the Official Statement (except for the financial and statistical data included therein and the assumptions with respect thereto as to which no opinion need be expressed) as of the date thereof or as of the date of the Closing contained or contains any untrue statements of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

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

(vi) A memorandum or memoranda of Counsel to the Underwriters addressed to the Representative indicating the jurisdictions in which the 2017 Series Bonds have been qualified or exempted under the securities or “blue sky” laws of the various states.

(vii) A certificate, dated the Closing Date, signed by an Authorized Officer of the Authority, to the effect that, except as disclosed in the Official Statement, no litigation is pending or, to the knowledge of the signer of such certificate, threatened: (A) in any way attempting to restrain or enjoin the issuance, sale, execution or delivery of any of the 2017 Series Bonds, the application of the proceeds thereof, the payment, collection or application of payments under the Loan Agreement or the pledge thereof, or of the other moneys, rights and interest pledged pursuant to the Resolution or the Indenture, or the execution, delivery or performance of the Indenture, the Loan Agreement or this Bond Purchase Agreement; (B) in any way contesting or otherwise affecting the authority for or the validity of the 2017 Series Bonds, the Indenture, the Loan Agreement or this Bond Purchase Agreement, any of the matters referred to in clause (A) above or any other proceedings of the Authority taken with respect to the sale or issuance of the 2017 Series Bonds; (C) in any way contesting the powers of the Authority; or (D) in any way contesting the payment, collection or application of payments under the Loan Agreement or the pledge thereof pursuant to the Indenture.

(viii) A certificate, dated the Closing Date, signed by an Authorized Officer of the Authority, to the effect that: (A) each of the representations and warranties of the Authority contained in this Bond Purchase Agreement is true and correct in all material respects as of the Closing Date as though made at the Closing, the Authority has duly complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date, and no default or event of default (as defined in the Indenture and in the Loan Agreement) or event which with the lapse of time or the giving of notice or both, would constitute such an event of default has occurred and is continuing on the part of the Authority; and (B) there has been no material adverse change in the condition and affairs of the Authority, financial or otherwise, during the period from the date of the Official Statement to the Closing Date which was not disclosed in or contemplated by the Official Statement, such certificate being in form and substance satisfactory to the Representative.

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

(x) A certificate executed by an authorized officer of the University with respect to its affairs and matters relating to the documents or instruments to be executed, delivered, accepted or approved by it, addressed to the Representative and dated the Closing Date, in form and substance satisfactory to the Representative, to the effect that (A) the descriptions and information contained in the Official Statement under the headings “INTRODUCTORY STATEMENT,” “DESCRIPTION OF THE 2017 SERIES BONDS” (excluding the subsections captioned “Book-Entry-Only System” and “No Assurance Regarding DTC Practices”), “ESTIMATED SOURCES AND USES OF FUNDS,” “SECURITY FOR THE 2017 SERIES BONDS,” “ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS FOR THE UNIVERSITY,” “LITIGATION – The University,” “RATINGS,” “CONTINUING DISCLOSURE,” “OTHER LEGAL MATTERS,” “INDEPENDENT AUDITORS” and

“MISCELLANEOUS” and in APPENDIX A and APPENDIX B, as of their respective dates and on the Closing Date, are true and correct in all material respects; (B) the descriptions and information in clause (A) above as of the date of the Official Statement did not, and as of the Closing Date do not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (C) since June 30, 2016, no material adverse change has occurred in the financial position of the University or in its results of operations, except as set forth in or contemplated by the Official Statement; (D) the University has not, since June 30, 2016, incurred any material liabilities other than in the ordinary course of business or as set forth or contemplated in the Official Statement; (E) no litigation or proceeding is pending or, to the best of such officer’s knowledge, threatened in any court, tribunal or administrative body, nor is there any basis for any litigation which would (1) contest the due organization, corporate existence or corporate powers of the University, (2) contest or affect the validity or execution of the University Documents or any other agreement, certificate, document or instrument, (3) limit, enjoin or prevent the University from making payments under the Loan Agreement, (4) restrain or enjoin the execution or delivery of this Bond Purchase Agreement and/or any of the other University Documents, or (5) adversely affect the status of the University as an organization described in Section 501(c)(3) of the Code; (F) the representations and warranties of the University in this Bond Purchase Agreement and the other University Documents have remained true and correct in all material respects from the date thereof through the Closing Date and are true and correct in all material respects as of the Closing Date as though made at the Closing; (G) at the time of the Closing, on the part of the University, no default or event of default has occurred and is continuing, and no event has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute a default or an event of default under this Bond Purchase Agreement or any of the other University Documents, the 2017 Series Bonds or any other material agreement or material instrument which the University is a party or by which it is or may be bound or to which any of its properties or other assets is or may be subject; (H) the resolution of the Board of Trustees of the University authorizing and approving the transactions described or contemplated in the University Documents, the Preliminary Official Statement and the Official Statement, and the execution of or approval of, as the case may be, the respective forms of the University Documents have been duly adopted by the Board of Trustees of the University, are in full force and effect and have not been modified, amended or repealed; (I) the executed copies of this Bond Purchase Agreement and each of the other University Documents are true, correct and complete copies of such documents and have not been modified, amended, superseded or rescinded, and remain in full force and effect as of the date of the Closing; (J) this Bond Purchase Agreement, the other University Documents, the Preliminary Official Statement, the Official Statement and any and all other agreements, certificates, documents and instruments required to be executed and delivered by the University in order to carry out, to give effect to and to consummate the transactions contemplated by this Bond Purchase Agreement and by the Official Statement have been duly authorized, executed and delivered by the University, and, as of the date of the Closing, are in full force and effect; (K) no further authorization, approval, consent or other order of any governmental authority or agency or of any other entity or person (or persons) is required for the adoption, authorization, execution and delivery of, or performance under, the University Documents, the Official Statement or any other agreement, certificate, document or instrument to which the University is a party and which is used in the consummation of the transactions contemplated by this Bond Purchase Agreement

and the Official Statement; (L) the authorization, execution and delivery of the University Documents, the Official Statement and any other agreement, certificate, document or instrument to which the University is a party and which is used in consummation of the transactions contemplated by this Bond Purchase Agreement and the fulfillment of the terms and the provisions of such agreements, certificates, documents and instruments by the University will not (1) conflict with, violate or result in a breach of any law or any administrative regulation or decree applicable to the University or (2) conflict with or result in a breach of or constitute a default under any indenture, mortgage, deed of trust, agreement or other instrument to which the University is a party or by which it is bound or any order, rule or regulation applicable to the University of any court or other governmental body; (M) the University: (1) is an organization described in Section 501(c)(3) of the Code; (2) has received a recent determination letter from the Internal Revenue Service to that effect, a copy of which letter shall be attached thereto; (3) such letter has not been modified, limited or revoked; (4) is in compliance with all terms, conditions and limitations, if any, contained in such letter and the facts and circumstances which form the basis of such letter as represented to the Internal Revenue Service continue substantially to exist; (5) is exempt from federal income taxation under Section 501(a) of the Code; and (6) the use of the projects financed with the proceeds of the 2017 Series Bonds is in furtherance of the University's exempt purposes and will not result in any unrelated trade or business income to the University; (N) except as may be disclosed in the Official Statement, the University is in compliance with all of its prior continuing disclosure undertakings entered into pursuant to the Rule; and (O) upon the recordation and proper indexing of the Mortgage in the county in the State where any portion of the Mortgaged Property (as such term is defined in the Mortgage) constituting real property is located and payment of any applicable fees and taxes thereon, (1) the Mortgage will create in favor of the Authority a valid mortgage lien on all of the Authority's right, title and interest, in and to the portion of the Mortgaged property constituting real property described in the Mortgage as being mortgaged thereby; and (2) upon the recordation and proper indexing of the Mortgage in the county in the State where any portion of the Mortgaged Property (as such term is defined in the Mortgage) constituting real property is located, the filing of the financing statements constituting fixture filings in the real estate records of the county and payment of all applicable fees and taxes, the security interest granted by the University in favor of the Authority and the Trustee pursuant to the Mortgage will constitute a perfected security interest with respect to the University's right, title and interest, in and to all fixtures located on the real property described in the Mortgage.

(xi) The Authority shall have received: (i) consent letters from KPMG, LLP (the "Auditor") dated the date of the Preliminary Official Statement and the Official Statement, respectively, stating that the Auditor agrees to the inclusion of its report regarding the financial statements of the University contained in APPENDIX B to the Preliminary Official Statement and the Official Statement, respectively, (ii) on the date of the Preliminary Official Statement, a privity letter from the Auditor in a form acceptable to the Attorney General of the State of New Jersey and Bond Counsel, addressed to the University and copied to the Authority, which acknowledges that the Authority intends to rely on its financial statements in connection with the issuance of the 2017 Series Bonds and waiving the provisions of *N.J.S.A. 2A:53A-25* with respect to its professional accounting services.

(xii) Specimen 2017 Series Bonds.

(xiii) Information Return for Private Activity Bond Issues, Form 8038, for the 2017 Series Bonds, executed by the Authority.

(xiv) Evidence that the approval of the “applicable elected representative” after a public hearing, all as described in Section 147(f) of the Code, has been obtained (and such hearing has been held) with respect to the 2017 Series Bonds.

(xv) Evidence, acceptable to Bond Counsel, that a public hearing was properly called, advertised and conducted in connection with the issuance of the 2017 Series Bonds with respect to the TEFRA hearing.

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

(xvii) Evidence satisfactory to the Representative that, as of or prior to the date of the Closing, the 2017 Series Bonds have been rated “__” by Moody’s Investors Service, Inc. and “__” by S&P Global Ratings, acting through Standard & Poor’s Financial Services LLC (“S&P”), which ratings shall not have been suspended, lowered or withdrawn prior to the date of the Closing.

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

(xix) The Authority’s Tax Certificate and the University’s Tax Certificate.

(xx) Evidence of either (A) the approval by the Governor of the State (the “Governor”) of the minutes of the Authority authorizing the adoption of the Resolution by the Authority and the sale of the 2017 Series Bonds pursuant thereto and the transactions contemplated hereby or (B) expiration of the period during which the Governor may veto such action by the Authority and the absence of any such veto.

(xxi) An opinion of counsel to the Trustee dated the Closing Date in form and substance satisfactory to the underwriter and bond counsel.

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

(xxiii) Certified copies of the resolution of the Board of Trustees of the University relating to the 2017 Series Bonds.

(xxiv) Executed copies of all of the University Documents and Authority Documents, all in form and substance satisfactory to the Representative.

(xxv) Reserved.

(xxvi) Copies of any and all waivers and/or consents required in order to issue the 2017 Series Bonds.

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

If the Authority shall be unable to satisfy the conditions to the obligations of the Underwriters contained in this Bond Purchase Agreement, or if the obligations of the Underwriters to purchase and accept delivery of the 2017 Series Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and none of the Underwriters or the Authority shall be under further obligation hereunder; except that the respective obligations of the Authority and the Underwriters set forth in Section 12 hereof shall continue in full force and effect.

9. Amendments and Supplements to the Official Statement.

The “end of the underwriting period” for the 2017 Series 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 2017 Series Bonds (as determined in accordance with this Section 9), the Authority will (a) not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the University or the Underwriters shall reasonably object in writing, unless the Authority has obtained the written opinion of Bond Counsel, stating that such amendment or supplement is necessary in order to make the Official Statement not misleading in the light of the circumstances existing at the time that it is delivered to the Underwriters, and (b) if any event relating to or affecting the Authority, the University or the 2017 Series Bonds shall occur as a result of which it is necessary, in the written opinion of Bond Counsel, to amend or to supplement the Official Statement in order to make the Official Statement, as so amended and supplemented, not misleading in the light of the circumstances existing at the time it is delivered to the Underwriters, forthwith prepare and furnish to the Underwriters (at the expense of the University) up to 250 copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Authority, the Attorney General of the State, Bond Counsel and the Representative) which will amend or supplement the Official Statement so that the Official Statement, as amended or supplemented, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to the Underwriters, not misleading. The cost of any copies of such amendment or supplement to the Official Statement in excess of 250 shall be borne by the Underwriters. In addition, the Authority will provide, subject to customary disclaimers regarding the transmission of electronic copies, an electronic copy of the amendment or supplement to the Official Statement to the Underwriters in the currently required designated electronic format stated in MSRB Rule G-32.

The Underwriters shall comply with the provisions of MSRB Rule G-32 as in effect on the date hereof, with respect to the filing of such amendment or supplement to the Official Statement with the MSRB and to notify the Authority of the date on which such amendment or supplement to the Official Statement is filed with the MSRB. For the purpose of this Section 9, the Authority will furnish such information that the Underwriters may from time to time reasonably request with respect to itself or the University, and the University will cooperate with the Authority in furnishing such information.

10. **Indemnification and Contribution.**

The University agrees to indemnify and hold harmless the Authority, the Trustee, the Underwriters, and each person, if any, who controls the Underwriters, the Authority and the Trustee within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended, from and against any and all losses, claims, damages and liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Official Statement or the Official Statement, or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to the Authority (in the case of the Authority) furnished to the University in writing by the Authority expressly for use therein, or (in the case of the Underwriters) under the caption "UNDERWRITING" and in the paragraph concerning over allotment and stabilization on Page i (No Page Reference – TOC is Page i) in the Official Statement.

In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to the preceding paragraph, such person (the "Indemnified Party") shall promptly notify the person against whom such indemnity may be sought (the "Indemnifying Party") in writing and the Indemnifying Party upon request of the Indemnified Party shall retain counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party and any others the Indemnifying Party may designate in such proceeding and shall pay the fees and disbursements of Counsel to the Indemnified Party related to such proceeding. However, failure on the part of the Authority to give such notification shall not relieve the University from its obligation under this Section 10 to the Authority. For any Indemnified Party other than the Authority, to the extent the University suffers actual prejudice as a result of any such failure to give such notification, such failure shall relieve the University from its indemnification obligation under this Section 10 to the extent of such prejudice or loss. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (a) the Indemnifying Party and the Indemnified Party shall have mutually agreed to the retention of said counsel, or (b) the named parties to any such proceeding (including any impleaded parties) include both the Indemnifying Party and the Indemnified Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood that the Indemnifying Party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all such Indemnified Parties, and that all such reasonable fees and expenses shall be reimbursed as

they are incurred. The Indemnifying Party shall not be liable for any settlement of any proceeding affected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Party agrees to indemnify the Indemnified Party from and against any loss or liability by reason of such settlement or judgment. Notwithstanding the foregoing sentence, if at any time an Indemnified Party shall have requested an Indemnifying Party to reimburse the Indemnified Party for fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Party agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (x) such settlement is entered into more than thirty (30) days after receipt by such Indemnifying Party of the aforesaid request, and (y) such Indemnifying Party shall not have reimbursed the Indemnified Party in accordance with such request prior to the date of such settlement. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims which are the subject matter of such proceeding.

If the indemnification provided for in the first paragraph of this Section 10 is unavailable to an Indemnified Party in respect of any losses, claims, damages or liabilities referred to therein, each Indemnifying Party under such paragraph, in lieu of indemnifying such Indemnified Party thereunder, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the University and the Underwriters from the offering of the 2017 Series Bonds, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the University and of the Underwriters in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the University and the Underwriters shall be deemed to be in the same respective proportions as the net proceeds from the offering (before deducting expenses) received by the University and the total underwriting discounts and commissions received by the Underwriters bear to the aggregate public offering price of the 2017 Series Bonds. The relative fault of the University and the Underwriters shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the University or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 10, each Underwriter shall not have any obligation to contribute an amount in excess of the amount of its pro rata compensation under this Bond Purchase Agreement. No person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

The indemnity and contribution agreements contained in this Section 10 and the representations and warranties of the University contained in this Bond Purchase Agreement shall remain operative and in full force and effect regardless of (1) any termination of this Bond Purchase Agreement, (2) any investigation made by or on behalf of the Underwriters or any person controlling the Underwriters or by or on behalf of the University, its officers or directors or any other person controlling the University, and (3) acceptance of and payment for any of the 2017 Series Bonds.

11. Performance by Underwriters.

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

12. Survival of Representations, Warranties, Indemnities, Agreements and Obligations.

Each respective representation, warranty and agreement of the University, the Underwriters, or the Authority shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriters, and shall survive the Closing. The obligations of the University under Section 5(i) and Section 10 hereof survive any termination of this Bond Purchase Agreement by the Underwriters pursuant to its terms.

13. Notices.

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

Merrill Lynch, Pierce, Fenner & Smith Incorporated
1818 Market Street
18th Floor
Philadelphia, Pennsylvania 19103
Attention: Ted O. Matozzo

Rider University
2083 Lawrenceville Road
Lawrenceville, New Jersey 08648
Attention: Vice President for Finance and Treasurer

New Jersey Educational Facilities Authority
103 College Road East

Princeton, New Jersey 08540-6612
Attention: Executive Director

14. Compliance with L. 2005, c. 271 Reporting Requirements.

The Underwriters are advised of their responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to *N.J.S.A.* 19:44A-20.13 (L. 2005, c. 271, section 3) if the Underwriters enter into agreements or contracts such as this Bond Purchase Agreement, with a public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from public entities, such as the Authority, in a calendar year. It is the Underwriters' responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

15. Miscellaneous.

(a) Benefit. This Bond Purchase Agreement is made solely for the benefit of the Authority, the University and the Underwriters (including the successors or assigns of any of said parties) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Notwithstanding the foregoing, the parties hereto acknowledge that the Trustee shall retain the benefit of and may exercise its independent right to indemnification and contribution under Section 10 of this Bond Purchase Agreement. The terms "successors" and "assigns" as used herein shall not include any purchaser of any of the 2017 Series Bonds from the Underwriters. All representations and agreements of the Authority, the University and the Underwriters in this Bond Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriters and shall survive the delivery of and payment for the 2017 Series Bonds.

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

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

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

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

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

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

**MERRILL LYNCH, PIERCE, FENNER &
SMITH INCORPORATED,**
as Representative of the Underwriters

By: _____
Name: Ted O. Matozzo
Title: Vice President

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

**NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY**

By: _____
Name: Sheryl A. Stitt
Title: Acting Executive Director

RIDER UNIVERSITY

By: _____
Name: Julie A. Karns
Title: Vice President for Finance and Treasurer

SCHEDULE I
LIST OF UNDERWRITERS

Senior Manager:

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Co-Managers:

Exhibit A

TERMS OF THE 2017 SERIES BONDS

New Jersey Educational Facilities Authority
\$ _____ Revenue Bonds, Rider University Issue,
2017 Series F (Tax-Exempt)

Redemption Provisions

The 2017 Series Bonds are subject to optional redemption, extraordinary optional redemption, mandatory sinking fund redemption and make-whole redemption as applicable and as described below.

Optional Redemption

The 2017 Series F Bonds maturing on or after _____ are subject to optional redemption on any date on or after _____ at the option of the Authority with the written consent of the University, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the redemption date.

Mandatory Sinking Fund Redemption

The 2017 Series F Bonds maturing on _____ shall be redeemed through mandatory sinking fund installments in part on _____ in each of the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date:

<u>Year</u>	<u>Amount</u>
-------------	---------------

*Final maturity

The 2017 Series F Bonds maturing on _____ shall be redeemed through mandatory sinking fund installments in part on _____ in each of the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date:

<u>Year</u>	<u>Amount</u>
-------------	---------------

*Final maturity

Extraordinary Optional Redemption

The 2017 Series F Bonds shall be subject to redemption prior to maturity, in whole or in part at the option of the Authority at any time, or from time to time, with written notice to the University, at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date, without premium, in the event that any one or more of the following events shall have occurred: (i) title to, or the temporary use of, all or a material

portion of the Project Facilities (as defined in the Loan Agreement) shall have been taken under the exercise of the power of eminent domain by, or sold in lieu thereof to, any governmental authority, or person, firm or corporation acting under governmental authority, which taking or sale prevents or is likely to prevent the carrying on of normal operations of the Project Facilities for a period of at least twelve months; or (ii) the Project Facilities are rendered untenable by any cause whatsoever including, but not limited to, a hazard against which insurance is required to be maintained in accordance with the Loan Agreement.

Exhibit B

CERTIFICATION OF NO CHANGE

Reference is hereby made to that certain Bond Purchase Agreement, dated _____, 2017 (the "Bond Purchase Agreement"), by and among Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Representative (the "Representative"), the New Jersey Educational Facilities Authority (the "Authority") and Rider University, relating to the Authority's Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt), in the aggregate principal amount of \$ _____ (the "2017 Series Bonds").

I, Ted O. Matozzo, Vice President of Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Representative, and based solely on reliance upon the representations and warranties made to the Representative in the Agreement Among Underwriters, dated _____, 2017, by the other Underwriters (collectively, the "Underwriters") listed on Schedule 1 to the Bond Purchase Agreement, hereby certify on behalf of itself and the other Underwriters that all information, certifications and disclosure statements previously provided by the Underwriters in connection with L. 2005, c. 51 and Executive Order No. 117 (Corzine 2008) and as required by law, are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority and the State of New Jersey will rely upon the truth of the statements contained herein and in the Bond Purchase Agreement in engaging the Underwriters in connection with the sale and issuance of the 2017 Series Bonds.

IN WITNESS WHEREOF, I have executed this Certificate this __ day of _____, 2017.

**MERRILL LYNCH, PIERCE, FENNER &
SMITH INCORPORATED, on behalf of itself
and as Representative of the Underwriters**

By: _____

Name: Ted O. Matozzo

Title: Vice President

Exhibit C

FORM OF ISSUE PRICE CERTIFICATE

_____, 2017

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

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

**Re: New Jersey Educational Facilities Authority
\$_____ Revenue Bonds, Rider University Issue,
2017 Series F (Tax-Exempt)**

Ladies and Gentlemen:

This Certificate is furnished by Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Representative (the "Representative") of the underwriters (the "Underwriters" and, together with the Representative, the "Underwriting Group") in connection with the sale and issuance by the New Jersey Educational Facilities Authority (the "Issuer") of its \$_____ aggregate principal amount of Revenue Bonds, Rider University Issue, 2017 Series F (the "Bonds") issued _____, 2017, and the Representative hereby certifies and represents the following, based upon information available to us:

Select appropriate provisions below:

1. [Alternative 1¹ – All Maturities Use General Rule: *Sale of the Bonds*. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.][Alternative 2² – Select Maturities Use General Rule: *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 of the Bonds was sold to the Public is the respective price listed in Schedule A.]

2. *Initial Offering Price of the [Bonds] [Hold-the-Offering-Price Maturities]*.

a) [Alternative 1³ – All Maturities Use Hold-the-Offering-Price Rule: The Underwriting Group offered the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule A (the "Initial Offering Prices") on or before the Sale

¹ If Alternative 1 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

² If Alternative 2 is used, delete Alternative 1 of paragraph 1 and use each Alternative 2 in paragraphs 2(a) and (b).

³ If Alternative 1 is used, delete all of paragraph 1 and renumber paragraphs accordingly.

Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.] [Alternative 2⁴ – Select Maturities Use Hold-the-Offering-Price Rule: 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) [Alternative 1 – All Maturities use Hold-the-Offering-Price Rule: As set forth in the Bond Purchase Agreement, the members of the Underwriting Group have agreed in writing that, (i) for each Maturity of the Bonds, 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. BofA Merrill Lynch has not offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.] [Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the Bond Purchase Agreement, 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. BofA Merrill Lynch has not 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) *Borrower* means Rider University.

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

[(c) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”]

[(d) *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 ([DATE]), or (ii) the date on which the Underwriting Group

⁴ Alternative 2(a) of paragraph 2 should be used in conjunction with Alternative 2 in paragraphs 1 and 2(b).

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) *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.*

(e) *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 means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.*

(f) *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 [DATE].*

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

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

Very truly yours,

**MERRILL LYNCH, PIERCE, FENNER &
SMITH INCORPORATED, on behalf of itself
and as Representative of the Underwriters**

By: _____

Name: Ted O. Matozzo

Title: Vice President

Dated: _____, 2017

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL
OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

Exhibit D
FORM OF COUNSEL TO THE UNDERWRITERS' OPINION

, 2017

Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Representative
1818 Market Street
18th Floor
Philadelphia, Pennsylvania 19103

Re: \$ _____ Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt)

Ladies and Gentlemen:

We have acted as co-counsel to you as underwriter and as Representative of a group of underwriters (the "Underwriters") under the Bond Purchase Agreement dated _____, 2017 (the "Purchase Contract") 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 October 17, 2017 (the "Resolution"), and a Trust Indenture, dated as of _____, 2017 (the "Trust Indenture"), by and between the Authority and The Bank of New York Mellon, as trustee (the "Trustee"). This opinion is being delivered to you pursuant to Section 8(d)(xvi) 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 Loan Agreement; (4) the Preliminary Official Statement relating to the Bonds dated _____, 2017 (the "Preliminary Official Statement") and the Official Statement relating to the Bonds dated _____, 2017 (the "Official Statement"); (5) the opinion letters of McManimon, Scotland & Baumann, LLC, as Bond Counsel ("Bond Counsel"); (6) an executed copy of the Purchase Contract; and (7) 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, and have assumed and relied upon the genuineness of all signatures, the authenticity, truthfulness,

This opinion is specifically limited to federal law and the internal laws of the State of New Jersey, as enacted and construed on the date hereof, and no opinion is expressed as to the effect the law of any other jurisdiction might have upon the subject matter of the opinions expressed herein under conflict of law principles or otherwise.

This opinion is given as of the date hereof, is limited to the matters expressly stated in the numbered paragraphs herein and is based on the assumptions and qualifications set forth herein. We make no undertaking to supplement this opinion if facts or circumstances hereafter come to our attention or changes in law occur after the date hereof.

This opinion is rendered solely in connection with the Underwriters' payment for and receipt of delivery of the Bonds from the Authority on the date hereof and may not be relied upon for any other purpose, or by any individual or entity other than the Underwriters (including any purchaser of the Bonds from any Underwriter or otherwise) nor may it be quoted, distributed or disclosed to any other individual or entity (including any purchaser of the Bonds from any Underwriter or otherwise), without the prior written consent in each instance of a member of the undersigned law firm.

Notwithstanding anything to contrary contained herein, we acknowledge 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.*) to the extent provided therein, and we consent to the inclusion of this opinion in transcripts prepared in connection with the issuance of the Bonds.

Very truly yours,

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
AND
RIDER UNIVERSITY**

LOAN AGREEMENT

Dated as of November 1, 2017

relating to

**New Jersey Educational Facilities Authority
Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt)
Revenue Refunding Bonds, Rider University Issue, 2017 Series G (Federally Taxable)**

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This **LOAN AGREEMENT**, dated as of November 1, 2017, by and between the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (hereinafter called the "*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 "*State*"), created and established by the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Laws of 1967, as amended and supplemented, having its principal place of business at 103 College Road East, Princeton, New Jersey 08540-6612, and RIDER UNIVERSITY, a New Jersey non-profit corporation (together with its successors and assigns, hereinafter called the "*University*"), duly organized and existing under the laws of the State, located at 2083 Lawrenceville Road, Lawrenceville, New Jersey 08648, and constituting a "private institution of higher education" under the Act.

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

ARTICLE I

1.1. Definitions.

As used in this Agreement, unless the context shall otherwise require, all capitalized terms shall have the meanings set forth in Section 1.01 of the Trust Indenture, dated as of November 1, 2017 (the "*Indenture*"), by and between the Authority and The Bank of New York Mellon, as Trustee.

The following terms have the meanings given:

"*Act*" means the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Laws of 1967, as amended and supplemented.

"*Additional Loan Payments*" shall have the meaning given to such term in Section 2.12 hereof.

"*Agreement*" means this Loan Agreement, dated as of November 1, 2017, by and between the Authority and the University, and any amendments hereto.

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

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

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

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

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

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

"*Documents*" shall have the meaning given to such term in Section 5.13 hereof.

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

"*Indemnified Parties*" shall have the meaning given to such term in Section 2.15 hereof.

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

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

"*Mortgage*" means the Mortgage and Security Agreement, dated November __, 2017, by and between the University and the Authority, which secures the University's obligations hereunder.

"*Mortgage Note*" means the Mortgage Note, dated November __, 2017, from the University to the Authority.

"*Official Statement*" shall have the meaning given to such term in Section 2.15 hereof.

"*Prepayment Price*" shall have the meaning given to such term in Section 2.14 hereof.

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

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

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

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

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

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

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

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

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

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

"*Tax-Exempt Bonds*" means the \$ __, __, 000 principal amount of New Jersey Educational Facilities Authority Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt), dated their date of delivery.

"*Tax-Exempt Project*" means the financing, through the issuance of the Tax-Exempt Bonds, of the costs of a project consisting of: (a) financing the renovation and equipping of the following residential facilities: Conover Hall, Delta Phi Epsilon Sorority Residence (House 10), Kroner Hall, Lake House, Ridge House and Wright Hall; the renovation and equipping of the following academic facilities: Bart Luedeke Center Theater, Fine Arts Theater, Science and Technology Center and Sweigart Hall; and the construction of an approximately 30,000 sq. ft. addition to the Science and Technology Center; (b) funding capitalized interest for the Tax-Exempt Bonds through [DATE], 20 __; (c) funding a debt service reserve fund; and (d) paying certain costs of issuing the Tax-Exempt Bonds.

"*Tax-Exempt Project Facilities*" means certain educational facilities financed and refinanced with the proceeds of the Tax-Exempt Bonds, including any additions, improvements, modifications, substitutions and renewals thereof, and further includes other facilities and uses as are permitted by the Act and this Agreement.

"*Taxable Bonds*" means the \$ __, __, 000 principal amount of New Jersey Educational Facilities Authority Revenue Refunding Bonds, Rider University Issue, 2017 Series G (Federally Taxable), dated their date of delivery.

"*Taxable Project*" means the financing, through the issuance of the Taxable Bonds, of the costs of a project consisting of: (a) refunding the Authority's outstanding Revenue Bonds, Rider University Issue, 2012 Series A; and (b) paying certain costs of issuing the Taxable Bonds.

"*Taxable Project Facilities*" means certain educational facilities financed and refinanced with the proceeds of the Taxable Bonds, including any additions, improvements, modifications, substitutions and renewals thereof, and further includes other facilities and uses as are permitted by the Act and this Agreement.

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

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

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

ARTICLE II

2.1. Term of Agreement; Benefits.

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

This Agreement is executed in part to induce the purchase by others of the Bonds, and, accordingly, all covenants and agreements on the part of the University and the Authority as set forth in this Agreement are hereby declared to be for the benefit of the Holders from time to time of the Bonds, reserving always the right of the Authority to amend and supplement this Agreement, with the written consent of the University as set forth in Section 2.9 hereof.

2.2. Agreements of University.

The University agrees to do all things within its power in order to enable the Authority to comply with all requirements and to fulfill all covenants of the Indenture, including, but not limited to, making all payments due from the University under this Agreement, including, without limitation, the Initial Fee, and all payments to the Authority described in Section 2.10 and Section 2.12 of this Agreement.

The University agrees that it shall grant the Authority such rights-of-way, easements or other rights in land required for ingress and egress to and from the Project Facilities, for proper utilization of the Project Facilities and for utilities required to serve the Project Facilities. In addition, the University agrees to do all that is necessary to enable the Authority to obtain a prior perfected security interest in all personal property and equipment to be used in the operation of the Project Facilities.

The University agrees at or prior to the date of issuance and delivery of the Bonds to pay for (i) policies of title insurance in the amount of the Loan if so requested by the Authority or (ii) certificates of title or opinions of title to be provided by any special counsel to the Authority certifying fee simple ownership in the University and that the Mortgage, when recorded, will be a first lien with respect to such real property.

2.3. Agreements of Authority.

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

2.4. Authority's Right to Inspect.

The Authority may make inspections of the Project Facilities, obtain or require the production of sworn statements and lien waivers, approve contracts and subcontracts and approve plans and specifications. Any action taken by the Authority in regard to the foregoing will be taken by the Authority and its agents, servants and employees for their own protection only, and neither the Authority nor its agents, servants and employees shall be deemed to have assumed any responsibility to the University or to any third-party for any such action with respect to proper construction of improvements, performance of contracts or subcontracts by any contractors or subcontractors, or prevention of claims for mechanics' liens.

2.5 Events of Default; Remedies.

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

(1) If payment of any amount due under Section 2.10 of this Agreement is not made when it becomes due and payable;

(2) If payment of any amount due under Section 2.12 of this Agreement is not made when it becomes due and payable and if such amount remains unpaid for a period of thirty (30) days after receipt by the University of the bills required to be paid by Section 2.12 of this Agreement;

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

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

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

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

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

(b) The University agrees that it shall notify the Authority, in writing, of an Event of Default described in Sections 2.5(a)(2) through (7). The Authority agrees that it shall notify the Trustee, in writing, of the occurrence of an Event of Default hereunder other than an Event of Default described in Section 2.5(a)(1) or with respect to an Event of Default described in Section 2.5(a)(2) with respect to fees or payments that are made directly to the Trustee by or on behalf of the University. The Authority and the University agree that, upon the occurrence of an Event of Default, the Authority may, by notice in writing to the University, declare all, including future, payments under this Agreement to be due and payable immediately. At any time after such payments shall have been so declared to be due and payable and before the entry of a final judgment or decree in any suit, action or proceeding instituted on account of such default or before the completion of the enforcement of any other remedies under this Agreement, the Authority may annul such declaration and its consequences if moneys shall have accumulated in any fund created or held under the Indenture sufficient to pay all arrears of such payments under this Agreement other than payments due only because of such declaration. No such annulment shall extend to or affect any subsequent default or impair any right consequent thereon.

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

The Authority and the University further agree that, upon the occurrence of an Event of Default hereunder, if the Mortgage is assigned to the Trustee, the Trustee may exercise all rights of the mortgagee under the Mortgage. The Authority and the University acknowledge that the Trustee will not be required to take control of the Project Facilities under the Mortgage if there are adverse environmental issues related to the Project Facilities.

2.6. Application of this Agreement.

The Mortgage and the Mortgage Note to be delivered pursuant to this Agreement shall be made subject to all the provisions of this Agreement to the same extent and effect as if the provisions of this Agreement were fully set forth and made a part thereof. If the University shall fail to keep, observe or perform any of the provisions of the Mortgage, the Mortgage Note or this Agreement or if the University under the Mortgage or the Mortgage Note shall fail to keep, observe or perform any of the provisions thereof, the amount secured thereby shall, at the option of the Authority, become immediately due and payable; *provided, however*, that the Authority

shall give thirty (30) days' written notice to the University in order to remedy any such default or defaults.

2.7. Authority's Remedies.

In addition to any other rights or remedies hereby given or granted to the Authority:

(a) Upon the occurrence of an Event of Default involving a payment default for any Bond Year for a period in excess of thirty (30) days, or in the event of a failure of the University to remedy or take steps diligently to remedy any other default in the performance of its obligations under this Agreement, the Mortgage or the Mortgage Note within sixty (60) days after the receipt of written notice from the Authority stating the default and requesting the University to remedy same, the Authority and the University agree that the Authority shall have the right to and may enter the Tax-Exempt Project Facilities without being liable for any prosecution or damages therefor, and may hold the Tax-Exempt Project Facilities, and receive any rents and profits therefrom, upon such terms as shall be satisfactory to the Authority and all rights of the University to possession of the Tax-Exempt Project Facilities under the Mortgage shall be forfeited until such default or defaults have been remedied by the University. Such entry by the Authority shall not operate to release the University from any amount to be paid or covenants to be performed under this Agreement, the Mortgage or the Mortgage Note. For the purpose of letting, the Authority shall be authorized to make such repairs or alterations in or to the Tax-Exempt Project Facilities as may be necessary to place the same in good order and condition. The University shall be liable to the Authority for the cost of such repairs or alterations and all expenses of such letting. If the sum realized or to be realized from the letting is insufficient to satisfy the sums payable under this Agreement, the Mortgage or the Mortgage Note, the Authority, at its option, may require the University to pay such deficiency month by month, or may hold the University liable in advance for the entire deficiency to be realized during the terms of letting of the Tax-Exempt Project Facilities if not in excess of the payments required by this Agreement, the Mortgage or the Mortgage Note. Notwithstanding such entry by the Authority, the 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 furnished to the Tax-Exempt Project Facilities prior to such entry shall continue to be furnished by the University to the Tax-Exempt Project Facilities at the expense of the University.

(b) Upon entering the Tax-Exempt Project Facilities, the Authority shall, as soon as practicable, inspect the Tax-Exempt Project Facilities and check the inventories of all fixtures, furniture, equipment and effects in the Tax-Exempt Project Facilities. The University shall pay to the Authority, upon receipt of properly executed vouchers therefor, all sums owed to the Authority by the University.

2.8 Insurance.

The amounts paid by any insurance company pursuant to any contract of insurance (in accordance with Sections 5.1 and 5.2 of the Mortgage) may be applied to the Extraordinary Optional Redemption of the Bonds in accordance with Section 4.01(b) of the Indenture or released for the repairing or rebuilding of the Project Facilities. All policies of insurance shall be

payable to the University and the Authority, as their interests may appear, and the Authority shall have the sole right to receive the proceeds of such policy or policies affecting the Project Facilities and receipt of claims thereunder. All insurance prescribed by this Section 2.8 shall be procured from financially sound and reputable insurers qualified to do business in the State or otherwise approved by the Authority.

2.9. Amendments to this Agreement.

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

2.10. Basic Loan Payments.

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

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

Notwithstanding the foregoing, the University agrees to make payments, or cause payments to be made, in the amounts required to be paid as 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.

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

Except as otherwise expressly provided herein, all amounts payable hereunder by the University to the Authority shall be paid to the Trustee or other parties entitled thereto as assignee of the Authority, and this Agreement and all right, title and interest of the Authority in

any such payments are hereby assigned and pledged to the Trustee or other parties entitled thereto as assignee of the Authority so long as any Bonds remain Outstanding.

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

2.11. Swap Payments.

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

2.12. Additional Loan Payments.

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

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

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

(c) the Annual Administrative Fee of the Authority and any other expenditures for insurance, fees and expenses of auditing, and fees and expenses as required by the Indenture and not otherwise paid or provided for by the University and all other expenditures reasonably and necessarily incurred by the Authority by reason of the financing of the Project, including expenses incurred by the Authority to compel full and punctual performance of all of the provisions of this Agreement in accordance with the terms hereof;

(d) the amount, if any, necessary to maintain the Debt Service Reserve Fund at the Debt Service Reserve Fund Requirement; and

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

Such Additional Loan Payments shall be billed to the University by the Authority or the Trustee, from time to time. After such a demand, amounts so billed shall be paid by the University within thirty (30) days after receipt of the bill by the University; *provided*, that payments into the Debt Service Reserve Fund shall be payable in accordance with the following paragraph. Payment of the initial Annual Administrative Fee shall be made in the Bond Year ending June 30, 2018 and in each Bond Year thereafter.

In the event of a withdrawal from the Debt Service Reserve Fund, the University covenants and agrees to make payments on the first of each month beginning with the first month after such withdrawal in the amount of one-twelfth (1/12) of the amount by which the amount in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement. In the event that the amount in the Debt Service Reserve Fund is less than the Debt Service Reserve Fund Requirement at the time of any quarterly valuation required by Section 5.03A of the Indenture, the University covenants and agrees to make payments on the first day of each month after such valuation in the amount of one-third (1/3) of the amount of such deficiency.

Payments required to be made under this Section 2.12 shall be made in legally available funds to the Trustee unless otherwise directed in an agreement pursuant to which such payments are required.

2.13. Credits for Payments.

The University may receive, in the sole discretion of the Authority, credit against its payments required to be made under Section 2.10, in addition to any credits resulting from payment or repayment from other sources, as follows:

(a) on the portion of Basic Loan Payments allocable to interest, in an amount equal to moneys on deposit in the Interest Account of the Debt Service Fund, which amounts are available to pay interest on the Bonds, to the extent such amounts have not previously been credited against such payments. Amounts on deposit in the Interest Account of the Debt Service Fund that may be available for credit against the interest portion of Basic Loan Payments include, without limitation, payments made directly to the Trustee by a Swap Provider, if any, to satisfy the Swap Provider's Swap Payment Obligations on behalf of and at the direction of the University;

(b) on the portion of Basic Loan Payments allocable to installments of principal, in an amount equal to moneys on deposit in the Principal Account of the Debt Service Fund, which amounts are available to pay principal of the Bonds, to the extent such amounts have not previously been credited against such payments; amounts on deposit in the Principal Account of the Debt Service Fund that may be available for credit against the principal portion of Basic Loan Payments include, without limitation, payments made directly to the Trustee by a Swap Provider, if any, to satisfy the Swap Provider's Swap Payment Obligations on behalf of and at the direction of the University;

(c) on the portion of Basic Loan Payments representing installments of principal and interest, in an amount equal to the principal amount of the Bonds for the payment at maturity or redemption of which sufficient amounts (as determined by Section 2.01 of the

Indenture) in cash or non-callable United States Obligations are on deposit as provided in Section 2.01 of the Indenture, to the extent such amounts have not previously been credited against such payments, and the interest on the Bonds from and after the date fixed for payment at maturity or redemption thereof. Such credits shall be made against the installments of principal and interest that would have been used, but for such call for redemption, to pay principal of and interest on such Bonds when due; and

(d) on the portion of Basic Loan Payments allocable to installments of principal and interest, in an amount equal to (i) the principal amount of the Bonds acquired by the University and surrendered to the Trustee for cancellation or purchased by the Trustee on behalf of the University and canceled, and the interest on such Bonds from and after the date interest thereon has been paid prior to cancellation, or (ii) the principal amount of prior non-mandatory redemptions that the Authority with the consent of the University has elected to credit against sinking fund redemption payments; such credits shall be made against the installments of principal and interest, if any, that would have been used, but for such cancellation, to pay principal of and interest on such Bonds when due.

2.14. Prepayment.

(a) The University shall have the right, so long as all amounts that have become due hereunder have been paid, at any time or from time to time, to prepay all or any part of the Basic Loan Payments and the Authority agrees that the Trustee shall accept such prepayments when the same are tendered. Any partial prepayment shall not affect the Authority's right, title and interest in and to the Project Facilities, but shall be credited to the principal portion of Basic Loan Payments due from the University as determined by the Authority and the Trustee. The University is further hereby granted the option to prepay and purchase all of the Authority's right, title and interest in and to the Project Facilities in whole by paying to the Trustee the "*Prepayment Price*", which for any date of calculation shall be equal to, or shall be the amount that, together with investment income pursuant to Section 2.01 of the Indenture (as verified pursuant to that Section and paragraph (b) below), shall be equal to the sum of (i) the aggregate amount of unpaid principal of the Bonds to their redemption date under the terms of the Indenture and as set forth in the University's notice to the Trustee of such prepayment, (ii) any interest to accrue on the Bonds from the last Interest Payment Date thereof on which interest thereon was paid to the redemption date set forth in clause (i) above, (iii) the redemption premium, if any, applicable to the payment of the Bonds on the redemption date set forth in clause (i) above, and (iv) any costs of redemption or defeasance or other expenses incurred in implementing such prepayment. The Prepayment Price shall be deposited, upon receipt by the Trustee, in the Redemption Fund (or in such other Trustee escrow account as may be specified by the University) and, at the request of and as determined by the University, credited against payments due hereunder or used for the redemption or purchase of Outstanding Bonds in the manner and subject to the terms and conditions set forth in the Indenture. Notwithstanding any such prepayment, as long as any Bonds remain Outstanding or any Additional Loan Payments required to be made hereunder remain unpaid, the University will not be relieved of its obligations hereunder.

(b) Said option may be exercised by the University at any time by (i) giving written notice to the Trustee and the Authority of the exercise of such option at least ninety (90) days prior to the redemption date set forth in such notice, and (ii) complying with any other requirements of the Indenture that may be required by the Trustee or the Authority to defease the Bonds in accordance with the terms of the Indenture, including, without limitation, a verification report from a nationally recognized accounting firm approved by the Authority to the effect that the amount so prepaid will equal the Prepayment Price (for a full prepayment) and will therefore be sufficient to defease the Bonds (in whole or in part, as the case may be) by paying all of the principal thereof and redemption premium, if any, thereon through and including the redemption date thereof, plus all interest accruing thereon to such redemption date. Such option shall be exercised by depositing with said notice cash and/or United States Obligations in such amount as shall be sufficient, together with interest to accrue thereon, to pay the Bonds to be defeased on said redemption date.

(c) The University shall also prepay at any time or from time to time all or any part of the Basic Loan Payments from moneys derived from condemnation awards (in accordance with Section 6.2 of the Mortgage) or the proceeds of hazard insurance relating to the facilities of the University (in accordance with Section 5.2 of the Mortgage), and the Authority agrees that the Trustee shall accept such prepayments when the same are tendered. Such amounts shall be used to redeem bonds as set forth in Section 4.01(b) of the Indenture.

2.15. Indemnification.

The University agrees to indemnify and hold harmless the Authority, any member, officer, official, employee, counsel, consultant or agent of the Authority, including the Trustee and each and any underwriter that purchases the Bonds from the Authority, and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of each and any purchaser of the Bonds through the ownership of voting securities, by contract or otherwise (collectively, the "*Indemnified Parties*"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by any untrue statement or misleading statement or alleged untrue statement or misleading statement of a material fact contained in the official statement relating to the offer and sale of the Bonds (the "*Official Statement*") or caused by any omission from the Official Statement of any material fact required to be stated therein or necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading, but only if and insofar as such losses, claims, damages, liabilities or expenses are caused by any such untrue or misleading statement or alleged untrue or misleading statement contained in the Official Statement or such omission or alleged omission from the Official Statement with respect to information contained in the Official Statement furnished by, or on behalf of, or relating to, the University, the Project or the Project Facilities. In case any action shall be brought against the Indemnified Parties based upon the Official Statement and in respect of which indemnity may be sought against the University, the Indemnified Parties shall promptly notify the University in writing. Failure on the part of the Indemnified Party to give such notification shall not relieve the University from its obligation under this Section 2.15. Upon receipt of such notification, the University shall promptly assume the defense of such action, including the retention of counsel, the payment of all expenses in connection with such action, including any expenses incurred prior to such notification, and the right to negotiate and settle any such action on behalf of such Indemnified

Parties with such Indemnified Parties' consent. Any Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, unless the employment of such counsel has been specifically authorized by the University or unless by reason of conflict of interest determined by the written opinion of counsel to any such Indemnified Parties, it is advisable for such party to be represented by separate counsel to be retained by such Indemnified Party, in which case the fees and expenses of such separate counsel shall be borne by the University. The University shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the University or if there be a final judgment for the plaintiff in any such action with or without its written consent, the University agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Nothing in this Section 2.15 shall require or obligate the University to indemnify or hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused by any gross negligence or willful misconduct on the part of the Indemnified Parties in connection with the offer or sale of the Bonds.

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

The provisions of this Section 2.15 shall survive the termination of this Agreement, the payment of the Bonds and the resignation or removal of the Trustee.

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

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

2.17. Consent to Assignment by Authority.

The University hereby consents to and authorizes the assignment and the reservation of rights set forth in the Indenture, as provided therein, by the Authority to the Trustee of the Authority's rights to receive the payments required by Section 2.10 hereunder, and upon such assignment the Trustee shall be fully vested with all of the rights of the Authority so assigned and may thereafter exercise or enforce, by any remedy provided therefor (subject to the reservations of rights) by law or by this Agreement, such right directly in its own name.

ARTICLE III

3.1. Nature of Obligation.

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

3.2. Use of Bond Proceeds.

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

3.3. Information to be Provided by University.

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

3.4. Security for Loan; Fee Covenant.

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

As additional security for the payment of the principal and redemption premium, if any, of and interest on the Bonds, and such other payments required by this Agreement, the Mortgage and the Mortgage Note, the University hereby covenants and agrees to impose such fees and other charges sufficient at all times to generate revenues, which together with the other legally available moneys of the University, will be sufficient to pay the cost of operating and maintaining the Project Facilities, to pay all payments required hereunder and under the Mortgage and the Mortgage Note and to pay all other obligations of the University as they become due and payable. The aggregate of the amounts comprising the annual payments due under this Agreement, the Mortgage and the Mortgage Note shall be equal at least to one hundred percent (100%) of the amount of principal, sinking fund payments and interest becoming due in the then current year on the Bonds Outstanding, plus all amounts as set forth in Section 2.15 hereof, and for which provision for payment has not been made.

3.5. Project Mortgage Fund

To secure payment of the amounts required hereunder, the University agrees that it shall create a special account (the "*Project Mortgage Fund*") to be maintained with the Trustee separate and apart from the other funds of the University. Except for the payments on account of rebate required by Section 2.12(d) hereof, the University covenants and agrees that it will deposit or cause to be deposited in the Project Mortgage Fund held with the Trustee:

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

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

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

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

The moneys in the Project Mortgage Fund may be invested at the written direction of the University or the Authority in (i) U.S. Treasury and other government obligations and (ii) money market funds described in clauses (A) and (K), respectively, of the definition of Investment Obligations. If the investment instructions of the Authority and the University conflict, then the University's instructions shall control.

3.6. Taxes.

The University shall pay when due at its own expense all taxes, assessments, utilities, water and sewer charges and other impositions thereon, if any, that may be levied or assessed upon the Project Facilities. The University shall file exemption certificates as required by law. The University agrees to exhibit to the Authority, within ten (10) days after demand, certificates or receipts issued by the appropriate authority showing full payment of all such impositions; *provided, however*, that the good faith contest of such impositions and deposit with the Authority of the full amount of such impositions shall be deemed to be complete compliance with the requirement.

3.7. Compliance With Applicable Law.

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

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

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

3.8. Secondary Market Disclosure.

The University hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding Section 2.5 or any other provision of this Agreement, failure of the University to comply with or perform its obligations under this Section 3.8 or under the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; *however*, the Trustee may (and, at the written request of the Underwriter or the Holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, shall), after provision of indemnity in accordance with Section 2.15 hereof, or any Holder of the Bonds may take such actions as may be necessary or desirable, including seeking specific performance by court order, to cause the University to comply with its obligations under this Section 3.8.

3.9. Negative Pledge.

The University agrees and covenants that, as long as the Bonds are Outstanding, the University shall not pledge or create or suffer to be created or exist upon tuition any lien, security interest or restriction; *provided, however*, that the University may seek the Authority's consent to create such pledge of tuition and provided further that if the Authority provides its written consent (which consent shall not be unreasonably withheld) to same then such pledge of tuition shall then secure, on a parity basis, the University's payment obligations hereunder and such other obligations for which such consent was requested.

ARTICLE IV

4.1. Covenants as to Insurance.

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

(a) At all times, Special Form perils insurance, or current equivalent, with a deductible clause in an amount not-to-exceed one hundred thousand dollars (\$100,000) or such other deductible provisions as are approved in writing by the Authority (the "*Deductible Amount*"), on (i) the plant, structure, machinery, equipment and apparatus comprising the Tax-Exempt Project Facilities, plus Boiler and Machinery coverage, and Flood Insurance if the Tax-Exempt Project Facilities are located within a Special Flood Hazard Area, each with deductible clauses and coverage sublimits acceptable to the Authority, and (ii) equipment owned by the University located at the Taxable Project Facilities. Coverage on the Tax-Exempt Project Facilities for Contingent Liability From Operation of Building Laws shall be included, and an Agreed Amount Endorsement shall be attached to the policy. The foregoing insurance shall be maintained as long as any of the obligations of the Authority issued with respect to the Project Facilities are Outstanding and shall be in an amount not less than one hundred percent (100%) of the current estimated replacement value thereof (exclusive of excavations and foundations for the Tax-Exempt Project Facilities) or such other amount as may be approved, in writing, by the Authority. The inclusion of the Project Facilities under a blanket insurance policy or policies of the University insuring against the above hazards or any additional hazards of the types and in the amounts approved, in writing, by the Authority shall be in complete compliance with the provisions of this paragraph (a). Any such policy shall provide that the insurance company shall give at least thirty (30) days' notice, in writing, to the Authority of the cancellation or non-renewal of the policy, except in the event of nonpayment of premiums, in which case ten (10) days' notice, or current industry standard notice, shall be provided. In any event, each such policy shall be in an amount sufficient to prevent the University and the Authority from becoming co-insurers under the applicable terms of such policy. In the event that the University is unable to procure insurance with a loss deductible clause of not exceeding the Deductible Amount, the deposit with the Trustee on behalf of the Authority or the setting aside in a special fund of United States Obligations or moneys at least equal to the difference between the Deductible Amount and the amount deductible on such policy or policies shall be deemed to be in complete compliance with the provisions of this paragraph (a) establishing a Deductible Amount;

(b) At all times, insurance protecting the Authority and the University against loss or losses from liabilities imposed by law or assumed in any insured written contract and arising from bodily injury of persons or damage to the property of others caused by accident or occurrence, with limits of not less than one million dollars (\$1,000,000) combined single limit per occurrence and two million dollars (\$2,000,000) general aggregate for bodily injury and property damage, or such other amounts as may be approved, in writing, by the Authority. Any such policy shall provide that the University shall give at least thirty (30) days' notice, in writing, to the Authority of the cancellation or non-renewal of the policy, except in the event of nonpayment of premiums, in which case ten (10) days' notice, or current industry standard

notice, shall be provided. The Authority and the Trustee shall be named as Additional Insureds on such policy or policies; and

(c) In the event that the Authority or the Trustee shall re-enter the Tax-Exempt Project Facilities or foreclose the Mortgage relating to the Tax-Exempt Project Facilities, as provided for by this Agreement and the Mortgage, the Authority may, at its sole option, maintain business income insurance, or the current equivalent, on the Project Facilities, covering the loss of revenues attributable to the Project Facilities by reason of necessary interruption, total or partial, in the use of the Project Facilities, resulting from direct physical loss or damage thereto from causes customarily insured.

Upon closing of the Bonds, and thereafter upon each renewal of insurance coverage, the University shall deliver to the Authority either a complete copy of the policy or policies, including all declarations and endorsements, or a fully completed Certificate of Insurance detailing all coverage in force, including full blanket property limits and any excess coverages, and including evidence of the required Additional Insured Endorsement and Mortgagee Endorsement.

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

The proceeds of all such property insurance policies shall either be: (i) applied by the Authority or the University, as applicable, to the repair and replacement of the damaged property of the applicable Project Facilities in accordance with Section 5.2 of the Mortgage, or (ii) in accordance with Section 5.2 of the Mortgage, deposited by the Authority with the Trustee for payment into the applicable account of the Debt Service Fund accompanied by a certificate of an Authorized Officer of the Authority stating that such deposit is being made pursuant to this Section 4.1 for the purpose of paying the principal of and interest on the Bonds in accordance with Section 4.01(b) of the Indenture. The proceeds of any business income insurance policy or policies shall be deposited by the Authority with the Trustee for payment into the applicable account of the Debt Service Fund accompanied by a similar certificate of an Authorized Officer of the Authority.

All insurance prescribed by this Section 4.1 shall be procured from financially sound and reputable insurers qualified to do business in the State or insurers approved, in writing, by the Authority. To the extent that any such insurance required by this Section 4.1 is not obtainable on reasonable terms as determined by the Authority, the Authority may make exceptions to the required coverage or provide for reasonable substitutions of coverage. The policies shall be open to inspection by the Authority and the Trustee at all reasonable times, and a list prepared as of June 30 of each Bond Year describing such policies shall be furnished by the 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 the Indenture. The Trustee shall have no responsibility with respect to any such insurance except to receive such annual Authority certificates and hold the same for inspection by any Bondholders.

In the event that the University shall fail to obtain or maintain the insurance required under this Section 4.1, the Authority may, at its sole option, obtain such coverage. In such event, the Authority shall promptly notify the University of its actions. The University agrees to promptly reimburse the Authority for the costs of such coverage, such amounts constituting Additional Loan Payments due by the University to the Authority pursuant to Section 2.12 of this Agreement.

4.2. University Covenant as to Swap Agreements.

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

ARTICLE V

5.1. Termination of Agreement and Mortgage.

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

The Authority and the University agree that if, at the time the moneys on deposit in the Debt Service Fund are at least equal to the sum of: (i) the aggregate principal amount of the Bonds then Outstanding; (ii) accrued interest thereon to the date that the Bonds are next redeemable; (iii) redemption premium, if any, due thereon to the next applicable redemption date all in accordance with the provisions of the Bonds and the Indenture; and (iv) all other costs and expenses of the Authority and the Trustee due and owing with respect to the Bonds or necessary in connection with such redemption, including amounts presently due and amounts reasonably expected by the Authority and the Trustee to become due, all in accordance with the provisions of this Agreement, the Mortgage, the Mortgage Note, the Bonds and the Indenture, the Authority, upon the written request of the University, shall give written notice to the Trustee of the Authority's election to redeem all of the Bonds Outstanding. The University understands and agrees that redemption premium, if any, and costs and expenses of the Authority and the Trustee in connection therewith will also be payable by the University as Additional Loan Payments pursuant to Section 2.12 of this Agreement.

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

The Authority agrees that, when the foregoing provisions of this Section 5.1 have been implemented and when the provisions of Section 2.01 of the Indenture have been fully satisfied, an Authorized Officer of the Authority shall, upon request by the University, release and cancel the lien of the Mortgage and of the security interest in the Project Facilities and of this Agreement with all appurtenances therein and thereto in a form suitable for recording, whereupon the lien created hereby and by the security interest shall cease and all right, title and interest of the Authority in and to the Project Facilities, with any and all additions thereto, shall be the absolute property of the University. The Authority further agrees that after payment to it in trust by the Trustee of all moneys or securities held by the Trustee pursuant to the Indenture, the Authority shall pay the same to the University after first deducting any moneys due to the

Authority for the Authority's reasonable expenses incurred or accruing relating to financing the Project.

5.2. Operation and Maintenance of Project Facilities.

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

The University agrees that it shall not request the Authority to enter into any contracts or agreements or to perform any acts that may substantially and adversely affect any of the assurances or rights of the Authority, and the University covenants that it shall not allow any lien to be placed against the Tax-Exempt Project Facilities, or lease the Tax-Exempt Project Facilities, except to students enrolled in the University, without the written consent of the Authority. Nothing in this Section 5.2 contained shall prohibit the lease of all or part of the Project Facilities for short periods of time for educational, cultural, public or other activities or the leasing of portions of the Project Facilities to entities serving the University. The University further agrees not to use the Project Facilities or any part thereof for sectarian instruction or as a place for religious worship and this covenant shall continue as long as the Project Facilities shall remain in existence.

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

5.3. Rights and Remedies Not Exclusive.

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

5.4. Notices.

All notices required to be given or authorized to be given by either party pursuant to this Agreement shall be in writing and shall be sent by facsimile, electronic mail or registered or certified mail to the main office of the other party, in the case of the Authority addressed to it at its office in Princeton, New Jersey, or such other address as the Authority may direct upon notice given to the parties named in this Section 5.4, and in the case of the University, addressed to it at its address stated hereinabove and to its counsel, Connell Foley LLP, 56 Livingston Avenue, Roseland, New Jersey 07068, Attn: John D. Cromie, Esq., or such other address as the University may direct upon notice given to the parties named in this Section 5.4. All notices required to be given to the Trustee by either party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail to the main office of the Trustee at the address of such principal office.

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

5.5. Tax Covenants.

(a) The University covenants that:

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

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

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

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

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

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

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

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

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

(x) it will create and maintain records with respect to: (i) all allocations of the proceeds of the Tax-Exempt Bonds to expenditures under Treasury Regulations §1.148-6(d) and §1.141-6 and any reallocations of proceeds of the Tax-Exempt Bonds under Treasury Regulations §1.141-12(e); (ii) all allocations of the non-Tax-Exempt Bond proceeds to expenditures for costs of the Project Facilities or cost of issuing the Tax-Exempt Bonds; (iii) the ownership, and any disposition, of any of the property financed with proceeds of the Tax-Exempt Bonds under Section 145(a)(1) of the Code; (iv) the economic lives of each portion of the property financed with proceeds of the Tax-Exempt Bonds; (v) the date each portion of the property financed with proceeds of the Tax-Exempt Bonds is placed in service (within the meaning of Treasury Regulations §1.150-2(c)); (vi) any use of the proceeds of the Tax-Exempt Bonds, or the property financed with proceeds of the Tax-Exempt Bonds, in an unrelated trade or business (within the meaning of Section 513 of the Code); (vii) any private trade or business use (within the meaning of Sections 141 and 145 of the Code and Treasury Regulations §1.141-2) of the property financed with proceeds of the Tax-Exempt Bonds; (viii) any investments of the University of the gross proceeds (with the meaning of Treasury Regulations §1.148-1(b)) of the Tax-Exempt Bonds (including, without limitation, records required under Treasury Regulations §1.148-5(d)(6)); (ix) any use of the proceeds of the Tax-Exempt Bonds or the property financed with proceeds of the Tax-Exempt Bonds in an unrelated trade or business (within the meaning of Section 513 of the Code); (x) all information necessary to compute the yield on the Tax-Exempt Bonds, including the information necessary to establish the existence of any qualified guarantee or qualified hedge (within the meaning of Treasury Regulations §1.148-4(f) and (h)) with respect to the Tax-Exempt Bonds, the amount and date of payments for a qualified guarantee or qualified hedge with respect to the Tax-Exempt Bonds and the issue price of the Tax-Exempt Bonds; and (xi) all information necessary to establish that the 6-month, the 18-month or the 2-year construction exception to arbitrage rebate (with the meaning of Treasury Regulations §1.148-7) has been met with respect to proceeds of the Tax-Exempt Bonds, which the University will retain for at least three (3) years after the final scheduled maturity date of the Tax-Exempt Bonds; and

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

(b) The University acknowledges and agrees that the Authority has adopted written Post-Issuance Compliance Procedures intended to meet the guidelines set forth in Internal Revenue Manual Section 7.2.3.4.4 (the "*Authority Written Procedures*"). Within sixty (60) days of the issuance of the Tax-Exempt Bonds, the University shall adopt written Post-Issuance Compliance Procedures intended to meet the guidelines set forth in Internal Revenue Manual Section 7.2.3.4.4 (the "*University Written Procedures*"; and together with the Authority Written Procedures, the "*Written Procedures*"). The University agrees to provide a copy of the current University Written Procedures or upon their adoption. The University agrees to comply with the Written Procedures and at least once a year review the use of the Tax-Exempt Bonds and any other outstanding bonds of the Authority that have financed facilities for the University (together with the Tax-Exempt Bonds, the "*Authority's Bonds*") in order to determine whether the Authority's Bonds meet all federal tax law conditions applicable to such bonds and certify its findings in writing to the Authority. In addition, the University shall, with respect to any of the Authority's Bonds, provide prompt written notice to the Authority of any of the acts or events listed on **Exhibit B** attached hereto and made a part hereof that may jeopardize the tax-exempt status of the Tax-Exempt Bonds (a "*Special Notice Event*"). The University will use its best efforts to provide advance notice, but will in any event provide notice no later than thirty (30) days after the occurrence of such Special Notice Event, whether the University is on notice of such Special Notice Event by its diligence or internal procedures or its own filing of any statement, tax schedule, return or document with the Internal Revenue Service that discloses the occurrence of a Special Notice Event, by its receipt of any oral or written advice from the Internal Revenue Service that a Special Notice Event has occurred, or otherwise. The University agrees that, in consultation with the Authority, at the expense of the University, it shall take such actions, if any, as may be necessary or appropriate to remediate such Special Notice Event, including, without limitation, such actions required under Treasury Regulations §1.141-12 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 Tax-Exempt Bonds will be preserved. In the event the Authority becomes aware of a Special Notice Event, the Authority shall have the right, upon prior written notice to the University, to conduct its own investigation and, at the sole reasonable cost and expense of the University, retain Bond Counsel to determine any and all actions required to remediate such Special Notice Event. The University shall adopt and follow its own written post-issuance compliance procedures to supplement the foregoing.

5.6. Tax-Exempt Status.

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

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

5.7. Additional Representations and Warranties.

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

(a) Uniform Commercial Code. If revisions to Article 9 of the Uniform Commercial Code are enacted by the State Legislature or by any other jurisdiction whose laws govern the perfection and enforceability of any security for the Bonds, the University covenants and agrees to cooperate with the Authority in taking all steps necessary to perfect and maintain the priority and enforceability of the security for the Bonds.

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

(c) Existence and Standing. The University is a corporate body created under the laws of the State and has the necessary power and authority to execute and deliver this Agreement and any other Documents (as defined in Section 5.13 hereof) to which the University is a party, and to perform its obligations hereunder and thereunder.

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

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

is subject, or by which it or its property is bound, or conflict with or constitute a default under or result in the creation or imposition of any lien pursuant to the terms of any such indenture, instrument or agreement.

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

5.8. Additional Covenants.

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

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

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

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

(d) Rebate. The University acknowledges that the Authority shall calculate or cause to be calculated the Rebate Amount at the times and in the manner set forth in the Tax Certificate and shall pay or direct in writing the Trustee to pay (but only from amounts received from the University under this Agreement) the amount to be paid to the United States of America pursuant to Section 148 of the Code from the Rebate Fund in the percentage, at the times and in the manner set forth in the Tax Certificate.

5.9. Off-Balance Sheet Projects.

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

5.10. Alternate Dates for Payment.

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

5.11. Agreement for Benefit of Bondholders.

This Agreement is executed in part to induce the purchase by others of the Bonds, and, accordingly, all covenants and agreements on the part of the University and the Authority as set forth in this Agreement are hereby declared to be for the benefit of the Holders from time to time of the Bonds, reserving always the right of the Authority to amend and supplement this Agreement, with the written consent of the University, in accordance with Section 2.9 hereof.

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

5.12. Reports Furnished by University.

The University shall render a report periodically on request of the Authority as to the physical condition of the Project Facilities. In addition, the University shall, if and when requested by the Authority, render such other reports to the Trustee and the Authority concerning the condition of the Project Facilities and the University as the Authority reasonably requests. The University also shall furnish annually to the Trustee and the Authority, and such other parties as the Authority may designate, copies of (i) its audited financial statements not later than December 27th following the end of each fiscal year, commencing with the fiscal year of the University ending June 30, 2017; *provided*, that if the fiscal year of the University should change, then the audited financial statements shall be due not later than one hundred eighty (180) days after the end of each fiscal year, and (ii) such other reports and such other information as may be reasonably requested by the Authority, as soon as practicable.

5.13. Review and Execution of Documents.

The University hereby represents and warrants to the Authority that the University has reviewed and has a full understanding of all the terms, conditions and risks (economic and otherwise) of this Agreement, the Indenture, the Mortgage, the Mortgage Note, the Bond Purchase Agreement, the Swap Agreement, if any, and any of the other documents or instruments executed in connection with the issuance of the Bonds and herewith (collectively,

the "*Documents*"), that it is capable of assuming and willing to assume (financially and otherwise) all such risks, that it has consulted with its own legal and financial advisors (to the extent it has deemed necessary) and is not relying upon any advice, counsel or representations (whether written or oral) of the Authority or the Authority's legal and municipal advisors, and that it has made its own investment, hedging and trading decisions (including decisions relating to the suitability of each of the Documents) based upon its own judgment and upon any advice from its own legal and financial advisors as it has deemed necessary. The University hereby acknowledges that the Authority is entering into certain of the Documents at the request of, and as an accommodation to, the University, and that the terms of the Documents have been negotiated by, and are acceptable to, the University.

5.14. Multiple Counterparts.

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

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed and attested by their proper respective Authorized Officers and Borrower Representatives, all as of the date first above written.

**NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY**

By: _____
Sheryl A. Stitt
Acting Executive Director

ATTEST:

By: _____
Steven P. Nelson
Assistant Secretary

RIDER UNIVERSITY

By: _____
Julie A. Karns
Vice President for Finance
and Treasurer

ATTEST:

By: _____
Name:
Title:

EXHIBIT A

DESCRIPTION OF PROJECT FACILITIES

EXHIBIT B

SPECIAL NOTICE EVENTS

1. **Private business use of Tax-Exempt Bond financed property** – if any portion of the property financed with the proceeds of the Tax-Exempt Bonds will be used by anyone other than a State or local governmental unit or members of the general public who are not using the property in the conduct of a trade or business (*e.g.*, use by a person as an owner, lessee, purchaser of the output of facilities under a "take and pay" or "take or pay" contract, purchaser or licensee of research, a manager or independent contractor under certain management or professional service contracts or any other arrangement that conveys special legal entitlements, including an arrangement that conveys priority rights to the use or capacity of the property financed with the proceeds of the Tax-Exempt Bonds, for beneficial use of the property financed with the proceeds of the Tax-Exempt Bonds with proceeds of tax-exempt debt or an arrangement that conveys a special economic benefit). Use of property financed with the proceeds of the Tax-Exempt Bonds 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 Tax-Exempt Bond Proceeds** – if any portion of the proceeds of the Tax-Exempt Bonds (including any investment earnings) thereon are to be loaned by the University.

3. **Naming rights agreements for Tax-Exempt Bond financed property** – if any portion of the property financed with proceeds of the Tax-Exempt Bonds will become subject to a naming rights agreement, other than a "brass plaque" dedication.

4. **Research using Tax-Exempt Bond financed property** – if any portion of the property financed with proceeds of the Tax-Exempt Bonds has been or will be used for the conduct of research (as described in Rev. Proc. 2007-47) 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 property financed with proceeds of the Tax-Exempt Bonds is to be used under a management contract (*e.g.*, food service, bookstore or parking management) or service contract, other than (i) a contract for services that are solely incidental to the primary function of financed projects, such as janitorial services or office equipment repair, or (ii) a qualified management contract described in Rev. Proc. 97-13 or successor Internal Revenue Service guidance applicable to the proceeds of the Tax-Exempt Bonds (Note: a contract that results in the payment of a concession or similar fee to the University is not a qualified contract).

6. **Joint Ventures** – if any portion of the property financed with proceeds of the Tax-Exempt Bonds will be or has been used in any joint venture arrangement with any person other than a State or local governmental unit.

7. **Sinking fund or pledge fund** – if the University, or any organization related to the University, identifies funds (other than mere preliminary earmarking) that are expected to be used to pay debt service on the Tax-Exempt Bonds or secure the payment of debt service on the Tax-Exempt Bonds, other than those funds or accounts described in the bond documents for the Tax-Exempt Bonds.

8. **Unexpected Payments or Proceeds** – if the University receives funds that may have a sufficiently direct nexus to the Tax-Exempt Bonds or to the property financed with proceeds of the Tax-Exempt Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Tax-Exempt Bonds were not used to finance such property related to the Tax-Exempt Bonds, including, without limitation, charitable gifts, insurance payments and settlements of litigation relating to the property or other disputes.

TRUST INDENTURE

By and Between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

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

Dated as of November 1, 2017

relating to

**New Jersey Educational Facilities Authority
Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt)
Revenue Refunding Bonds, Rider University Issue, 2017 Series G (Federally Taxable)**

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TRUST INDENTURE

THIS TRUST INDENTURE, dated as of November 1, 2017, by and between the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (the "*Authority*") and THE BANK OF NEW YORK MELLON, a state banking corporation organized and existing under the laws of the State of New York with trust and fiduciary powers in the State of New Jersey being qualified to accept and administer the trusts hereby created (the "*Trustee*");

WITNESSETH:

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

WHEREAS, the Authority has heretofore issued its Revenue Bonds, Rider University Issue, 2012 Series A (the "*Prior Bonds*"), on behalf of Rider University (the "*Borrower*"); and

WHEREAS, the Borrower has determined to undertake a project consisting of the (i) renovation and equipping of the following residential facilities: Conover Hall, Delta Phi Epsilon Sorority Residence (House 10), Kroner Hall, Lake House, Ridge House and Wright Hall; (ii) renovation and equipping of the following academic facilities: Bart Luedeke Center Theater, Fine Arts Theater, Science and Technology Center and Sweigart Hall; and (iii) construction of an approximately 30,000 sq. ft. addition to the Science and Technology Center (the "*Capital Project*"); and

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

WHEREAS, pursuant to a resolution of the Authority adopted on October 17, 2017, the Authority has determined that it is necessary and in keeping with its authorized purposes to issue two series of bonds to be designated (i) "New Jersey Educational Facilities Authority Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt)" (the "*Tax-Exempt Bonds*") and (ii) "New Jersey Educational Facilities Authority Revenue Refunding Bonds, Rider University Issue, 2017 Series G (Federally Taxable)" (the "*Taxable Bonds*"); and together with the Tax-Exempt Bonds, the "*Bonds*") or such other designation as may be determined by the Authority for the purpose of providing funds to finance the Project; and

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

WHEREAS, in order to provide for the financing of the Project and to secure repayment of the Bonds, it is necessary and desirable to enter into a Loan Agreement, dated as of November 1, 2017, by and between the Authority and the Borrower (as amended and supplemented from time to time as permitted therein, the "*Loan Agreement*"); and

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

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

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

ARTICLE I

DEFINITIONS

Section 1.01. Definitions.

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

"Additional Loan Payments" means those payments so designated and required to be made by the Borrower pursuant to Section 2.12 of the Loan Agreement.

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

"Authority" means the New Jersey Educational Facilities Authority.

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

"Authorized Officer" means the Chair, Vice Chair, Treasurer, Executive Director, Deputy Executive Director, Director of Project Management, Director of Compliance Management, Secretary, Assistant Treasurer or any Assistant Secretary of the Authority, and when used with reference to any act or document also means any other person authorized by resolution of the Authority to perform such act or execute such document and shall also include any of such officers designated as "acting" or "interim".

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

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

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

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

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

"Bond Year" means each twelve (12) month period beginning July 1 and ending the following June 30; except that the initial Bond Year shall commence on the date of issuance of the Bonds and shall end on June 30, 2018.

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

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

"Borrower" means Rider University, and its successors and assigns.

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

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

Security Instrument" for the purpose of this Indenture by written agreement of the Borrower and the Trustee, each as from time to time in effect.

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

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

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

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

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

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

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

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

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

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

"Debt Service Reserve Fund Requirement" means, as of any date of calculation, an amount equal to the lesser of: (i) the greatest amount required in the then current Bond Year or in any future Bond Year to pay the sum of (a) the interest on the Bonds payable on January 1 of such Bond Year and on July 1 of the next succeeding Bond Year and (b) the principal or sinking fund installment, as the case may be, of the Bonds payable on July 1 of the next succeeding Bond Year; or (ii) ten percent (10%) of the proceeds of the Bonds, within the meaning of Section 148 of the Code, except that the maximum annual debt service cannot exceed 125% of the average

annual amount required in the then current or any future Bond Year to pay the interest on and principal or sinking fund installment, as the case may be, of the Bonds.

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

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

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

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

(i) the Borrower (or any other Person obligated, as guarantor or otherwise, to make payments on the Bonds or under the Loan Agreement, the Mortgage Note or an "affiliate" of the Borrower as defined in Bankruptcy Code §101(2)) or the Authority shall (a) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the Borrower (or such other Person) or the Authority or of all or any substantial part of their respective property, (b) commence a voluntary case under the Bankruptcy Code, or (c) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts; or

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

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

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

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

"Fund" means any of the Construction Fund, the Debt Service Fund, the Debt Service Reserve Fund, the Rebate Fund, the Additional Loan Payments Fund and the Project Mortgage Fund.

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

"Independent Counsel" means an attorney or firm of attorneys duly admitted to practice law before the highest court of any State of the United States and who is not a full-time employee of the Authority, the Borrower or the Trustee.

"Interest Payment Date" means each January 1 and July 1 or, if any January 1 or July 1 is not a Business Day, the next succeeding Business Day.

"Interest Accrual Date" means the dated date of the Bonds.

"Investment Obligations" means the investments identified in **Exhibit A** hereto.

"Loan Agreement" means the Loan Agreement, dated as of November 1, 2017, by and between the Authority and the Borrower, and any amendments thereto.

"Majority of the Bondholders" means the Holders of more than fifty percent (50%) of the aggregate principal amount of Outstanding Bonds.

"Maturity Date" shall have the meaning set forth in the Bonds.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns.

"Mortgage" means the Mortgage and Security Agreement, dated November __, 2017, by and between the Borrower and the Authority, which secures the Borrower's obligations hereunder.

"Mortgage Note" means the Mortgage Note, dated November __, 2017, from the Borrower to the Authority.

"Notice Address" means:

- (a) As to the Borrower: Rider University
2083 Lawrenceville Road
Lawrenceville, New Jersey 08648
Attention: Vice President for Finance/Treasurer

- (b) As to the Authority: New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540
Attention: Executive Director
- (c) As to the Trustee: The Bank of New York Mellon
Corporate Trust Department
385 Rifle Camp Road – 3rd Floor
Woodland Park, New Jersey 07424
- (d) As to DTC: The Depository Trust Company
55 Water Street
New York, New York 10022
Attention: Announcements
(facsimile 212-855-4566); and
Attention: Reorganization
(facsimile 813-470-1109)

or, in each case, such other address or addresses as any such Person shall designate by notice actually received by the addressor.

"Official Statement" means the Official Statement, dated November __, 2017, relating to the Bonds, including all Appendices thereto.

"Outstanding" means the amount of principal of the Bonds that has not at the time been paid, exclusive of (a) Bonds in lieu of which others have been authenticated under Section 3.05 hereof, (b) principal of any Bond that has become due (whether by maturity, call for redemption or otherwise) and for which provision for payment as required herein has been made or deemed made, and (c) for purposes of any direction, consent or waiver under this Indenture, Bonds deemed not to be outstanding pursuant to Section 10.07 hereof.

"Participant" means, with respect to DTC or another Securities Depository, a member of or participant in DTC or such other Securities Depository, respectively.

"Paying Agent" means the Trustee or any other paying agent appointed in accordance with Section 8.09 hereof.

"Payment Date" means each Interest Payment Date or any other date on which any principal of or redemption premium, if any, or interest on any Bond is due and payable for any reason, including, without limitation, upon any redemption of Bonds pursuant to Section 4.01 hereof.

"Person" means a corporation, association, partnership, limited liability company, joint venture, trust, organization, business, individual or government or any governmental agency or political subdivision thereof.

"Pledged Property" means all Revenues and the moneys and earnings held in the Funds and accounts created hereunder (except the Rebate Fund, the Project Mortgage Fund and the Additional Loan Payments Fund) and the right to receive the same (except amounts in respect of administrative expenses in whatever Fund held); all right, title and interest of the Authority in and to the foregoing; and all right, title and interest of the Authority in and to, and the remedies under, the Loan Agreement and the Mortgage Note (but excluding the Reserved Rights of the Authority described in Section 5.01(b) of this Indenture).

"Principal Office" means, with respect to the Trustee, the address of such Person identified as its Notice Address in this Indenture or otherwise notified in writing by such Person to the Authority and the Borrower.

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

"Project Facilities" means certain educational facilities financed and refinanced with the proceeds of the Bonds, including any additions, improvements, modifications, substitutions and renewals thereof, and further includes other facilities and uses as are permitted by the Act and the Loan Agreement.

"Project Mortgage Fund" means the Fund created pursuant to Section 3.5 of the Loan Agreement and held under this Indenture.

"Purchase Contract" means the Bond Purchase Agreement by and among the Borrower, the Authority and the Underwriter relating to the Bonds.

"Qualified Financial Institution" means (a) any domestic branch or a foreign bank, U.S. domestic institution that is a bank, trust company, national banking association or a corporation, including the Trustee and any of its affiliates, subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, or a member of the National Association of Securities Dealers, Inc. whose unsecured obligations or uncollateralized long-term debt obligations have been assigned a rating of at least "A-" by S&P, "A3" by Moody's or "A-" by Fitch or that has issued a letter of credit, contract, agreement or surety bond in support of debt obligations that have been so rated, (b) an insurance company with a claims-paying ability or a corporation whose obligations are guaranteed by an insurance company (in the form of an insurance policy) or by an insurance holding company rated at least "AA-" by S&P, "Aa3" by Moody's or "AA-" by Fitch or whose unsecured obligations or uncollateralized long-term debt obligations have been assigned a rating of at least "AA-" by S&P, "Aa3" by Moody's or "AA-" by Fitch, or (c) other financial institutions whose unsecured obligations or uncollateralized long-term debt obligations have been assigned a rating of at least "A-" by S&P, "A3" by Moody's or "A-" by Fitch.

"Rating Agency" means, as of any date, each of Fitch, if the Bonds are then rated by Fitch, Moody's, if the Bonds are then rated by Moody's, and S&P, if the Bonds are then rated by S&P.

"Rating Category" means a generic securities rating category, without regard, in the case of a long-term rating category, to any refinement or gradation of such long-term rating category by a numerical modifier or otherwise.

"Rebate Amount" means the amount to be rebated to the United States of America on a periodic basis in accordance with the terms of the Tax Certificate.

"Rebate Fund" means the fund so designated, created and established pursuant to Section 5.04 hereof.

"Record Date" means, with respect to any Interest Payment Date, the fifteenth day of the month immediately preceding that Interest Payment Date.

"Reserved Rights" shall have the meaning set forth in Section 5.01 hereof.

"Responsible Officer" means, with respect to the Trustee, any officer or authorized representative in its Principal Office or similar group administering the trusts hereunder or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers to whom a particular matter is referred by the Trustee because of such officer's or authorized representative's knowledge of and familiarity with the particular subject.

"Revenues" means (i) all Basic Loan Payments; (ii) all amounts received by the Authority in respect of any entry of the Project Facilities, or portion thereof, pursuant to Article II of the Loan Agreement; (iii) any amount directed to be transferred to or deposited in the Construction Fund and the Debt Service Fund pursuant to this Indenture; (iv) all other moneys when received by the Trustee for deposit into the Construction Fund and the Debt Service Fund, including prepayments, insurance proceeds and condemnation proceeds; and (v) all interest, profits or other income derived from the investment of amounts in any Fund or account established pursuant to this Indenture, but not including any administrative fees or expenses or any moneys required to be deposited in the Rebate Fund, the Additional Loan Payments Fund or the Project Mortgage Fund.

"S&P" means S&P Global Ratings, acting through Standard & Poor's Financial Services LLC, a corporation organized and existing under the laws of the State of New York, and its successors and assigns.

"Securities Depository" means DTC or, if applicable, any successor securities depository appointed pursuant to the last paragraph of Section 3.05 of this Indenture.

"State" means the State of New Jersey.

"Tax Certificate" means, collectively, the Arbitrage and Tax Certificate of the Authority and the Arbitrage and Tax Certificate of the Borrower, each dated the Closing Date, as amended or supplemented from time to time.

"Tax-Exempt Bonds" means the \$____,____,000 principal amount of New Jersey Educational Facilities Authority Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt), dated their date of delivery.

"Tax-Exempt Project" means the financing, through the issuance of the Tax-Exempt Bonds, of the costs of a project consisting of: (a) financing the renovation and equipping of the following residential facilities: Conover Hall, Delta Phi Epsilon Sorority Residence (House 10), Kroner Hall, Lake House, Ridge House and Wright Hall; the renovation and equipping of the following academic facilities: Bart Luedeke Center Theater, Fine Arts Theater, Science and Technology Center and Sweigart Hall; and the construction of an approximately 30,000 sq. ft. addition to the Science and Technology Center; (b) funding capitalized interest for the Tax-Exempt Bonds through [DATE], 20__; (c) funding a debt service reserve fund; and (d) paying certain costs of issuing the Tax-Exempt Bonds.

"Taxable Bonds" means the \$ __, __, __,000 principal amount of New Jersey Educational Facilities Authority Revenue Refunding Bonds, Rider University Issue, 2017 Series G (Federally Taxable), dated their date of delivery.

"Taxable Project" means the financing, through the issuance of the Taxable Bonds, of the costs of a project consisting of: (a) refunding the Authority's outstanding Revenue Bonds, Rider University Issue, 2012 Series A; and (b) paying certain costs of issuing the Taxable Bonds.

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

"Underwriter" means Merrill Lynch, Pierce, Fenner & Smith Incorporated and such other firms named in the Purchase Contract.

"United States Obligations" means direct general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed as to full and timely payment by, the United States of America, which obligations are noncallable.

Section 1.02. Certain References.

Any reference in this Indenture to the Borrower, the Authority or the Trustee shall include those Persons who succeed to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions. Any reference in this Indenture to any statute or law or chapter or section thereof shall include all amendments, supplements or successor provisions thereto.

Section 1.03. Timing of Actions.

Whenever in this Indenture there is specified a time of day at or by which a certain action must be taken, such time shall be prevailing Eastern time, except as otherwise specifically provided in this Indenture. If the date for making any payment or the last day for the performance of any act or the exercise of any right provided in this Indenture shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture, except as otherwise specifically provided herein.

ARTICLE II

DEFEASANCE OF LIEN; ADDITIONAL OBLIGATIONS

Section 2.01. Defeasance of Lien.

When the Authority has paid or has been deemed to have paid, within the meaning of this Section 2.01, to the Holders of all of the Bonds the principal and interest and redemption premium, if any, due or to become due thereon at the times and in the manner stipulated therein and herein, and all other obligations owing to the Trustee hereunder or under the Loan Agreement have been paid or provided for, the lien of this Indenture on the Pledged Property shall terminate. Upon the written request of the Authority or the Borrower, the Trustee shall, upon the termination of the lien hereof, promptly execute and deliver to the Authority, with a copy to the Borrower, an appropriate discharge hereof except that, subject to the provisions of this Indenture, the Trustee shall continue to hold in trust amounts held pursuant to Section 5.07 hereof for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

Outstanding Bonds shall be deemed to have been paid within the meaning of this Section 2.01 if the Trustee shall be holding in trust for and shall have irrevocably committed to the payment of such Outstanding Bonds, United States Obligations the payments on which when due, without reinvestment, will be, in the opinion of a firm of certified public accountants or other verification agent acceptable to the Authority and the Borrower, sufficient for the payment of all principal of and interest and redemption premium, if any, on such Bonds to the date of maturity or redemption, as the case may be; *provided, however*, that if any of such Bonds are deemed to have been paid prior to the earlier of the redemption or the maturity thereof, the Trustee, the Borrower and the Authority shall have received a Favorable Opinion of Bond Counsel that such payment and the holding thereof by the Trustee shall not in and of itself cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes; *provided, further*, that if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given to the Bondholders or irrevocable provision shall have been duly made for the giving of such notice to the Bondholders.

Limitations set forth elsewhere in this Indenture regarding the investment of moneys held by the Trustee in the Debt Service Fund shall not be construed to prevent the depositing and holding in the Debt Service Fund of the United States Obligations described in the preceding paragraph of this Section 2.01 for the purpose of defeasing the lien of this Indenture as to Outstanding Bonds that have not yet become due and payable. Notwithstanding any other provision of this Indenture to the contrary, all moneys deposited with the Trustee as provided in this Section 2.01 and held in the Debt Service Fund or a separate escrow may be invested and reinvested, at the written direction of the Authority, in United States Obligations maturing in the amounts and times as hereinbefore set forth, and all income from all United States Obligations in the hands of the Trustee pursuant to this Section 2.01 that is not required for the payment of the Bonds and the interest and redemption premium, if any, thereon with respect to which such moneys shall have been so deposited shall be deposited in the Debt Service Fund or such separate escrow as and when realized and collected for use and application as are other moneys deposited in the Debt Service Fund or such separate escrow.

After all of the Outstanding Bonds shall be deemed to have been paid and all other amounts required to be paid under this Indenture shall have been paid, then upon the termination of this Indenture any amounts in the Funds held under this Indenture (other than the Rebate Fund and the Project Mortgage Fund) shall be paid first to the Trustee and then to the Authority to the extent necessary to repay any unpaid obligations owing to the Trustee and/or the Authority hereunder or under the Loan Agreement, and thereafter the remainder, if any, shall be paid to the Borrower.

Section 2.02. Additional Obligations.

With the Authority's consent, the Borrower may incur obligations pursuant to one or more Swap Agreements (as such term is defined in the Loan Agreement) that are secured on parity with the Borrower's payment obligations under the Loan Agreement.

ARTICLE III

THE BONDS

Section 3.01. Issuance of Bonds, Dates, Maturities and Interest.

(a) Issuance. The Tax-Exempt Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt)", shall be issued in the original aggregate principal amount of \$____,000 and shall be substantially in the form set forth in **Exhibit B** attached hereto, with such variations, omissions and insertions as are permitted or required hereby. The Taxable Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Refunding Bonds, Rider University Issue, 2017 Series G (Federally Taxable)", shall be issued in the original aggregate principal amount of \$____,000 and shall be substantially in the form set forth in **Exhibit B** attached hereto, with such variations, omissions and insertions as are permitted or required hereby. Except to the extent otherwise provided in Section 3.05 hereof or made necessary as a result of a partial redemption, the Bonds shall be issued in fully registered form, without coupons, numbered from R-1 upwards and in Authorized Denominations.

(b) Date. The Bonds shall bear the date of authentication thereof.

(c) Maturities. The Tax-Exempt Bonds shall bear interest and mature on July 1 in each of the years set forth in the chart below, and shall be subject to redemption prior to stated maturity as and to the extent provided in Section 4.01 hereof.

Maturity Date (July 1)	Principal Amount	Interest Rate
---------------------------	---------------------	------------------

The Taxable Bonds shall bear interest and mature on July 1 in each of the years set forth in the chart below, and shall be subject to redemption prior to stated maturity as and to the extent provided in Section 4.01 hereof.

Maturity Date (July 1)	Principal Amount	Interest Rate
---------------------------	---------------------	------------------

(d) Interest. The provisions of Section 3.07 hereof shall govern the interest rates per annum and the payment terms of the Bonds.

Section 3.02. Authentication and Delivery of Bonds.

Prior to the authentication and delivery by the Trustee of the Bonds, there shall be filed or deposited with the Trustee:

(a) a copy, certified by the Secretary, the Assistant Treasurer or any Assistant Secretary of the Authority, of all resolutions adopted and proceedings held by the Authority authorizing the issuance of the Bonds, including the resolution authorizing the execution, delivery and performance of this Indenture, the Loan Agreement and the Mortgage;

(b) executed counterparts of this Indenture, the Loan Agreement and the Mortgage;

(c) the opinion of Bond Counsel approving the validity of the Bonds and confirming the exclusion from gross income of interest on the Tax-Exempt Bonds, subject to customary qualifications and assumptions;

(d) a request and authorization to the Trustee on behalf of the Authority and signed by an Authorized Officer of the Authority to authenticate and deliver the Bonds in such specified denominations as permitted herein to purchasers thereof upon payment to the Trustee, but for the account of the Authority, of a specified sum of money. Upon payment of the proceeds to the Trustee, the Trustee shall deposit the proceeds pursuant to Article V hereof; and

(e) an executed counterpart of the Tax Certificate.

Section 3.03. Execution; Authentication; Special and Limited Obligations.

The Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chair, Vice Chair, Executive Director or Deputy Executive Director, and any of such officers designated as "acting" or "interim", and its official common seal (or facsimile thereof) shall be thereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Executive Director, Deputy Executive Director, Secretary, Assistant Treasurer or any Assistant Secretary, and any of such officers designated as "acting" or "interim", or in such other manner as may be provided by law; *provided*, the Bonds may not be attested by the Authorized Officer executing the Bonds. All authorized facsimile signatures shall have the same force and effect as if manually signed.

No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Bond substantially in the form set forth in the form of Bonds attached hereto as **Exhibit B** shall have been duly executed by the Trustee, and such executed certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The certificate of authentication on any Bond shall be deemed to have been executed by the Trustee if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory execute the certificate of authentication on all of the Bonds.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE NOT A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THIS INDENTURE), OR A PLEDGE OF THE FAITH AND CREDIT OR TAXING POWER OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THIS INDENTURE). THE AUTHORITY HAS NO TAXING POWER.

Section 3.04. Mutilated, Lost, Stolen or Destroyed Bonds.

In the event any Bond is mutilated, lost, stolen or destroyed, the Authority shall execute and the Trustee shall authenticate a new Bond of like date and denomination as that mutilated, lost, stolen or destroyed, provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Authority or the Trustee, and in the case of any lost, stolen or destroyed Bond, there first shall be furnished to the Authority and the Trustee evidence of such loss, theft or destruction satisfactory to the Authority and the Trustee, together with an indemnity satisfactory to them. In the event any such Bond shall have matured, the Trustee, instead of issuing a duplicate Bond, may pay the same without surrender thereof, making such requirements as it deems fit for its protection, including a lost instrument bond. The Authority and the Trustee may charge the owner of such Bond with their reasonable fees and expenses for such service. In executing a new Bond, the Authority may rely conclusively upon a representation by the Trustee that the Trustee is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft or destruction of any Bond.

Section 3.05. Exchange and Transfer of Bonds; Book-Entry System.

Upon surrender of a Bond or Bonds at the Principal Office of the Trustee, as bond registrar, together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form and with such guaranty of signature as shall be satisfactory to the Trustee, a Bond or Bonds may be exchanged for fully registered Bonds of the same maturity, aggregating in amount the then unpaid principal amount of the Bond or Bonds surrendered, in Authorized Denominations.

As to any Bond, the Bondholder shall be deemed and regarded as the absolute owner thereof for all purposes and none of the Authority, the Borrower or the Trustee shall be affected by any notice, actual or constructive, to the contrary.

Any Bond may be registered as transferred upon the books kept for the registration and transfer of Bonds only upon surrender thereof to the Trustee, as bond registrar, together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form and with such guaranty of signature as shall be satisfactory to the Trustee. Upon the registration of transfer of any such Bond and on request of the Trustee, the Authority shall execute, and the Trustee shall authenticate and deliver, a new Bond or Bonds, registered in the name of the transferee or transferees, of the same maturity, aggregating in amount the then unpaid principal amount of the Bond or Bonds surrendered, in Authorized Denominations.

In all cases in which Bonds shall be issued in exchange for or in replacement of other Bonds, the Bonds to be issued shall be signed and sealed on behalf of the Authority and authenticated by the Trustee, and shall have attached thereto an executed validation certificate, all as provided in Section 3.03 hereof. The obligation of the Authority and the rights of the Bondholders with respect to such Bonds shall be the same as with respect to the Bonds being exchanged or replaced. Such registrations of transfers or exchanges of Bonds shall be without charge to the Bondholders, except that any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Bondholder requesting such registration of transfer or exchange as a condition precedent to the exercise of such privilege. Any service charge made by the Trustee for any such registration of transfer or exchange shall be paid by the Borrower.

Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, or for exchange or registration of transfer pursuant to this Section 3.05, such Bond shall be promptly canceled and destroyed by the Trustee (subject to applicable record retention requirements) and counterparts of a certificate of destruction evidencing such destruction shall be retained by the Trustee and, if requested by the Authority or the Borrower, shall be furnished by the Trustee to the Authority or the Borrower, as the case may be.

The foregoing provisions of this Section 3.05 to the contrary notwithstanding, the Bonds will be issued initially as one fully registered bond for each maturity of each series in the name of Cede & Co., as nominee for DTC, and deposited in the custody of DTC. The Beneficial Owners will not receive physical delivery of the Bonds. Individual purchases of the Bonds may be made in book-entry form only in principal amounts equal to Authorized Denominations thereof. Payments of principal of, redemption premium, if any, and interest on the Bonds will be made to DTC or its nominee as Bondholder.

DTC shall pay interest to the Beneficial Owners of record through its Participants as of the close of business on the Record Date. DTC shall pay the redemption price of the Bonds called for redemption to the Beneficial Owners of record through its Participants in accordance with its customary procedures.

Transfer of ownership interests in the Bonds shall be made by DTC and its Participants, acting as nominees of the Beneficial Owners, in accordance with rules specified by DTC and its Participants.

Bond certificates will be issued directly to Holders of the Bonds other than DTC, or its nominee, upon the occurrence of the following events (subject, however, to operation of the two sentences following clause (c) below):

(a) DTC determines not to continue to act as securities depository for the Bonds; or

(b) the Borrower, with the consent of the Authority and the Trustee, has advised DTC of its determination that DTC is incapable of discharging its duties; or

(c) the Borrower, with the consent of the Authority and the Trustee, has determined that it is in the best interest of the Bondholders not to continue the book-entry system of transfer or that interests of the Beneficial Owners of the Bonds might be adversely affected if the book-entry system of transfer is continued.

Upon occurrence of the event described in clause (a) or (b) above, the Borrower shall attempt to locate another qualified Securities Depository. If the Borrower fails to locate another qualified Securities Depository to replace DTC, the Trustee shall authenticate and deliver Bonds in certificated form. In the event the Borrower makes the determination noted in clause (b) or (c) above (as to which the Borrower undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Borrower to make any such determination), and has made provisions to notify the Beneficial Owners of the Bonds of the availability of Bond certificates by mailing an appropriate notice to DTC, the Authority shall cause the Trustee to authenticate and deliver Bonds in certificated form pursuant to **Exhibit B** to DTC's Participants (as requested by DTC) in appropriate amounts. Principal of and interest on the Bonds shall be payable as otherwise provided in this Article III.

Section 3.06. Temporary Bonds.

Until Bonds in definitive form are ready for delivery, the Authority may execute and, upon the request of the Authority, the Trustee shall authenticate and deliver, subject to the provisions, limitations and conditions set forth above, one or more Bonds in temporary form, whether printed, typewritten, lithographed or otherwise produced, substantially in the form of the definitive Bonds, with appropriate omissions, variations and insertions, and in Authorized Denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the liens and benefits of this Indenture.

Section 3.07. Interest on Bonds.

General. Interest on the Bonds shall be payable initially on [January 1, 2018] and semi-annually thereafter on January 1 and July 1 of each year at the interest rates set forth in Section 3.01 hereof.

(a) Payment of Interest. Interest on the Bonds shall be paid on each Interest Payment Date and any redemption date therefor.

(b) Interest Accrual and Payment. Interest on the Bonds shall accrue on the basis of a 360-day year based on twelve 30-day months.

Interest shall be paid on the Bonds on each Interest Payment Date. Each Bond shall bear interest from and including the Interest Accrual Date immediately preceding the date of authentication thereof or, if such date of authentication is an Interest Accrual Date to which interest on such Bond has been paid in full or duly provided for, from such date of authentication or, if it is the first payment of interest on such Bond, the date thereof. However, if, as shown by the records of the Trustee, interest on the Bonds is in default, Bonds issued in exchange for Bonds surrendered for registration of transfer or exchange shall bear interest from the date to which interest has been paid in full on the Bonds so surrendered or, if no interest has been paid on such Bonds, from the date thereof.

Section 3.08. Method and Place of Payment.

The principal of and redemption premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Principal of and redemption premium, if any, on the Bonds are payable upon presentation of the Bonds to the Trustee. Interest on the Bonds shall be paid by the Trustee on the applicable Payment Dates, by check mailed by the Trustee to the respective Holders thereof on the applicable Record Date at their addresses as they appear as of the close of business on the applicable Record Date in the books kept by the Trustee, as bond registrar, except that in the case of such a Holder of \$1,000,000 or more in aggregate principal amount of such Bonds, upon the written request of such Holder to the Trustee, specifying the account or accounts (within the continental United States) to which such payment shall be made, such payments shall be made by wire transfer of immediately available funds on the applicable Interest Payment Date following such Record Date. Any request referred to in the preceding sentence shall remain in effect until revoked or revised by such Holder by an instrument in writing delivered to the Trustee.

ARTICLE IV

REDEMPTION AND PURCHASE OF BONDS BEFORE MATURITY

Section 4.01. Redemption of Bonds.

The Bonds shall be subject to redemption prior to maturity as follows:

(a) Optional Redemption. The Tax-Exempt Bonds maturing on or after July 1, 202_ are subject to optional redemption on any date on or after July 1, 202_ at the option of the Authority with the written consent of the Borrower, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the redemption date.

(b) Extraordinary Optional Redemption. The Bonds shall be subject to redemption prior to maturity, in whole or in part at the option of the Authority at any time, and from time to time, with written notice to the Borrower, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the redemption date, without redemption premium, in the event that any one or more of the following events shall have occurred: (i) title to, or the temporary use of, all or a material portion of the Project Facilities shall have been taken under the exercise of the power of eminent domain by, or sold in lieu thereof to, any governmental authority or person, firm or corporation acting under governmental authority, which taking or sale prevents or is likely to prevent the carrying on of normal operations of the Project Facilities for a period of at least twelve months; or (ii) the Project Facilities are rendered untenable by any cause whatsoever, including, but not limited to, a hazard against which insurance is required to be maintained in accordance with the Loan Agreement or the Mortgage.

(c) Mandatory Sinking Fund Redemption. The Tax-Exempt Bonds maturing on July 1, 20__ shall be retired by sinking fund installments as hereinafter described, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the Tax-Exempt Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

*

*Final maturity.

The Tax-Exempt Bonds maturing on July 1, 20__ shall be retired by sinking fund installments as hereinafter described, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date. The sinking fund installments shall be sufficient to redeem the principal

amount of the Tax-Exempt Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Amount</u>
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*

*Final maturity.

The Tax-Exempt Bonds maturing on July 1, 20__ shall be retired by sinking fund installments as hereinafter described, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the Tax-Exempt Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Year</u>	<u>Amount</u>
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*

*Final maturity.

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

<u>Year</u>	<u>Amount</u>
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*

*Final maturity.

The principal amount of the Bonds required to be redeemed from sinking fund installments may be reduced by the principal amount of such Bonds theretofore delivered to the Trustee by the Borrower in lieu of cash payments under the Loan Agreement or purchased by the Trustee out of moneys in the Debt Service Fund that have not theretofore been applied as a credit against any sinking fund installment.

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date for the Bonds, the Borrower may deliver to the Trustee for cancellation Bonds of the appropriate maturity in any aggregate principal amount that have been purchased by the Borrower in the open market. Each Bond so delivered shall be credited by the Trustee at 100% of the principal amount thereof against the mandatory sinking fund redemption requirement for Bonds on such mandatory redemption date; and any excess of such amount shall be credited against future mandatory sinking fund redemption requirements in chronological order, unless the Borrower, on or before the 45th day preceding each mandatory sinking fund redemption date, furnishes the Trustee with a certificate, signed by a Borrower Representative for the Bonds, specifying a different method of crediting such amount against future mandatory sinking fund redemption requirements.

Any partial redemption of the Bonds pursuant to any optional redemption pursuant to Section 4.01(a) (the "*Prior Non-Mandatory Redemptions*") shall at the election of the Authority, with the consent of the Borrower, be credited against and reduce the obligation of the Authority to effect mandatory scheduled sinking fund redemption requirements for the Bonds. Such election shall be exercised by delivery to the Trustee of written notice from the Authority, with the consent of the Borrower, that the Authority elects to credit Prior Non-Mandatory Redemptions that have not been previously credited against mandatory sinking fund redemption requirements for the Bonds, which notice shall designate the mandatory sinking fund redemption installments to be reduced by date and the principal amount of such reductions.

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

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

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

Section 4.02. Selection of Bonds to be Redeemed.

In the case of any redemption in part of the Bonds, the Bonds to be redeemed under Section 4.01 hereof shall be selected by the Trustee, subject to any requirements of this Section 4.02. A redemption of Bonds shall be a redemption of the whole or of any part of the Bonds; *provided*, that there shall be no partial redemption of less than \$5,000. If less than all the maturities of the Bonds shall be called for redemption under any provision of this Indenture permitting such partial redemption, the particular maturity or maturities of the Bonds to be redeemed shall be selected by the Authority with the consent of the Borrower. If less than all of the Bonds Outstanding of any maturity shall be called for redemption, such Bonds shall be selected by the Trustee, in such manner as the Trustee in its discretion may deem fair and appropriate consistent with industry standards and the requirements of the last paragraph of Section 4.01(c); *provided, however*, (a) that the portion of any Bond to be redeemed under any provision of this Indenture shall be in the principal amount of \$5,000 or any multiple thereof, (b) that, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000, and (c) that, to the extent practicable, the Trustee will not select any Bond for partial redemption if the amount of such Bond remaining Outstanding would be reduced by such partial redemption to less than the Authorized Denomination. If there shall be called for redemption less than all of a Bond, the Authority shall execute and deliver and the Trustee shall authenticate, upon surrender of such Bond and at the expense of the Borrower and without charge to the owner thereof, a replacement Bond in the principal amount of the unredeemed balance of the Bond so surrendered.

Section 4.03. Procedure for Redemption.

(a) In the event any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Trustee) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portions of the Bonds, so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest. CUSIP number identification shall accompany all redemption notices. Such notice may set forth any additional information relating to such redemption.

(b) Such notice shall be given by mail, postage prepaid, at least thirty (30) days (or, in the case of acceleration of the Bonds pursuant to Section 7.02 hereof, seven (7) days) but not more than sixty (60) days prior to the date fixed for redemption to each Holder of Bonds to be redeemed at its address shown on the registration books kept by the Trustee; *provided, however*, that failure to give such notice to any Bondholder or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other Bonds.

(c) Any notice of redemption of any Bonds pursuant to Section 4.01(a) or (b) may specify that the redemption is contingent upon the deposit of moneys with the Trustee in an amount sufficient to pay the redemption price of all the Bonds or portions thereof that are to be redeemed on that date.

(d) Any Bonds and portions of Bonds that have been duly selected for redemption and that are paid in accordance with Section 5.07 hereof shall cease to bear interest on the specified redemption date.

(e) For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Trustee shall provide the notices specified in this Section 4.03 only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Trustee, a Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

ARTICLE V

SOURCE AND APPLICATION OF FUNDS

Section 5.01. Pledge and Assignment.

(a) Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Pledged Property is hereby pledged to secure the payment of the Bonds. Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after delivery by the Trustee of the Bonds, without any physical delivery thereof or further act. Notwithstanding anything to the contrary in this Indenture or the Bonds, the Bonds do not and shall not represent or constitute a debt or pledge of the faith and credit of the Authority, the State or of any political subdivision thereof, and the Holders have no right to have taxes levied by the State or the taxing authority of any political subdivision of the State for the payment of the Bonds. The Authority has no taxing power.

(b) The Authority hereby transfers in trust, pledges and assigns to the Trustee, for the benefit of the Holders from time to time of the Bonds, and grants a security interest in all of the Pledged Property, specifically excluding therefrom the following rights reserved to the Authority (collectively, the "*Reserved Rights*"): (i) rights to indemnification; (ii) rights of inspection and consent; (iii) rights to payment of its fees and expenses; (iii) all rights, title and interest in any and all provisions of the Loan Agreement, the Mortgage and the Mortgage Note relating to the Project Facilities (except for the right of the Authority to receive Basic Loan Payments pursuant to Section 2.10 of the Loan Agreement as described in Section 2.17 of the Loan Agreement), including, without limitation, its rights to exercise remedies as provided by the Loan Agreement, the Mortgage and the Mortgage Note and its rights to enter, inspect and operate the Project Facilities. The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee also shall be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority that have been assigned to the Trustee and all of the obligations of the Borrower under the Loan Agreement other than the Reserved Rights of the Authority. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture. If, on the day on which a payment of Basic Loan Payments is required to be made, the Trustee has not received the full amount of such Basic Loan Payments, the Trustee shall immediately notify the Authority and the Borrower of such insufficiency by Electronic Means and confirm such notification as soon as possible thereafter by written notice.

Section 5.02. Construction Fund.

There is hereby created and established with the Trustee a trust fund to be designated "2017 Construction Fund", which shall be funded and from which moneys deposited therein shall be expended in accordance with the provisions of this Section 5.02 and as otherwise

provided in the Loan Agreement, which Construction Fund shall have a Costs of Issuance Account and a Capitalized Interest Account.

(a) The Trustee shall deposit in the Construction Fund, the Costs of Issuance Account and the Capitalized Interest Account the respective amounts specified by the Authority at closing. As soon as practicable after the delivery of the Bonds, at the written direction of the Authority, the Trustee shall pay from the Costs of Issuance Account to the firms, corporations or Persons entitled thereto the legal, administrative, financing and incidental expenses of the Authority relating to the issuance of the Bonds. At the written request of the Authority, the Trustee shall transfer any remaining balance in the Costs of Issuance Account to the Debt Service Fund.

(b) Payments pursuant to this Section 5.02 shall be made in accordance with a certificate or certificates signed by an Authorized Officer of the Authority stating the names of the payees, the purpose of each payment in terms sufficient for identification and the respective amounts of each such payment. If the Borrower requests a copy of any certificate issued by the Authority pursuant to this Section 5.02, the Authority shall comply with such request.

(c) Moneys deposited in the Capitalized Interest Account shall be applied to the payment of interest as it becomes due on the Bonds, as directed by an Authorized Officer of the Authority, from the Closing Date to the date on which the funds deposited therein have been depleted in full. At the request of the Borrower, the Authority shall direct the Trustee to transfer any remaining balance in the Capitalized Interest Account to the Construction Fund to pay the costs of the Project.

(d) Upon the occurrence of an Event of Default hereunder as a result of which the Bonds shall be accelerated pursuant to Section 7.02 hereof, any balance remaining in the Construction Fund shall, without further authorization, be transferred into the Debt Service Fund.

Section 5.03. Debt Service Fund.

There is hereby created and established with the Trustee a trust fund to be designated "2017 Debt Service Fund", which shall be used to pay when due the principal of (whether at maturity or upon mandatory sinking fund redemption, if any), redemption premium, if any, and interest on the Bonds and is pledged for the benefit of the Bondholders. Within such Debt Service Fund there shall be created an Interest Account and a Principal Account. Moneys shall be deposited in the Debt Service Fund from time to time and shall be applied solely as follows:

(a) At the written direction of the Authority, funds (if any) shall be transferred from the Construction Fund to the Debt Service Fund and applied in accordance with this Section 5.03.

(b) Basic Loan Payments constituting interest due on the Bonds shall be deposited into the Interest Account of the Debt Service Fund in the amounts required to pay the interest next coming due on the Bonds (including accrued interest on any Bonds redeemed prior to maturity pursuant hereto).

(c) Basic Loan Payments constituting principal of and redemption premium, if any, due on the Bonds shall be deposited into the Principal Account of the Debt Service Fund in the amounts required to pay the principal of, sinking fund payment and redemption premium, if any, next coming due on the Bonds (including principal of and redemption premium on any Bonds redeemed prior to maturity pursuant hereto).

(d) Sums received upon exercise of remedies by the Trustee or the Authority after an Event of Default shall be deposited in the Debt Service Fund. Such moneys shall be applied in accordance with the provisions of Section 7.05 hereof.

(e) Any payments made by the provider of any Swap entered into by the Borrower, which payments have been assigned by the Borrower to the Trustee, shall be deposited in the Interest Account of the Debt Service Fund and applied to the payment of interest on the Bonds when due.

The Authority hereby authorizes and directs the Trustee, and the Trustee hereby agrees, to withdraw from the Debt Service Fund, and make available at the Principal Office of the Trustee, sufficient funds (to the extent available) to pay the principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable, whether due by maturity, acceleration, redemption or otherwise, only in the following order of priority:

(A) Amounts on deposit in the Debt Service Fund.

(B) Any other amounts in such other Funds or accounts (other than the Rebate Fund, the Additional Loan Payments Fund and the Project Mortgage Fund), including, but not limited to, moneys obtained from the Borrower.

Section 5.03A. Debt Service Reserve Fund.

There is hereby created and established with the Trustee a trust fund to be designated "2017 Debt Service Reserve Fund", which shall be funded with a deposit of Bond proceeds in an amount set forth in the written instructions to the Trustee from an Authorized Officer of the Authority dated the date of the issuance of the Bonds.

(a) In the event there shall be (i) on any Interest Payment Date, a deficiency in the Interest Account, or (ii) on any principal or sinking fund installment Payment Date, a deficiency in the Principal Account, the Trustee shall make up such deficiencies from the Debt Service Reserve Fund by the withdrawal of moneys therefrom for that purpose. All interest or income earned on amounts deposited in the Debt Service Reserve Fund to the extent constituting a "surplus" as defined in Section 5.03A(c) hereof, if any, shall be transferred by the Trustee to the Interest Account as soon as practicable to be used to pay interest on the Bonds.

(b) The Debt Service Reserve Fund shall be drawn upon for the sole purpose of paying the principal and sinking fund installments of and interest on the Bonds. Moneys set aside from time to time with the Trustee for the payment of such principal, sinking fund installments and interest shall be held in trust for the Holders of the Bonds in respect to which the same shall have been so set aside. Until so set aside for the payment of principal, sinking fund installments or interest as aforesaid, all moneys in the Debt Service Reserve Fund shall be

held in trust for the benefit of the Holders of all Bonds at the time Outstanding equally and ratably and without any preference or distinction.

(c) For the purpose of this Section 5.03A(c), (i) a "deficiency" shall mean, in the case of the Debt Service Reserve Fund, that the amount on deposit therein as of any date of computation is less than the Debt Service Reserve Fund Requirement, and (ii) a "surplus" shall mean, in the case of the Debt Service Reserve Fund, that the amount on deposit therein is in excess of the Debt Service Reserve Fund Requirement. At the time of any withdrawal from the Debt Service Reserve Fund that shall result in a deficiency therein, the Trustee shall promptly notify the Authority of the amount of any such deficiency, and the Authority shall notify the Borrower of its obligation to repay such deficiency in accordance with the Loan Agreement.

(d) The Trustee shall compute, in the manner set forth in Section 5.06 hereof, as of the close of business on each March 31, June 30, September 30 and December 31 of each Bond Year, the value of the assets in the Debt Service Reserve Fund. The Trustee shall, as promptly as practicable after each such June 30, notify the Authority as to the result of such computation and the amount of any deficiency or surplus as of such June 30 in the Debt Service Reserve Fund. In the event of a deficiency therein, the Authority shall notify the Borrower of its obligation to repay such deficiency in accordance with the Loan Agreement. In the event of a surplus therein, the Trustee, at the written direction of the Authority, shall transfer the amount of any surplus to the Interest Account for application as provided for in Section 5.03 hereof, and such transfer and payment of moneys shall for the purposes of this paragraph be deemed to have been made as of such June 30. If the Trustee at any other time shall compute the value of the assets of the Debt Service Reserve Fund in connection with making a determination of payments to be made and if any such computation discloses that a surplus exists, the Trustee shall notify the Authority and, at the written direction of the Authority, shall transfer the amount of any such surplus in the Debt Service Reserve Fund as soon as practicable thereafter to the Interest Account for application as provided in Section 5.03 hereof.

(e) The Authority covenants that the amount of any deficiency existing as of each June 30, as mentioned in the preceding paragraph, shall be included as a part of the charges or payments due to the Authority under the Loan Agreement for the immediately succeeding Bond Year.

Section 5.04. Rebate Fund.

There is hereby created and established with the Trustee a trust fund to be designated "2017 Rebate Fund", which shall be funded and expended in accordance with this Section 5.04. It shall be held by the Trustee separate and apart from the other Funds held under this Indenture and shall not be part of the Pledged Property.

(a) An amount shall be deposited to the Rebate Fund by the Borrower from amounts paid by the Borrower pursuant to the Loan Agreement or from interest earnings, if and to the extent required, so that the balance in the Rebate Fund shall equal the Rebate Amount. Computations of the Rebate Amount shall be furnished to the Trustee by or on behalf of the Authority in accordance with the Tax Certificate.

(b) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section 5.04, other than from moneys held in the Rebate Fund or provided to it for such purpose by the Borrower.

(c) At the written direction of the Authority, the Trustee shall invest all amounts in the Rebate Fund in Investment Obligations, subject to any restrictions set forth in the Tax Certificate. The Trustee shall not be liable for any consequences arising from such investment and shall not be required to review the Tax Certificate to determine compliance with the preceding sentence. Money shall not be transferred from the Rebate Fund except as provided in subsection (d) below.

(d) Upon receipt of the Authority's written direction, the Trustee shall remit part or all of the balance in the Rebate Fund to the United States of America, as so directed. In addition, if the Authority so directs, the Trustee will deposit money into or transfer money out of the Rebate Fund from or into such accounts or funds as directed by the Authority's written directions. Any funds remaining in the Rebate Fund after redemption and payment of the Tax-Exempt Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor satisfactory to the Trustee, and payment of any amount then owed to the Trustee, shall be withdrawn and remitted to the Borrower.

Notwithstanding any other provision of this Indenture, the obligation to remit Rebate Amounts to the United States of America and to comply with all other requirements of this Section and the Tax Certificate shall survive the defeasance or payment in full of the Tax-Exempt Bonds.

Any provision hereof to the contrary notwithstanding, amounts credited to the Rebate Fund shall be free and clear of any lien hereunder and the Holders of the Bonds shall not have any claim or right thereto. The provisions concerning the calculation and payment of the required Rebate Amount are set forth in the Tax Certificate.

Section 5.05. Additional Loan Payments Fund.

There is hereby created and established with the Trustee a trust fund to be designated "2017 Additional Loan Payments Fund", which shall be funded and expended in accordance with this Section 5.05. It shall be held by the Trustee separate and apart from the other Funds held under this Indenture and shall not be part of the Pledged Property.

In addition to making the deposits and payments required by the preceding sections, the Trustee shall deposit all Additional Loan Payments received pursuant to the terms of Section 2.12 of the Loan Agreement into the Additional Loan Payments Fund and shall pay such fees and expenses for which such Additional Loan Payments were made when due at the written direction of the Authority.

Any provision hereof to the contrary notwithstanding, amounts credited to the Additional Loan Payments Fund shall be free and clear of any lien hereunder and the Holders of the Bonds shall not have any claim or right thereto.

Section 5.06. Investment of Moneys in Funds.

(a) Investment. All moneys in any of the Funds and accounts created or established hereunder shall be invested or reinvested by the Trustee in Investment Obligations at the written direction of the Authority. In the event no such direction is given to the Trustee, such moneys shall be invested in shares of an open-end, diversified investment company that is registered under the Investment Company Act of 1940, as amended, and that invests its assets exclusively in obligations of or guaranteed by the United States of America or any instrumentality or agency thereof, and for which the Trustee may or may not act as the investment manager or advisor, as previously designated by the Authority. Moneys shall be invested in Investment Obligations maturing or redeemable at the written direction of the Authority at the times and in the amounts necessary for the purposes specified in this Indenture. Investment Obligations purchased under a repurchase agreement may be deemed to mature on the date or dates on which the Trustee may deliver such Investment Obligations for repurchase pursuant to such agreement.

All interest, profit and other income received from the investment of moneys in any Fund or account established hereunder shall be deposited when received in such Fund or account. Notwithstanding anything herein to the contrary, an amount of interest received with respect to any Investment Obligation equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Obligation shall be credited to the Fund or account for the credit of which such Investment Obligation was acquired.

Pursuant to any written directions from the Authority with respect thereto, from time to time, the Trustee shall sell those investments and reinvest the proceeds therefrom in Investment Obligations maturing or redeemable as aforesaid. Any of those investments may be purchased from or sold to the Trustee, or a Paying Agent, or any bank, trust company, savings and loan association or broker/dealer affiliated with any of the foregoing. The Trustee shall sell or redeem investments credited to the Debt Service Fund as necessary to produce sufficient money applicable hereunder to and at the times required for the purposes of paying interest on, principal or sinking fund payments of or the redemption price of the Bonds when due as aforesaid.

The Trustee may commingle any of the Funds or accounts established pursuant to this Indenture (other than the Rebate Fund) into a separate fund or funds for investment purposes only, provided that all Funds or accounts held by the Trustee hereunder shall be accounted for separately as required by this Indenture.

The Trustee shall not be responsible or liable for any loss or decrease in value of the investments made pursuant this Article V.

(b) Valuation. For the purpose of determining the amount on deposit to the credit of any Fund or account, the value of obligations in which money in such Fund or account shall have been invested shall be computed at the lower of cost or market value, exclusive of accrued interest, with the market value determined by the Trustee and as set forth in statements provided by the Trustee for such purpose.

So long as the Bonds are then Outstanding, the Trustee shall value the Funds and accounts established and held by the Trustee hereunder on June 30 of each year and at such other times as requested by the Authority.

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

Section 5.07. Moneys to be Held in Trust.

Except where money has been deposited with or paid to the Trustee pursuant to an instrument restricting its application to particular Bonds, all money required or permitted to be deposited with or paid to the Trustee or any Paying Agent under any provision of this Indenture and the Loan Agreement, and any investments thereof, shall be held by the Trustee (or any of its affiliates) or any Paying Agent in trust for all Bonds. Except for (i) money deposited with or paid to the Trustee or any Paying Agent for the redemption of Bonds, notice of the redemption of which shall have been duly given, and (ii) money in the Rebate Fund, the Project Mortgage Fund and the Additional Loan Payments Fund; all money described in the preceding sentence held by the Trustee or any Paying Agent shall be subject to the lien hereof while so held.

Section 5.08. Nonpresentment of Bonds.

In the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, if moneys sufficient to pay any such Bonds shall have been deposited with the Trustee for the benefit of the Holder thereof, all liability of the Authority to the Holder thereof for the payment of such Bonds shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, uninvested or invested in non-callable United States Obligations maturing overnight, but in any event without liability for interest thereon, for the benefit of the Holder of such Bonds, which shall thereafter be restricted exclusively to such funds for any claim of whatever nature on its part under this Indenture with respect to such Bonds.

If any Bond or evidence of beneficial ownership of such Bond shall not be presented for payment when the principal thereof becomes due (whether at maturity, by acceleration, upon call for redemption, upon purchase or otherwise), all liability of the Authority to the Holder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged if funds sufficient to pay such Bond and interest due thereon, if any, are held by the Trustee uninvested for the benefit of the Holder thereof. Thereupon, it shall be the duty of the Trustee to comply with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq.*, with respect to such funds. The Holder shall thereafter be restricted exclusively to such funds for any claim of whatever nature on its part under this Indenture or on, or with respect to, such Bond.

Section 5.09. Project Mortgage Fund.

The Project Mortgage Fund created pursuant to Section 3.5 of the Loan Agreement shall be held by the Trustee pursuant to this Indenture. It shall be held by the Trustee separate and apart from the other Funds held under this Indenture and shall not be part of the Pledged Property. Moneys shall be deposited in the Project Mortgage Fund, applied to the payment of debt service and returned to the Borrower at the times and as set forth in Section 3.5 of the Loan Agreement. At the written direction of the Borrower or the Authority, the Trustee shall invest all amounts in the Project Mortgage Fund in (i) United States Obligations and (ii) money market funds described in clause (i) of the definition of Investment Obligations. If the investment instructions of the Authority and the Borrower, given pursuant to this Section 5.09, conflict, then the Borrower's instructions shall control.

Any funds remaining in the Project Mortgage Fund after redemption and payment of the Bonds, and payment of any amount then owed to the Trustee, shall be withdrawn and remitted to the Borrower.

Any provision hereof to the contrary notwithstanding, amounts credited to the Project Mortgage Fund shall be free and clear of any lien hereunder and the Holders of the Bonds shall not have any claim or right thereto.

Section 5.10. Additional Funds, Accounts and Sub-accounts.

The Trustee shall establish any additional Funds, accounts or sub-accounts within any Fund as directed by the Authority, in writing.

ARTICLE VI

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 6.01. Payment of Principal, Redemption Premium, if any, and Interest.

Except as permitted herein, the Authority covenants that it will promptly pay, or cause to be paid, the principal of, redemption premium (if any) and interest on the Bonds, at the places, on the dates and in the manner provided herein and in the Bonds, according to the true intent and meaning thereof, but only from the Pledged Property. The Authority further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Indenture, the Loan Agreement, in the Bonds or in any proceedings of the Authority pertaining thereto. The Authority represents and warrants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Bonds and to enter into this Indenture and the Loan Agreement and to pledge the Pledged Property in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds initially issued hereunder and the adoption of this Indenture has been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be valid and enforceable, special and limited obligations of the Authority according to their terms.

The Bonds shall not be general obligations of the Authority but special and limited obligations payable solely from the Pledged Property. No Holder of any Bonds has the right to compel any exercise of taxing power (if any) of the State or of any political subdivision thereof, including the Authority, to pay the Bonds or the interest thereon, and the Bonds do not constitute an indebtedness or a loan of credit of the State or of any political subdivision thereof, including the Authority, within the meaning of any constitutional or statutory provisions. The Authority has no taxing power.

Section 6.02. Extension of Payment of Bonds.

The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon that shall not have been so extended. Nothing in this Section 6.02 shall be deemed to limit the right of the Authority to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.03. Against Encumbrances.

Except as permitted herein, the Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves

the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Act, and reserves the right to issue other obligations for such purposes.

Section 6.04. Power to Issue Bonds and Make Pledge and Assignment.

The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special and limited obligations of the Authority in accordance with their terms, and the Authority and Trustee shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bondholders under this Indenture against all claims and demands of all persons whomsoever.

Section 6.05. Accounting Records and Financial Statements.

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with the Trustee's accounting practices for books of record and account relating to similar trust accounts, in which complete and accurate entries shall be made of all transactions relating to the proceeds of the Bonds, the Revenues, the Loan Agreement and all Funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority, the Borrower and any Bondholder, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

(b) The Trustee shall file and furnish on or before the fifteenth (15th) day of each month to the Authority, the Borrower and each Bondholder who shall have filed his or her name and address with the Trustee for such purpose a complete financial statement (which need not be audited) covering receipts, disbursements, allocation and application of Revenues and any other moneys (including proceeds of the Bonds) in any of the Funds and accounts established pursuant to this Indenture for the preceding month.

Section 6.06. Tax Covenants.

The Authority shall at all times do and perform all acts and things required by law and require the Borrower at all times to do and perform all acts and things required by law and this Indenture that are necessary or desirable in order to assure that interest paid on the Tax-Exempt Bonds will be excluded from gross income for purposes of federal income taxes and shall neither take action nor permit any other person to take any action that would result in such interest not being excluded from gross income for federal income tax purposes.

Section 6.07. Waiver of Laws.

The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

Section 6.08. Continuing Disclosure.

Pursuant to Section 3.8 of the Loan Agreement, the Borrower has covenanted to comply with and carry out all of the provisions of a disclosure agreement with respect to the Bonds that complies with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission (as amended from time to time, the "*Rule*"), in form and substance satisfactory to the Participating Underwriters (as defined in the Rule). Notwithstanding any other provision of this Indenture, failure of the Borrower to enter into and comply with such a disclosure agreement shall not be considered an Event of Default; *however*, any Bondholder or beneficial owner may, and the Trustee, at the written request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower to comply with its obligations under Section 3.8 of the Loan Agreement.

ARTICLE VII

DEFAULT PROVISIONS AND REMEDIES.

Section 7.01. Events of Default; Defaults.

The occurrence of any one or more of the following events shall constitute an "*Event of Default*" hereunder:

- (a) failure to pay interest on any Bond when due and payable;
- (b) failure to pay any principal of or redemption premium on any Bond when due and payable, whether at stated maturity or pursuant to any redemption requirement under Section 4.01 hereof;
- (c) failure by the Authority to observe or perform any other covenant, condition or agreement on its part to be observed or performed in this Indenture or the Bonds, for a period of thirty (30) days after written notice of such failure shall have been given to the Borrower and the Authority by the Trustee; *provided, however*, that if such observance or performance requires work to be done, actions to be taken or conditions to be remedied that by its or their nature cannot reasonably be done, taken or remedied, as the case may be, within such 30-day period, no Event of Default under this subsection (c) shall be deemed to have occurred or to exist if and so long as the Authority or the Borrower, as the case may be, shall have commenced such work, action or remediation within such 30-day period and provided written notice thereof to the Trustee and shall diligently and continuously prosecute the same to completion; and
- (d) the occurrence of an Event of Default under the Loan Agreement as defined in Section 2.5 thereof, which Event of Default has not been waived pursuant to Section 7.08 hereof.

Within five (5) Business Days after actual knowledge by a Responsible Officer of the Trustee of an Event of Default, the Trustee shall give written notice, by registered or certified mail, to the Authority, the Borrower and the Bondholders and, upon notice as provided in Section 8.01(h) hereof, shall give similar notice of any other Event of Default.

Section 7.02. Acceleration.

Upon the occurrence of any Event of Default known to a Responsible Officer of the Trustee, the Trustee shall declare all Bonds then Outstanding to be due and payable immediately, and, upon such declaration, all principal and interest accrued thereon shall become immediately due and payable, and there shall be an automatic corresponding acceleration of the Borrower's obligation to make all payments required to be made under the Loan Agreement and the Mortgage Note in an amount sufficient to pay immediately all principal of and accrued and unpaid interest on the accelerated Bonds. Interest shall accrue on the Bonds to the date of payment (even if after the date of acceleration).

The provisions of the preceding paragraph, however, are subject to the condition that if, after the principal of the Bonds shall have been so declared to be due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, there shall be deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of any and all Bonds that shall have become due otherwise than by reason of such declaration and such amount as shall be sufficient to cover reasonable compensation and reimbursement of expenses payable to the Trustee and each Paying Agent, and all Events of Default hereunder other than nonpayment of the principal of Bonds that shall have become due by such declaration shall have been remedied, then, in every such case, such Event of Default shall be deemed waived and such declaration and its consequences rescinded or annulled, and the Trustee shall promptly give written notice of such waiver, rescission or annulment to the Authority, each Paying Agent and the Borrower and shall give notice thereof to all Holders of Outstanding Bonds; but no such waiver, rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Section 7.03. Other Remedies; Rights of Bondholders.

Upon the continuance of an Event of Default, if so requested, in writing, by a Majority of the Bondholders, and if satisfactory indemnity has been furnished to it, the Trustee shall exercise such of the rights and powers conferred by this Indenture, the Borrower Security Instruments or any other Basic Agreement as the Trustee, being advised by counsel, shall deem most effective to enforce and protect the interests of the Bondholders; *provided*, that the Trustee may take action with respect to the Loan Agreement and the Mortgage Note only to enforce the rights expressly and specifically assigned to the Trustee under Section 5.01 of this Indenture.

No remedy under this Indenture is intended to be exclusive and, to the extent permitted by law, each remedy shall be cumulative and in addition to any other remedy hereunder or now or hereafter existing. No delay or omission to exercise any right or power shall impair such right or power or constitute a waiver of any Default or Event of Default or acquiescence therein; and each such right and power may be exercised as often as deemed expedient. No waiver by the Trustee or the Bondholders of any Default or Event of Default shall extend to any subsequent Default or Event of Default.

Section 7.04. Right of Bondholders to Direct Proceedings.

A Majority of the Bondholders shall have the right at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, the Borrower Security Instruments or any other Basic Agreement or for the appointment of a receiver or any other proceedings hereunder or thereunder; *provided*, that such direction shall be in accordance with applicable law and this Indenture and, if applicable, the Borrower Security Instruments or such other Basic Agreement, and provided that the Trustee shall be indemnified to its satisfaction.

Section 7.05. Application of Moneys.

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses (including reasonable attorneys' fees and expenses), liabilities and advances owing to or incurred or made by the Trustee, be deposited in the Debt Service Fund, and the moneys in the Debt Service Fund shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied in the following order of priority:

(A) – To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest (with interest on overdue installments of such interest, to the extent permitted by law, at the rate of interest borne by the Bonds) and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

(B) – To the payment to the Persons entitled thereto of the unpaid principal of and redemption premium, if any, on any of the Bonds that shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture) (with interest on overdue installments of principal and redemption premium, if any, to the extent permitted by law, at the rate of interest borne by the Bonds) and, if the amount available shall not be sufficient to pay in full all Bonds due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege; and

(C) – To the payment to the Persons entitled thereto as the same shall become due of the principal of and redemption premium, if any, and interest on the Bonds that may thereafter become due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest and redemption premium, if any, then due and owing thereon, payment shall be made ratably, according to the amount of interest, principal and redemption premium, if any, due on such date, to the Persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due, respectively, for principal and interest, to the Persons entitled thereto without any discrimination or privilege, with interest on overdue installments of interest or principal, to the extent permitted by law, at the rate of interest borne by the Bonds.

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article VII, then, subject to the provisions of paragraph (b) above, in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) above.

Whenever moneys are to be applied pursuant to the provisions of this Section 7.05, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue; *provided*, that upon an acceleration of Bonds pursuant to Section 7.02 hereof, interest shall cease to accrue on the Bonds on and after the date of actual payment. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 7.06. Remedies Vested in Trustee.

All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Bondholders, and any recovery of judgment shall be for the equal and ratable benefit of the Holders of the Outstanding Bonds.

Section 7.07. Rights and Remedies of Bondholders.

No Bondholder shall have any right to institute any proceeding for the enforcement of this Indenture or any right or remedy granted hereby unless (i) an Event of Default is continuing, (ii) a Responsible Officer of the Trustee is deemed to have notice or knowledge thereof or has been notified as provided in Section 8.01(h) hereof, (iii) a Majority of the Bondholders shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to exercise its powers or to institute such proceeding in its own name, and have offered to the Trustee indemnity satisfactory to it, and (iv) the Trustee shall have failed or refused to exercise its power or to institute such proceeding. Such notice, request, offer of indemnity and failure or refusal shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action for the enforcement of this Indenture or of any right or remedy granted hereby; the Holders of the Bonds shall have no right to affect or prejudice the lien of this Indenture by their action or to enforce any right hereunder except in the manner herein provided and proceedings shall be instituted and maintained in the manner herein provided and for the benefit of the Holders of all Bonds then Outstanding. Notwithstanding the foregoing, each Bondholder shall have a right of action to enforce the payment of the principal of and redemption premium, if any, and interest on any Bond held by it at and after the maturity thereof, from the sources and in the manner expressed in such Bond.

Section 7.08. Waivers of Events of Default.

The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of principal upon the written request of the Holders of (1) at least a majority in aggregate principal amount of all Outstanding Bonds in respect of which default in the payment of principal or interest, or both, exists or (2) at least a majority in aggregate principal amount of all Outstanding Bonds in the case of any other Event of Default; *provided*, that there shall not be waived any Event of Default specified in subsection (a) or (b) of Section 7.01 hereof unless, prior to such waiver or rescission, the Borrower shall have caused to be paid to the Trustee (i) all arrears of principal and interest (other than principal of or interest on the Bonds that became due and payable by declaration of acceleration), with interest at the rate then borne by the Bonds on overdue installments, to the extent permitted by law, and (ii) all expenses of the Trustee in connection with such Event of Default. In case of any waiver or rescission described above, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or concluded or determined adversely, then and in every such case the Authority, the Trustee and the Holders of Bonds shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 7.09. Intervention by Trustee.

In any judicial proceeding that the Trustee believes has a substantial bearing on the interests of the Bondholders, the Trustee may intervene on behalf of the Bondholders.

Section 7.10. Remedies of Authority on Event of Default.

Upon the occurrence and continuance of an Event of Default, the Authority or the Trustee shall not be required to take any action that, in its opinion, might cause it to expend time or money or otherwise incur any liability unless satisfactory indemnity has been furnished to it.

ARTICLE VIII

THE TRUSTEE

Section 8.01. Acceptance of Trusts.

The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of a Default and after the curing of all Defaults that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and the Loan Agreement. In case a Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in the exercise of such rights and powers as an ordinary, prudent trustee would exercise or use in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, but shall not be answerable for the conduct of the same if appointed with due care, and the Trustee shall be entitled to advice of counsel concerning its duties hereunder and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Authority or the Borrower) selected by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or inaction taken or not taken, as the case may be, in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of authentication endorsed on the Bonds), or for insuring the Project Facilities, or for collecting any insurance moneys, or for the validity of the execution by the Authority of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the Project Facilities or any lien waivers with respect to the Project Facilities, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Borrower under the Loan Agreement except as hereinafter set forth; but the Trustee may require of the Authority and the Borrower full information and advice as to the performance of the aforesaid covenants, conditions and agreements. The Trustee shall have no obligation to perform any of the duties of the Authority under the Loan Agreement.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds secured hereby with the same rights that it would have if not the Trustee hereunder.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to conclusively rely upon a certificate signed by an Authorized Officer or an Borrower Representative as sufficient evidence of the facts therein contained and prior to the occurrence of a Default of which the Trustee has been notified as provided in Section 8.01(h) hereof, or of which by said subsection the Trustee is deemed to have notice, and shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Authorized Officer to the effect that a resolution in the form therein set forth has been adopted by the Authority as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

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

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder except for Defaults specified in subsection (a) or (b) of Section 7.01 hereof, unless a Responsible Officer of the Trustee shall be specifically notified in writing at its Principal Office of such Default by the Authority or by the Holders of at least 50% in aggregate principal amount of Outstanding Bonds, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be received by a Responsible Officer at the Principal Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Default except as aforesaid.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books and records of the Authority pertaining to the Bonds and to make such copies and memoranda from and with regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of this Indenture or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a

condition of such action, deemed desirable by the Trustee for the purpose of establishing the right of the Authority to the authentication of any Bonds, the withdrawal of any cash, the release of any property or the taking of any other action.

(l) Before taking any action under this Indenture or under the Loan Agreement (other than accelerating the Bonds as required under Section 7.02 hereof and paying the principal of, redemption premium (if any) and interest on the Bonds as the same shall become due and payable), the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of any expenses to which it may be put and to protect it against all liability, except liability that is adjudicated to have resulted from its negligence or willful misconduct in connection with any such action.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent otherwise required herein or required by law.

(n) The Trustee's immunities and protections from liability and its right to compensation and indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents and employees. Notwithstanding anything else contained herein or in any other document or instrument executed by or on behalf of the Trustee in connection herewith, no stipulation, covenant, agreement or obligation contained herein or therein shall be deemed or construed to be a stipulation, covenant, agreement or obligation of any present or future officer, director, employee or agent of the Trustee in any such person's individual capacity, and no such person, in his individual capacity, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulation, covenant, agreement or obligation. All immunities and protections and rights to indemnification of the Trustee and its officers, directors, employees and agents, together with the Trustee's rights to compensation, shall survive the Trustee's resignation or removal and final payment of the Bonds.

(o) Notwithstanding anything else herein contained, (i) the Trustee shall not be liable for any error or judgment made in good faith unless it is proven that the Trustee was negligent in ascertaining the pertinent facts, and (ii) no provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it believes the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(p) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders of the Bonds, each representing less than a majority in aggregate principal amount of the Bonds Outstanding, the Trustee, in its sole discretion, may determine what action, if any, shall be taken.

(q) The Trustee shall have no responsibility for any registration, filing, recording, registration, refiling or rerecording of this Indenture or any other document or instrument executed in connection with this Indenture and the issuance and sale of the Bonds,

including, without limitation, any financing statements or continuation statements with respect thereto.

(r) To the extent that it is necessary for the Trustee to determine whether any Person is a Beneficial Owner, the Trustee shall make such determination based on a certification of such Person (on which the Trustee may conclusively rely) setting forth in satisfactory detail the principal balance and Bond certificate owned and any intermediaries through which such Bond certificate is held. The Trustee shall be entitled to rely conclusively on information it receives from DTC or other applicable Securities Depository, its direct participants and the indirect participating brokerage firms for such participants with respect to the identity of a Beneficial Owner. The Trustee shall not be deemed to have actual or constructive knowledge of the books and records of DTC or its participants.

(s) The Trustee shall have no obligation or duty to review any financial statements (audited or otherwise) filed with it and shall not be deemed to have notice of the content of such statements or a default based on such content and shall have no obligation or duty to verify the accuracy of such statements.

(t) The Trustee shall have no responsibility with respect to any information in any offering memorandum or document or disclosure material relating to the Bonds or for compliance with securities laws in connection with the issuance and sale of the Bonds.

(u) To the extent the Mortgage is assigned to the Trustee by the Authority, the Trustee shall not be required to foreclose on the Mortgage unless indemnified to its satisfaction and shall not be required to foreclose if doing so will subject it to environmental liability or if it will require the approval of a governmental regulator that cannot be obtained.

Section 8.02. Successor Trustee.

Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and vested with all of the title to the Pledged Property and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.03. Resignation by Trustee; Removal.

The Trustee may at any time resign from the trusts hereby created by giving sixty (60) days' written notice to the Authority, to the Borrower and to each Bondholder, but such resignation shall not take effect until the appointment of a successor Trustee, acceptance by the successor Trustee of such trusts and assignment to such successor Trustee of the rights of the predecessor Trustee under the Borrower Security Instruments. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee, the Authority and the Borrower and signed by the Authority or a Majority of the Bondholders, but

such removal shall not take effect until the appointment of a successor Trustee and acceptance by the successor Trustee of such trusts. The Trustee may also be removed at any time for any breach of trust, or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture or any other Basic Agreement with respect to the duties and obligations of the Trustee, by any State court of competent jurisdiction upon the application of the Authority, the Borrower or a Majority of the Bondholders.

Section 8.04. Appointment of Successor Trustee.

If the Trustee hereunder shall resign or be removed, or be dissolved, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the Authority with the consent of the Borrower. If the Authority does not appoint a successor Trustee within sixty (60) days of the Trustee providing notice of its resignation, the Trustee may petition a State court of competent jurisdiction to appoint a successor Trustee. At any time within one (1) year after any such vacancy shall have occurred and provided a court has not appointed a successor Trustee as provided above, a Majority of the Bondholders may appoint a successor Trustee by an instrument or concurrent instruments in writing signed by or on behalf of such Holders, which appointment shall supersede any Trustee theretofore appointed by the Authority. Each successor Trustee shall be a trust company or bank having the powers of a trust company that is in good standing and has a reported capital, surplus and undivided profits of not less than \$100,000,000. Any such successor Trustee shall become Trustee upon giving notice to the Borrower, the Authority and the Bondholders, if any, of its acceptance of the appointment, vested with all the property, rights and powers of the Trustee hereunder, without any further act or conveyance. Any predecessor Trustee shall execute, deliver and record and file such instruments as the Trustee may reasonably require to confirm or perfect any such succession.

Section 8.05. Dealing in Bonds.

The Trustee and any of its directors, officers, employees or agents may become the owners of any or all of the Bonds secured hereby with the same rights as if such owner were not the Trustee or an affiliate of the Trustee.

Section 8.06. Trustee as Bond Registrar; List of Bondholders.

The Trustee is hereby designated as bond registrar for the Bonds and, as such, will keep on file a list of names and addresses of the Holders of all Bonds; *provided, however*, that the Trustee shall be under no responsibility with regard to the accuracy of the address of any Bondholder. At reasonable times and under reasonable regulations established by the Trustee, such list may be inspected and copied by the Authority or by owners (or a designated representative thereof) of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 8.07. Successor Trustee as Custodian of Funds, Bond Registrar and Paying Agent.

In the event of a change in the office of Trustee, the predecessor Trustee that has resigned or been removed shall cease to be custodian of any funds it may hold pursuant to this Indenture,

and cease to be the bond registrar and Paying Agent for any of the Bonds, and the successor Trustee shall become such custodian, bond registrar and Paying Agent.

Section 8.08. Adoption of Authentication.

In case any Bonds shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of the predecessor Trustee and deliver the Bonds as so authenticated.

Section 8.09. Designation and Succession of Paying Agents.

After thirty (30) days' written notice to the Authority and subject to the Authority's approval (which shall not unreasonably be withheld or delayed), the Trustee may designate any other banks or trust companies as Paying Agent. Any bank or trust company with or into which any Paying Agent other than the Trustee may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor to such Paying Agent for the purposes of this Indenture. If the position of such Paying Agent shall become vacant for any reason, the Trustee shall, within thirty (30) days thereafter, appoint a bank or trust company located in the same state as such Paying Agent to fill such vacancy, subject to the Authority's approval (which shall not unreasonably be withheld or delayed). The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in Section 8.01 hereof with respect to the Trustee, insofar as such provisions may be applicable.

Section 8.10. Trustee to Retain Information; No Responsibility.

So long as any of the Bonds shall be Outstanding, the Trustee shall retain all certificates, all financial statements and all other written information furnished to it by or on behalf of the Authority, the Borrower or any other Person under this Indenture, the Loan Agreement and the other Basic Agreements and shall make such documentation available for review after reasonable notice during regular business hours at the Principal Office of the Trustee to the Authority, the Borrower and any Bondholder and, so long as the Bonds are held by DTC or other Securities Depository or its nominee, any Beneficial Owner of Bonds presenting evidence of such ownership reasonably satisfactory to the Trustee. The Trustee shall permit such reviewers to take copies of all or any part of such documentation, subject to their payment of such reasonable copying and handling charges as the Trustee may impose. Unless otherwise expressly provided, the Trustee shall not have any responsibility with respect to any such reports, notices, certificates, financial statements and other written information furnished to it hereunder, except to make them available for inspection at reasonable times as provided above.

Section 8.11. Certain Notices to Rating Agencies and Bondholders.

The Trustee shall give or cause to be given to each Rating Agency then rating the Bonds notice of (i) any change in the identity of the Trustee, (ii) any amendment to this Indenture, (iii) any optional redemption, mandatory redemption (other than scheduled redemptions), defeasance or acceleration of Bonds, and (iv) the occurrence of any Event of Default under this Indenture. For the purpose of this paragraph, the addresses of the Rating Agencies shall be the following (or in each case such other address as the Rating Agency has specified to the parties hereto):

Moody's Investors Service, Inc.
7 World Trade Center at 250 Greenwich Street
Municipal Structured Product Group – 23rd Floor
New York, New York 10007
Fax: 212-553-1066
MSPGSurveillanceGroup@Moody's.com

S&P Global Ratings
55 Water Street – 38th Floor
New York, New York 10041
Attention: Public Finance Department Structured Finance Group

Fitch Ratings
One State Street Plaza
New York, New York 10004
Attention: Municipal Structured Finance

Section 8.12. Compensation and Indemnification.

The Authority shall pay to the Trustee (solely from Additional Loan Payments) from time to time reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements, and those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of Article VII hereof shall first be applied to payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses (including reasonable attorneys' fees and expenses), liabilities and advances owing to or incurred or made by the Trustee and, thereafter, shall be deposited and applied as set forth in Section 7.05 hereof.

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers, if it has not received the agreed compensation for such services or, in cases where the Trustee has a right to reimbursement or indemnification for such performance or exercise, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Authority hereby agrees, to the extent permitted by law, to reimburse and hold harmless the Trustee from and against any and all claims, damages, losses, liabilities, costs or reasonable expenses whatsoever that the Trustee may incur in connection with the performance by the Trustee of its obligations under this Indenture; *provided, however*, that the Authority shall not be required to reimburse and hold harmless the Trustee for any claims, damages, losses, liabilities, costs or expenses caused in whole or in part by the Trustee's negligence or willful misconduct arising out of or as a result of the Trustee's performing its obligations hereunder or undertaking any transaction contemplated hereby; and *further provided*, that the foregoing is subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 *et seq.*, and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.* While the New

Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.*, is not applicable by its terms to claims arising under contracts with the Authority, the Trustee, by accepting its appointment as such hereunder, agrees that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims against the Authority arising under this Section 8.12.

The Trustee, by accepting its appointment as such under this Indenture, agrees that the Trustee (i) shall give the Authority prompt notice in writing of any actual or potential claim described above, and the institution of any suit or action; (ii) shall not adjust, settle or compromise any such claim, suit or action without the consent of the Authority; and (iii) shall permit the Authority, at the Authority's sole discretion, to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action.

ARTICLE IX

SUPPLEMENTAL INDENTURES AND WAIVERS; AMENDMENT OF LOAN AGREEMENT

Section 9.01. Supplemental Indentures Not Requiring Consent of Bondholders.

The Authority and the Trustee may, without consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture if Bond Counsel delivers an opinion that the provisions of such supplemental indenture do not materially adversely affect the interests of the Bondholders, including, without limitation, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee;
- (c) to subject to this Indenture additional revenues, properties or collateral;
- (d) to modify, amend or supplement this Indenture or any indenture supplemental hereof in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America;
- (e) to evidence the appointment of a successor Trustee or a new Trustee hereunder;
- (f) to correct any description of, or to reflect changes in, any of the properties comprising the Pledged Property;
- (g) to make any revisions of this Indenture that shall be required by Moody's, Fitch or S&P in order to obtain or maintain an investment grade rating on the Bonds;
- (h) to provide for an uncertificated system of registering the Bonds or to provide for changes to or from the book-entry system;
- (i) to effect any other change herein that, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders; or
- (j) to conform to the terms and provisions of a Swap Agreement that is to be secured on parity with the Bonds.

In the event any Rating Agency has issued a rating that is outstanding on any of the Bonds, such Rating Agency or Rating Agencies, as the case may be, shall receive prior written notice from the Trustee of the proposed amendment, but such notice shall not be a condition of the effectiveness of such amendment.

Section 9.02. Supplemental Indentures Requiring Consent of Bondholders.

Exclusive of supplemental indentures permitted by Section 9.01 hereof and subject to the terms and provisions contained in this Section 9.02, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Outstanding Bonds shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; *provided, however*, that nothing in this Section 9.02 or in Section 9.01 hereof contained shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of, or the interest on, any Bond issued hereunder, or (b) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indentures or any modifications or waivers of the provisions of this Indenture or the Loan Agreement, or (e) the creation of any lien ranking prior to or on a parity with the lien of this Indenture on the Pledged Property or any part thereof, except as hereinbefore expressly permitted, or (f) the deprivation of the owner of any Outstanding Bond of the lien hereby created on the Pledged Property, or (g) an extension of the date for making any scheduled mandatory redemption under Section 4.01(c) hereof.

If at any time the Authority shall request the Trustee, in writing, to enter into any such supplemental indenture for any of the purposes of this Section 9.02, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given to the Bondholders in the same manner as provided in Section 4.03 of this Indenture for the giving of notices of redemption; *provided*, that prior to the delivery of such notice, the Trustee shall receive a Favorable Opinion of Bond Counsel to the effect that the supplemental indenture complies with the provisions of this Indenture and will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Authority following such notice, the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Bondholder shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 9.02 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

In the event S&P, Fitch or Moody's has issued a rating of any of the Bonds, the Trustee shall mail to each such Rating Agency prior written notice of the proposed amendment, but such notice shall not be a condition of the effectiveness of such amendment.

Section 9.03. Borrower Consent.

Anything herein to the contrary notwithstanding, a supplemental indenture under this Article IX shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution of any such supplemental indenture together with a copy of the proposed supplemental indenture to be mailed to the Borrower at least fifteen (15) Business Days prior to the proposed date of execution and delivery of any such supplemental indenture.

Section 9.04. Opinion of Counsel.

The Trustee and the Authority shall be entitled to receive, and shall be fully protected in conclusively relying upon, the opinion of any counsel approved by it, who may be counsel for the Authority, as conclusive evidence that a proposed supplemental indenture complies with the provisions of this Indenture, and that it is proper for the Trustee and the Authority, respectively, under the provisions of this Article IX, to join in the execution of such supplemental indenture.

Section 9.05. Modification by Unanimous Consent.

Notwithstanding anything contained elsewhere in this Indenture, the rights and obligations of the Borrower, the Authority, the Trustee and the Holders of the Bonds and the terms and provisions of the Bonds and this Indenture, any other Basic Agreement or any supplemental agreement may be modified or altered in any respect with the consent of the Borrower, the Authority, the Trustee and the Holders of all of the Bonds then Outstanding.

Section 9.06. Execution of Amendments and Supplements by Trustee.

The Trustee shall not be obligated to sign any amendment or supplement to this Indenture, the Loan Agreement or the Bonds pursuant to this Article IX if the amendment or supplement, in the judgment of the Trustee, could adversely affect the rights, duties, liabilities, protections, privileges, indemnities or immunities of the Trustee. In signing an amendment or supplement, the Trustee (subject to Section 8.01 hereof) shall be fully protected in conclusively relying on a Favorable Opinion of Bond Counsel stating that such amendment or supplement is authorized by this Indenture and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

Section 9.07. Amendments to Loan Agreement Not Requiring Consent of Bondholders.

The Authority and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Loan Agreement as may be required or permitted (i) by the provisions of the Loan Agreement, (ii) for the purpose of curing any ambiguity or formal defect or omission in the Loan Agreement, (iii) so as to more precisely identify the Project Facilities, (iv) to enter into an indenture or indentures supplemental hereto as

provided in Section 9.01 hereof, (v) to make any revisions that shall be required by a Rating Agency in order to obtain or maintain an investment grade rating on the Bonds, or (vi) in connection with any other change therein that, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders.

Section 9.08. Amendments to Loan Agreement Requiring Consent of Bondholders.

Except for the amendments, changes or modifications as provided in Section 9.07 hereof, neither the Authority nor the Trustee shall consent to any other amendment, change or modification of the Loan Agreement without mailing of notice and the written approval or consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds; *provided*, that the written consent of the Holders of all Bonds Outstanding is required for any amendment, change or modification of the Loan Agreement that would permit the termination or cancellation of the Loan Agreement or a reduction in or postponement of the payments under the Loan Agreement or any change in the provisions relating to payment thereunder, except as provided in Section 9.01 hereof. If at any time the Authority and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Loan Agreement, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 9.02 hereof with respect to supplemental indentures; *provided*, that prior to the delivery of such notice or request, the Trustee or the Authority may require that a Favorable Opinion of Bond Counsel be furnished to the effect that such amendment, change or modification complies with the provisions of this Indenture and will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Principal Office of the Trustee for inspection by all Bondholders.

ARTICLE X

MISCELLANEOUS

Section 10.01. Consents, etc., of Bondholders.

Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent documents and may be executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the written appointment of any such agent or of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument. The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by an officer authorized by law to take acknowledgments of deeds certifying that the Person signing such instrument or writing acknowledged to him the execution thereof. The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of owning the same shall be proved by the registration books of the Authority maintained by the Trustee pursuant to Section 3.05 hereof. The fact of beneficial ownership of Bonds in book-entry form, when required, shall be determined as provided in Section 8.01(r).

Section 10.02. Limitation of Rights.

With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or company, other than the parties hereto and the Bondholders, any legal or equitable right, remedy or claim under or with respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Bondholders as herein provided.

Section 10.03. Severability.

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

Section 10.04. Notices.

All notices, certificates or other communications hereunder shall be sufficiently given and, except as provided in Section 8.01(h) hereof, shall be deemed to be delivered if in writing or in the form of a facsimile addressed to the appropriate Notice Address and if either (a) actually delivered at said address or (b) in the case of a letter, three (3) Business Days shall have elapsed after the same shall have been deposited in the United States mail, first-class postage prepaid and registered or certified. A copy of each notice, certificate or other communication given by any party hereto shall also be given to the other party hereto and to the Borrower in the manner provided for in this Section 10.04.

A duplicate copy of each notice required to be given hereunder by any Person listed above shall also be given to the others. The Authority, the Borrower and the Trustee may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Unless expressly set forth herein, all notices, certificates or other communications hereunder shall be in writing.

The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("*Instructions*"), given pursuant hereto and any related financing documents and delivered using S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder ("*Electronic Means*"); *provided, however*, that the Authority or the obligor, if applicable (the "*Sender*"), shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("*Authorized Officers*") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Sender whenever a person is to be added or deleted from the listing. If the Sender elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Sender understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Sender shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Sender and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Sender. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions, notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Sender agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized Instructions and the risk of interception and misuse by third-parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Sender; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 10.05. Payments Due on Saturdays, Sundays and Holidays.

In any case where a Payment Date is not a Business Day, then payment of interest or principal and any redemption premium due on the Bonds on such day need not be made by the Trustee on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the Payment Date.

*Section 10.06. **Extent of Authority Covenants; No Personal Liability.***

No covenant, stipulation, obligation or agreement of the Authority contained in this Indenture or any other Basic Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, director, officer, employee, counsel or agent of the Authority in his or her individual capacity; and no such person (including any such person executing the Bonds) shall be liable personally on the Bonds or be subject to any personal liability by reason of their issuance. No recourse shall be had by the Borrower, the Trustee or any Bondholder for any claim based on any Basic Agreement against any member, director, officer, employee, counsel or agent of the Authority alleging personal liability on the part of such person unless such claim is based upon the willful dishonesty of or intentional violation of law by such person.

*Section 10.07. **Bonds Owned by Authority or Borrower.***

In determining whether Holders of the requisite aggregate principal amount of the Bonds have concurred in any direction, consent or waiver under this Indenture or any other Basic Agreement, Bonds that are owned by the Authority or the Borrower (unless one or more of such Persons own all of the Bonds that are then Outstanding, determined without regard to this Section 10.07) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only Bonds that the Trustee knows are so owned shall be so disregarded. Bonds so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Authority or the Borrower (unless one or more of such Persons own all of the Bonds that are then Outstanding, determined without regard to this Section 10.07). In case of a dispute as to such right, any decision by the Trustee taken in good faith upon the advice of counsel shall be full protection to the Trustee in accordance with its standards of performance hereunder.

*Section 10.08. **Captions; Index.***

The captions, headings and index in this Indenture are for convenience only and in no way define or describe the scope or content of any provision of this Indenture.

*Section 10.09. **Counterparts.***

This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

*Section 10.10. **Governing Law.***

This Indenture and the Bonds shall be governed by the laws of the State.

Section 10.11. Compliance With Certain State Law Provisions.

(a) In accordance with L. 2005, c. 92, the Trustee covenants and agrees that all services performed under this Indenture and any supplemental indenture shall be performed within the United States of America.

(b) The Trustee hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("*ELEC*") pursuant to N.J.S.A. 19:44A-20.13 (L. 2005, c. 271, Section 3) if the Trustee enters into agreements or contracts, such as this Indenture, with a New Jersey public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from New Jersey public entities, such as the Authority, in a calendar year. It is the Trustee's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

(c) The Trustee represents and warrants that all information, certifications and disclosure statements previously provided in connection with L. 2005, c. 51, are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority has relied upon the truth of the statements contained therein in engaging the Trustee in connection with the Bonds. The Trustee agrees that it will maintain continued compliance with L. 2005, c. 51, and any regulations pertaining thereto. The Trustee acknowledges that, upon its failure to make required filings thereunder or the making of a contribution prohibited thereunder, the Authority may remove the Trustee as trustee under this Indenture and may exercise any remedies afforded to it at law or in equity.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the Authority and the Trustee has caused this Indenture to be executed and delivered in its name and behalf by its authorized officer or authorized agent, all as of the date appearing on page 1.

**NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY**

By: _____

**Sheryl A. Stitt
Acting Executive Director**

ATTEST:

By: _____

**Steven P. Nelson
Assistant Secretary**

THE BANK OF NEW YORK MELLON

By: _____

**Janet M. Russo
Vice President**

EXHIBIT A

INVESTMENT OBLIGATIONS

Investment Types

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

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

Collateralization

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

Investment Parameters

Sector Type	Sector Max (%)	Issuer Max (%)	Minimum Ratings Requirement 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

¹Rating 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.
²Funds invested in the credit sector may exceed the 50% target only with the written permission of the Authority and the borrowing institution.

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

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

EXHIBIT B

FORM OF BOND

THE STATE OF NEW JERSEY IS NOT OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE OF NEW JERSEY IS PLEDGED TO THE PAYMENT OF, THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OF OR INTEREST ON THIS BOND. THIS BOND IS A SPECIAL AND LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY OUT OF REVENUES, FUNDS OR MONEYS OF THE AUTHORITY PLEDGED UNDER THE TRUST INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE TRUST INDENTURE FOR THE PAYMENT OF THE BONDS. THIS BOND DOES NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

REGISTERED

\$ _____

R-__

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE [REFUNDING] BONDS,
RIDER UNIVERSITY ISSUE, 2017 SERIES [F] [G]
[(TAX-EXEMPT)] [(FEDERALLY TAXABLE)]**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
____%	July 1, 20__	November __, 2017	646066__

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, a body politic and corporate and a public instrumentality of the State of New Jersey (herein called the "*Authority*"), for value received, promises to pay, but solely from the sources hereinafter referred to, to the REGISTERED OWNER specified above, or registered assigns, the PRINCIPAL AMOUNT specified above on the MATURITY DATE specified above, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on the portion of said PRINCIPAL AMOUNT from time to time Outstanding at the INTEREST RATE per annum specified above from the DATED DATE specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date as described in the Trust Indenture, dated as of November 1, 2017 (the "*Trust Indenture*"), by and between the Authority and The Bank of New York Mellon, Woodland Park, New Jersey, as Trustee (the "*Trustee*"), until said PRINCIPAL AMOUNT is paid. Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Trust Indenture.

Method of Payment. The principal of and redemption premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America. Principal of and redemption premium, if any, on this Bond are payable upon presentation of this Bond to the Trustee. Interest on the Bonds shall be paid by the Trustee on the applicable Interest Payment Dates by check mailed by the Trustee to the respective Holders thereof on the applicable Record Date at their addresses as they appear as of the close of business on the applicable Record Date in the books kept by the Trustee, as bond registrar, except that in the case of such a Holder of \$1,000,000 or more in aggregate principal amount of such Bonds, upon the written request of such Holder to the Trustee, specifying the account or accounts (within the continental United States) to which such payment shall be made, such payments shall be made by the wire transfer of immediately available funds on the applicable Interest Payment Date following such Record Date. Any request referred to in the preceding sentence shall remain in effect until revoked or revised by such Holder by an instrument in writing delivered to the Trustee.

Authorization. This Bond is one of a duly authorized series of bonds of the Authority designated "Revenue [Refunding] Bonds, Rider University Issue, 2017 Series [F] [G] [(Tax-Exempt)] [(Federally Taxable)]" (the "*Bonds*"), issued for the purpose of making a loan to Rider University, a New Jersey nonprofit corporation (the "*Borrower*"), to undertake a project consisting of: [(a) financing the renovation and equipping of the following residential facilities: Conover Hall, Delta Phi Epsilon Sorority Residence (House 10), Kroner Hall, Lake House, Ridge House and Wright Hall; the renovation and equipping of the following academic facilities: Bart Luedeke Center Theater, Fine Arts Theater, Science and Technology Center and Sweigart Hall; and the construction of an approximately 30,000 sq. ft. addition to the Science and Technology Center; (b) funding capitalized interest for the Bonds through [DATE], 20__; (c) funding a debt service reserve fund; and (d) paying certain costs of issuing the Bonds.] [(a) refunding the Authority's outstanding Revenue Bonds, Rider University Issue, 2012 Series A; and (b) paying certain costs of issuing the Bonds.] The loan will be made pursuant to the Loan Agreement, dated as of November 1, 2017 (the "*Loan Agreement*"), by and between the Authority and the Borrower.

Security. The Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Trust Indenture, pursuant to which the Pledged Property, including all payments due from the Borrower to the Authority under the Loan Agreement (other than certain indemnification payments and the payment of certain fees and expenses of the Authority), are pledged to the payment of the Bonds. Reference is hereby made to the Trust Indenture for a description of the Pledged Property, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority, the Trustee and the REGISTERED OWNER of the Bonds, the terms upon which the Bonds are issued and secured and the terms upon which the Trust Indenture and the Loan Agreement may be amended or supplemented.

Interest. Interest shall be paid on the Bonds on each Interest Payment Date. Each Bond shall bear interest from and including the Interest Accrual Date immediately preceding the date of authentication thereof or, if such date of authentication is an Interest Accrual Date to which interest on such Bond has been paid in full or duly provided for, from such date of authentication or, if it is the first payment of interest on such Bond, the date thereof. However, if, as shown by the records of the Trustee, interest on the Bonds is in default, Bonds issued in exchange for

Bonds surrendered for registration of transfer or exchange shall bear interest from the date to which interest has been paid in full on the Bonds so surrendered or, if no interest has been paid on such Bonds, from the date thereof.

Interest on the Bonds shall accrue on the basis of a 360-day year based on twelve 30-day months.

Redemption. The Bonds are subject to optional, extraordinary optional and mandatory sinking fund redemption prior to their stated maturity as provided in the Trust Indenture.

Limitation on Rights; Acceleration; Modifications. The REGISTERED OWNER of this Bond shall have no right to enforce the Trust Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Trust Indenture, the principal of all the Bonds issued under the Trust Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations to the Bonds or the Trust Indenture may be made only to the extent and in the circumstances permitted by the Trust Indenture.

Special and Limited Obligations. The Bonds are not general obligations of the Authority, but special and limited obligations payable solely from the Pledged Property. No owner of any Bonds has the right to compel any exercise of taxing power (if any) of the State of New Jersey or of any political subdivision thereof, including the Authority, to pay the Bonds or the interest thereon, and the Bonds do not constitute an indebtedness or a loan of credit of the State of New Jersey or of any political subdivision thereof, including the Authority, within the meaning of any constitutional or statutory provisions. The Authority has no taxing power.

Additional Provisions. Reference is hereby made to the Trust Indenture and the Loan Agreement, each of which is on file and may be inspected during regular business hours at the principal corporate trust office of the Trustee, for a description of the security for the Bonds and for the provisions thereof with respect to the rights, limitations of rights, duties, obligations and immunities of the Authority, the Borrower, the Trustee and the REGISTERED OWNER hereof.

This Bond shall not constitute the personal obligation, either jointly or severally, of any member, director, officer, employee or agent of the Authority.

The Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of New Jersey, including, particularly, the New Jersey Educational Facilities Authority Law, P.L. 1967, c. 271, as amended and supplemented (the "*Act*"), and pursuant to a resolution duly adopted by the Authority on October 17, 2017, which authorizes, among other things, the execution and delivery of the Loan Agreement and the Trust Indenture.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Trust Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to the execution and delivery of the Trust Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Authority, does not exceed or violate any constitutional or statutory limitation; and that the amounts payable under the Loan Agreement and the Mortgage Note and pledged to the payment of the principal of and redemption premium, if any, and interest on this Bond and the issue of which it forms a part, as the same become due, will be sufficient in amount for that purpose.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the New Jersey Educational Facilities Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its Acting Executive Director and its official common seal to be impressed or printed hereon and attested by the manual or facsimile signature of an Assistant Secretary.

**NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY**

By: _____
Sheryl A. Stitt
Acting Executive Director

[SEAL]

ATTEST:

By: _____
Steven P. Nelson
Assistant Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Trust Indenture.

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

By: _____
Authorized Signatory

Date of Authentication: November __, 2017

(FORM OF ASSIGNMENT)

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

*(Please Print or Typewrite Name, Address and Social Security
Number or Taxpayer Identification Number of Transferee)*

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney

To transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICES: This signature to this assignment must correspond with the name as it appears upon the fact of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution as defined by SEC Rule 17Ad-15 (12 *CFR* 240.17Ad-15) or any similar rule which the Trustee deems applicable)

By _____

Title _____

ESCROW DEPOSIT AGREEMENT

by and between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

THE BANK OF NEW YORK MELLON, as Escrow Agent

Dated [CLOSING DATE]

ESCROW DEPOSIT AGREEMENT

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

WITNESSETH:

WHEREAS, the Authority has previously issued and sold its Revenue Bonds, Rider University Issue, 2012 Series A (the "*Prior Bonds*"), on behalf of Rider University (the "*University*"), pursuant to the terms of (i) a resolution of the Authority adopted on January 30, 2012 and (ii) a Trust Indenture, dated as of April 1, 2012 (the "*Prior Indenture*"), by and between the Authority and The Bank of New York Mellon, as trustee (the "*Trustee*"); and

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

WHEREAS, the Authority is now issuing \$[BOND AMOUNT] principal amount of its Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt) (the "*2017 Series F Bonds*") and Revenue Refunding Bonds, Rider University Issue, 2017 Series G (Federally Taxable) (collectively with the 2017 Series F Bonds, the "*2017 Bonds*") pursuant to a resolution adopted by the Authority on September 26, 2017 and a Trust Indenture, dated as of November 1, 2017 (the "*2017 Indenture*"), by and between the Authority and The Bank of New York Mellon, as trustee, to provide for, among other things, the refunding and redemption of the outstanding Prior Bonds (the "*Bonds to be Refunded*"), all as described in **Exhibit A** attached hereto; and

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

WHEREAS, upon the deposit with the Escrow Agent of the Deposit Amount, which, without investment, will be sufficient to pay, when due, the principal of and interest on the Bonds to be Refunded until the Redemption Date and the redemption price of the Bonds to be Refunded on the Redemption Date, and the giving of certain irrevocable instructions by the Authority to the Escrow Agent as herein provided, the Bonds to be Refunded shall cease to be entitled to any lien, benefit or security under the Prior Indenture, and all obligations of the Authority to the holders of the Bonds to be Refunded shall thereupon be released, discharged and satisfied.

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

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

SECTION 2. (a) The Escrow Agent hereby acknowledges receipt of immediately available funds in the amount of \$[_____], consisting of proceeds of the sale of the 2017 Bonds.

(b) The Escrow Agent, in its capacity as Trustee for the Prior Bonds, is hereby directed to transfer into the Escrow Fund the following:

(i) \$[_____] on deposit in the Debt Service Fund relating to the Prior Bonds established under the Prior Indenture; and

(ii) \$[_____] on deposit in the Project Mortgage Fund relating to the Prior Bonds established under the Loan Agreement by and between the Authority and the University dated as of April 1, 2012 executed in connection with the issuance of the Prior Bonds.

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

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

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

(b) The balance remaining upon the purchase of the Defeasance Securities listed in **Exhibit B** shall remain uninvested.

(c) For the purposes of this Agreement, “uninvested” shall mean held as a cash balance in the Escrow Fund and not invested for any purpose.

SECTION 5. (a) Except as otherwise expressly provided herein, the Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Defeasance Securities held hereunder or to sell, transfer or otherwise dispose of the Defeasance Securities acquired hereunder, or to pay interest on any such moneys not required to be invested hereunder; *provided, however*, that at the written direction of the Authority and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer, otherwise dispose of, or request the redemption of, the Defeasance Securities acquired hereunder, and to substitute therefor other Defeasance Securities that are non-callable. Any substituted Defeasance Securities or cash shall be a part of and credited to the Escrow Fund. The Authority hereby covenants and agrees that it will not request the Escrow Agent to exercise any of the powers described in the preceding sentences in any manner that would cause the 2017 Series F Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (collectively, the “Code”) in effect on the date of such request and applicable to the 2017 Series F Bonds. The Escrow Agent shall purchase such substitute Defeasance Securities with the proceeds derived from the sale, transfer, disposition or redemption of the initial Defeasance Securities and with any other funds available for such purpose. From time to time, Defeasance Securities may be sold, transferred, redeemed or otherwise disposed of and replaced by other Defeasance Securities subject to the same conditions. Any amounts received from the sale or redemption of Defeasance Securities and not needed or used to purchase substitute Defeasance Securities shall be transferred by the Escrow Agent as directed in writing by the Authority. The foregoing transactions may be effected only if: (i) a recognized firm of certified public accountants shall certify that after such transaction the principal amount of, and interest income on, the substituted Defeasance Securities or cash will, together with any moneys or securities in the Escrow Fund reserved for such purpose, be sufficient to pay when due (whether at stated maturity or at the optional redemption date, as applicable) the principal of, and interest and redemption premium on, the Bonds to be Refunded; (ii) the amounts and dates of the anticipated payments from the Escrow Fund to the holders of such Bonds to be Refunded in accordance with their terms will not be diminished or postponed thereby; (iii) the Escrow Agent shall receive an opinion of nationally recognized bond counsel to the effect that such disposition and substitution or purchase is permitted under the Prior Indenture and this Agreement, and it would have no adverse effect on the exclusion from gross income for federal income tax purposes of the interest on the 2017 Series F Bonds or the Bonds to be Refunded; (iv) in the event cash is provided, such cash shall, to the extent not insured by the Federal Deposit Insurance Corporation or other federal agency, be continuously secured by the pledge of direct obligations of the United States of America; and (v) the Authority pays all costs incident to the transactions. If United States Treasury Securities – State and Local Government Series are to be purchased as substitute Defeasance Securities, the Authority or, at its direction, the financial advisor in connection with the 2017 Bonds shall prepare and file the appropriate application therefor.

(b) The Authority hereby covenants that it will not authorize or permit the Escrow Agent to use, directly or indirectly, any part of the moneys or funds at any time in the Escrow Fund to acquire any investment property, the acquisition of which would cause any 2017 Series F Bonds to be “arbitrage bonds” as defined in Section 148(a) of the Code as then in effect.

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

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

(b) mail to the holders of the Bonds to be Refunded, not less than thirty (30) nor more than sixty (60) days prior to the Redemption Date defined in **Exhibit D**, a notice of redemption substantially in the form attached hereto as **Exhibit D** and in accordance with the Prior Indenture; and

(c) mail to the holders of the Bonds to be Refunded an informational notice of defeasance substantially in the form attached hereto as **Exhibit E** and in accordance with the Prior Indenture.

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

SECTION 7. On July 1, 2021, after payment of the principal or redemption price of and interest on the Bonds to be Refunded, all remaining moneys in the Escrow Fund shall be transferred by the Escrow Agent to The Bank of New York Mellon, as trustee for the 2017 Bonds, to be deposited into the Interest Account of the Debt Service Fund established pursuant to the 2017 Indenture for application solely to the payment of the 2017 Bonds.

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

SECTION 9. (a) Unless otherwise provided by contract, the Escrow Agent shall be compensated by the University for its reasonable fees, expenses and disbursements, including reasonable legal fees, incurred with respect to services rendered hereunder, based upon itemized invoices submitted to the Authority for payment. This right to receive compensation

notwithstanding, the Escrow Agent acknowledges that it has no claim against or lien on the moneys on deposit in the Escrow Fund for any such payment. The compensation of the Escrow Agent provided in this Section 9(a) shall survive termination of this Agreement pursuant to Section 10 hereof.

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

(c) The Escrow Agent shall be entitled to rely conclusively and act upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine, and to have been signed and presented by the proper party or parties, and may consult with counsel, who may or may not be counsel to the University or the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Agreement, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by an Authorized Officer (as defined in the Prior Indenture) of the Authority, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Agreement, but in its discretion the Escrow Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Authority to the Escrow Agent shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer thereof. The Escrow Agent may perform any duties hereunder either directly or, to the extent that it may reasonably determine is necessary or appropriate to the conduct of its duties hereunder, by or through agents or attorneys, and the Escrow Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care hereunder, taking into account the duties with respect to which such agent or attorney is appointed. The foregoing sentence shall not be interpreted as absolving the Escrow Agent of responsibility with respect to duties customarily performed by escrow agents in the ordinary course of business without the employment of agents or attorneys. In addition, the provisions of Section 6.6 of the Prior Indenture relating to the compensation and indemnification of the Trustee thereunder shall apply to the Escrow Agent.

(d) The Escrow Agent may resign at any time and be discharged of its duties hereunder, provided that: (i) it has given not less than sixty (60) days written notice to the Authority of such resignation; (ii) it has given notice of such resignation to the holders of the Bonds to be Refunded in the manner prescribed in the Prior Indenture; (iii) the Authority has appointed a successor to the Escrow Agent hereunder; (iv) the Escrow Agent has received an instrument of acceptance executed by the successor to the Escrow Agent hereunder; and (v) the

Escrow Agent has delivered to its successor hereunder all of the escrowed documents and any moneys held by the Escrow Agent in the Escrow Fund. Such resignation shall take effect only upon the occurrence of all of the events listed in clauses (i) through (v) of this subsection (d) and only if the Escrow Agent has complied with and is not in default of any of its obligations hereunder, unless the Authority and the University consent to such resignation. Upon receipt by the Authority of the written notice described in clause (i) above, the Authority shall use its best efforts to obtain a successor to the Escrow Agent hereunder as soon as possible. If no appointment of a successor is made within sixty (60) days after the giving by the Escrow Agent of written notice of resignation in accordance with this Section 9(d), the Escrow Agent may apply to any State court of competent jurisdiction for the appointment of such a successor, and the State court may thereupon, after such notice, if any, as the State court may deem proper, appoint a successor.

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

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

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

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

(a) to cure any ambiguity or formal defect or omission in this Agreement; or

(b) to grant to or confer upon the Escrow Agent for the benefit of the holders of the Bonds to be Refunded any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent.

The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized bond counsel with respect to the matters provided for in this Section 11, including the extent, if any, to which any change, modification, addition or elimination affects the rights of holders of the Bonds to be Refunded or that any instrument executed hereunder complies with the conditions or provisions of this Section 11. Notwithstanding anything in this paragraph to the contrary, no change shall be made to any provision of this Agreement regarding the investment or other use of the proceeds of the 2017 Bonds without an unqualified opinion of nationally recognized bond counsel to the effect that such change and the investment or other use of the proceeds of the 2017 Bonds in accordance with such change will not (i) adversely affect the exclusion of interest on the 2017 Bonds from gross income provided under Section 103 of the Code or (ii) cause any of the Bonds to be Refunded to be deemed "Outstanding" within the meaning of Section 1.1 of the Prior Indenture.

SECTION 12. In accordance with P.L. 2005, c. 92, the Escrow Agent covenants and agrees that all services performed under this Agreement by the Escrow Agent shall be performed within the United States of America.

SECTION 13. The Escrow Agent hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("*ELEC*") pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c. 271, Section 3) if the Escrow Agent enters into agreements or contracts, such as this Agreement, with a public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from public entities, such as the Authority, in a calendar year. It is the Escrow Agent's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

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

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

SECTION 16. The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("*Instructions*"), given pursuant hereto and any related financing documents and delivered using S.W.I.F.T., e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or

authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder ("*Electronic Means*"); *provided, however*, that the Authority or obligor, if applicable (the "*Sender*"), shall provide to the Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions ("*Authorized Officers*") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Sender whenever a person is to be added or deleted from the listing. If the Sender elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent's understanding of such Instructions shall be deemed controlling. The Sender understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The Sender shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the Sender and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Sender. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such Instructions, notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Sender agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including, without limitation, the risk of the Escrow Agent acting on unauthorized Instructions and the risk of interception and misuse by third-parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Sender; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

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

{SIGNATURE PAGE FOLLOWS}

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

**NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY**

By: _____
Sheryl A. Stitt
Acting Executive Director

THE BANK OF NEW YORK MELLON

By: _____
Janet M. Russo
Vice President

EXHIBIT A

BONDS TO BE REFUNDED

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

Revenue Bonds, Rider University Issue, 2012 Series A

Dated: April 4, 2012

Redemption Date: July 1, 2021

Maturity Date (July 1)	Principal Amount	Interest Rate	CUSIP
2018	\$ 1,540,000	4.00%	6460652A9
2019	1,600,000	5.00	6460652B7
2020	1,690,000	4.00	6460652C5
2021	1,750,000	3.00	6460652D3
2022	1,795,000	5.00	6460652E1
2023	1,895,000	3.50	6460652F8
2024	1,955,000	4.00	6460652G6
2025	2,035,000	3.50	6460652H4
2026	2,100,000	4.00	6460652J0
2027	2,195,000	4.00	6460652K7
2032	7,870,000	5.00	6460652L5
2037	6,915,000	5.00	6460652M3

EXHIBIT B

**DESCRIPTION OF DEFEASANCE SECURITIES
FOR DEPOSIT IN THE ESCROW FUND**

EXHIBIT C

**VERIFICATION REPORT OF
THE ARBITRAGE GROUP, INC.**

See Closing Item No.

EXHIBIT D

NOTICE OF OPTIONAL REDEMPTION

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

**Revenue Bonds, Rider University Issue, 2012 Series A
Dated April 4, 2012**

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of a Trust Indenture, dated as of April 1, 2012 (the "*Indenture*"), by and between the New Jersey Educational Facilities Authority and The Bank of New York Mellon, as trustee, the bonds referenced below (the "*Bonds*") have been called for redemption on **July 1, 2021** (the "*Redemption Date*"), at a redemption price of 100% of the principal amount thereof, plus interest accrued to the Redemption Date.

Maturity Date (July 1)	Principal Amount	Interest Rate	CUSIP
2022	\$1,795,000	5.00%	6460652E1
2023	1,895,000	3.50	6460652F8
2024	1,955,000	4.00	6460652G6
2025	2,035,000	3.50	6460652H4
2026	2,100,000	4.00	6460652J0
2027	2,195,000	4.00	6460652K7
2032	7,870,000	5.00	6460652L5
2037	6,915,000	5.00	6460652M3

On the Redemption Date, moneys will be available for the payment of the principal or redemption price on said Bonds. Accordingly, said Bonds are deemed to have been paid in accordance with the Indenture. You are hereby notified that the Bonds should be presented for redemption at the corporate trust office of the Escrow Agent, The Bank of New York Mellon, as follows:

Mailing Address

The Bank of New York Mellon
P.O. Box 396
East Syracuse, NY 13057
Attn: Bond Redemption Unit

Hand Delivery

The Bank of New York Mellon
111 Sanders Creek Parkway
East Syracuse, NY 13057
Attn: Bond Redemption Unit

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

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

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

EXHIBIT E

**FORM OF INFORMATIONAL DEFEASANCE
NOTICE FOR THE BONDS TO BE REFUNDED**

INFORMATIONAL NOTICE OF DEFEASANCE

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

**Revenue Bonds, Rider University Issue, 2012 Series A,
Dated April 4, 2012**

NOTICE IS HEREBY GIVEN to the holders of the hereinafter described outstanding New Jersey Educational Facilities Authority (the "*Authority*") Revenue Bonds, Rider University Issue, 2012 Series A (the "*Bonds*"), issued pursuant to the terms of a Trust Indenture dated as of April 1, 2012 by and between the Authority and The Bank of New York Mellon, as trustee (the "*Indenture*"), that the Authority has provided for the defeasance of the Bonds listed below (collectively, the "*Bonds to be Refunded*"), pursuant to an Escrow Deposit Agreement (the "*Escrow Deposit Agreement*") dated [CLOSING DATE] by and between the Authority and The Bank of New York Mellon, as escrow agent (the "*Escrow Agent*"):

Bonds to be Refunded

Maturity Date (July 1)	Principal Amount	Interest Rate	Redemption Price	CUSIP
2018	\$1,540,000	4.00%	100%	6460652A9
2019	1,600,000	5.00	100	6460652B7
2020	1,690,000	4.00	100	6460652C5
2021	1,750,000	3.00	100	6460652D3
2022	1,795,000	5.00	100	6460652E1
2023	1,895,000	3.50	100	6460652F8
2024	1,955,000	4.00	100	6460652G6
2025	2,035,000	3.50	100	6460652H4
2026	2,100,000	4.00	100	6460652J0
2027	2,195,000	4.00	100	6460652K7
2032	7,870,000	5.00	100	6460652L5
2037	6,915,000	5.00	100	6460652M3

Pursuant to Section 3 of the Escrow Deposit Agreement, there have been deposited with the Escrow Agent certain defeasance obligations permitted under Section 10.3 of the Indenture, the principal of and interest on which when due will provide funds which, together with the cash deposit on deposit with the Escrow Agent, shall be sufficient and available to pay: (i) the principal of and interest due on the Bonds to be Refunded until July 1, 2021; and (ii) the redemption price equal to 100% of the Bonds to be Refunded called for redemption on July 1, 2021, together with accrued interest.

Notice is hereby given that the Bonds to be Refunded are deemed to have been paid in accordance with Section 10.3 of the Indenture.

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

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

CONTINUING DISCLOSURE AGREEMENT

by and between

RIDER UNIVERSITY

and

THE BANK OF NEW YORK MELLON

Dated November __, 2017

**Entered into with respect to
New Jersey Educational Facilities Authority
\$ __, __, __, 000 Revenue Bonds, Rider University Issue,
2017 Series F (Tax-Exempt)
and
\$ __, __, __, 000 Revenue Refunding Bonds, Rider University Issue,
2017 Series G (Federally Taxable)**

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the "*Agreement*"), made and entered into November __, 2017, by and between RIDER UNIVERSITY, an independent, non-profit educational corporation organized and existing under the laws of the State of New Jersey, located in Lawrenceville, New Jersey (the "*University*"), and THE BANK OF NEW YORK MELLON, a state banking corporation duly created and validly existing under the laws of the State of New York with trust and fiduciary powers and authorization to conduct business in the State of New Jersey (the "*Trustee*" and "*Dissemination Agent*").

WITNESSETH:

WHEREAS, the New Jersey Educational Facilities Authority, a body corporate and politic with corporate succession, constituting a political subdivision organized and existing under and by virtue of the laws of the State of New Jersey (hereinafter referred to as the "*Authority*"), is issuing its \$ __, __, 000 Revenue Bonds, Rider University Issue, 2017 Series F (Tax-Exempt), and its \$ __, __, 000 Revenue Refunding Bonds, Rider University Issue, 2017 Series G (Federally Taxable), each dated November __, 2017 (collectively, the "*Bonds*"); and

WHEREAS, the Bonds are being issued pursuant to a Trust Indenture, dated as of November 1, 2017 (the "*Indenture*"), by and between the Authority and the Trustee; and

WHEREAS, the University has entered into a Loan Agreement with the Authority, dated as of November 1, 2017 (the "*Loan Agreement*"), whereby the Authority has loaned the proceeds of the Bonds to the University to finance the costs of the Project described in the Bond Resolution of the Authority duly adopted on October 17, 2017, and the University has agreed to repay the loan of such proceeds; and

WHEREAS, the Trustee has duly accepted the trusts imposed upon it by the Indenture as Trustee for the holders from time to time of the Bonds; and

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

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

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

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

WHEREAS, on November __, 2017, the Authority and the University entered into a Bond Purchase Agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and the underwriters named therein (the "*Participating Underwriter*"), for the purchase of the Bonds; and

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

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

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

ARTICLE 1 DEFINITIONS

Section 1.1. Terms Defined in Recitals. All of the terms defined in the preambles hereof shall have the respective meanings set forth therein for all purposes of this Agreement.

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

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

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

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

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

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

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

"*Final Official Statement*" means the final Official Statement of the Authority, dated November __, 2017, pertaining to the Bonds.

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

"*Fiscal Year*" means the fiscal year of the University. As of the date of this Agreement, the Fiscal Year of the University begins on July 1 of each calendar year and closes on June 30 of the next succeeding calendar year.

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

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

"*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 RIDER UNIVERSITY".

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

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

"*Trustee*" means The Bank of New York Mellon, acting in its capacity as Trustee for the Bonds under the Indenture, and its successors and assigns.

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

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

ARTICLE 2
CONTINUING DISCLOSURE COVENANTS
AND REPRESENTATIONS

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

(a) Not later than December 27th following the end of each Fiscal Year, commencing with the Fiscal Year of the University ending June 30, 2017, an Annual Report to the MSRB, to the Trustee and to the Authority. If the Fiscal Year of the University should change, then the Annual Report shall be due not later than one hundred eighty (180) days after the end of each Fiscal Year.

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

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

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

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to the rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;

- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar events of the University, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the University in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the University, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the University;
- (xiii) The consummation of a merger, consolidation or acquisition involving the University or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (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, to the Trustee 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.

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

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

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

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

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

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

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

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

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

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

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

(b) The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Agreement, and the University agrees to indemnify and hold the Dissemination Agent and its officers, directors, employees and agents harmless against any loss, expense or liability it may

incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liability due to the Dissemination Agent's negligence or willful misconduct. The obligations of the University under this Section 2.6(b) shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

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

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

ARTICLE 3
DEFAULTS AND REMEDIES

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

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

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

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

ARTICLE 4 MISCELLANEOUS

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

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

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

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

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

liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the University or if there be a final judgment for the plaintiff in any such action with or without written consent, the University agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Nothing in this Section 4.3 shall require or obligate the University to indemnify or hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused by any gross negligence or intentional misconduct on the part of the Indemnified Parties in connection with the University's performance of its obligations, agreements and covenants hereunder.

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

Section 4.5. Notices. All notices required to be given or authorized to be given by either party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail (as well as by facsimile, in the case of the Dissemination Agent) to, in the case of the University, addressed to Rider University, 2083 Lawrenceville Road, Lawrenceville, New Jersey 08648 (facsimile: (609) 895-5681); and in the case of the Dissemination Agent, its principal corporate trust office at 385 Rifle Camp Road, 3rd Floor, Woodland Park, New Jersey 07424 (facsimile: (973) 357-7840), with a copy to the Authority, addressed to it at its offices at 103 College Road East, Princeton, New Jersey 08540 (facsimile: (609) 987-0850).

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

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

Section 4.8. Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Both parties hereto may sign the same counterpart or each party hereto may sign a separate counterpart.

Section 4.9. Amendments, Changes and Modifications. (a) Except as otherwise provided in this Agreement, subsequent to the initial issuance of the Bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the Indenture), this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Dissemination Agent (with written 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 or legal requirements followed by or applicable to the University, to reflect changes in the identity, nature or status of the University or in the business, structure or operations of the University, or to reflect any mergers, consolidations, acquisitions or dispositions made by or affecting the University; *provided*, that any such modification shall not be in contravention of Rule 15c2-12 as then in effect at the time of such modification; or

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

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

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

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

Section 4.10. Amendments Required by Rule 15c2-12. The University and the Dissemination Agent each recognize that the provisions of this Agreement are intended to enable compliance with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof or the promulgation of a successor rule, statute or regulation thereto, a change in this Agreement shall be permitted or necessary to assure continued compliance with Rule 15c2-12

and upon delivery of an opinion of Bond Counsel to the Authority addressed to the University and the Dissemination Agent to the effect that such amendments shall be permitted or necessary to assure continued compliance with Rule 15c2-12 as so amended or interpreted, then the University and the Dissemination Agent shall amend this Agreement to comply with and be bound by any such amendment to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and shall provide written notice of such amendment as required by Section 4.9(c) hereof.

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

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

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

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

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

[SIGNATURE PAGE FOLLOWS]

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

RIDER UNIVERSITY

By: _____

**Julie A. Karns
Vice President for Finance
and Treasurer**

THE BANK OF NEW YORK MELLON

By: _____

**Janet M. Russo
Vice President**



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

Date: October 17, 2017

To: Members of the Authority

Issue: Kean University, Series 2017 C and Series 2017 D

Below please find the procurement procedures that were undertaken with respect to the various professional appointments in connection with the Kean University, Series 2017 C and Series 2017 D transaction and staff's recommendations with respect thereto.

Bond Counsel

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

Senior/Co-Senior Manager and Co-Managers

On August 31, 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 eight responses from firms seeking appointment as a Senior/Co-Senior Manager and one firm seeking appointment as a Co-Manager. Three firms from the Senior Manager Pool declined to respond. From the Co-Manager Pool, the Authority received four responses from firms seeking appointment as Co-Manager. Two firms from the Co-Manager Pool declined to respond.

Senior Manager/Co-Senior Manager

As highlighted in the RFP, the evaluation of the Senior Manager/Co-Senior Manager responses was performed by three evaluators (one staff member from the Authority, one staff member from the Office of Public Finance, 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:

Firm	Evaluator #1	Evaluator #2	Evaluator #3	All Evaluators	Final Ranking	Proposed Fee
Bank of America Merrill Lynch	80.9	78.4	84.9	244.3	4	\$3.26
Citigroup	89.5	77.0	84.0	250.5	2	\$2.28
Janney Montgomery Scott	54.9	63.4	70.4	188.8	8	\$3.26
Morgan Stanley	96.0	98.0	91.0	284.9	1	\$2.77
Ramirez & Co	81.6	52.1	76.6	210.2	6	\$3.23
Raymond James	75.5	73.5	76.0	224.9	5	\$3.61
Siebert Cisneros Shank	71.0	65.5	73.0	209.5	7	\$3.85
Wells Fargo	87.4	79.9	78.9	246.3	3	\$3.26

Recommendation: Morgan Stanley (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 August 31, 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:

Firm	Acceptance	Annual	Counsel	Total
The Bank of New York Mellon	\$0	\$900	\$3,500	\$4,400
U.S. Bank National Association	\$0	\$750	\$3,500	\$4,250

U.S. Bank National Association provided the lowest fee quote of \$750 annually, \$3,500 for counsel and waived the acceptance fee, which is in line with fee quotes the Authority has received in response to recent Trustee RFPs. It is the Authority’s recommendation to select U.S. Bank, National Association to serve as Trustee, Bond Registrar and Paying Agent for this transaction.

Verification Agent

On August 31, 2017, the Authority circulated an RFP to five nationally recognized independent certified public accountant firms that regularly perform verification agent services. The RFP was also posted on the Authority’s website. The Authority received two responses. The responsive firms and their respective fees may be found below:

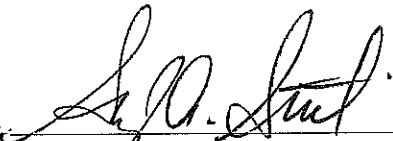
<u>Firm</u>	<u>Fee</u>
The Arbitrage Group, Inc.	\$2,100
Grant Thornton LLP	\$3,000

The Arbitrage Group, Inc. provided the lowest fee quote of \$2,100 which is in line with fee quotes the Authority has received in response to recent verification agent RFPs. It is the Authority's recommendation to select The Arbitrage Group, Inc. to serve as Verification Agent for this transaction.

Escrow Agent

The Escrow Agent is the Trustee on the bonds being refunded. The Escrow Agent for this transaction is U.S. Bank National Association. This role is not the subject of an RFP process.

The Authority's staff involvement in the procurement processes related to the above referenced professionals was completed as of the 10th day of October 2017.

By: 
Sheryl A. Stitt
Acting Executive Director



103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540
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TERM SHEET

Borrower: Kean University, Union, New Jersey

Issue: Series 2017 C (Federally Taxable) and Series 2017 D (Tax-Exempt)

Amount: Not to Exceed \$210,000,000

Purpose: To provide funds to: (i) advance refund and defease all or a portion of the Authority's outstanding Series 2009 A Bonds; (ii) advance refund and defease all of the Bergen County Improvement Authority's outstanding Series 2010 A 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, 2040

True Interest Cost: Series 2017 C (Federally Taxable Bonds): Not to Exceed 5.50%
Series 2017 D (Tax-Exempt Bonds): Not to Exceed 5.25%

Current Bond Ratings: A2 (Moody's Investors Service)
A- (S&P Global Ratings)

Tentative Sale Date: November 2017

Tentative Closing: December 2017

The Authority Members will be asked to adopt the Series 2017 C and 2017 Series D Series Resolution pertaining to the Series 2017 C and Series 2017 D 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:	McCarter & English, LLP
Authority's Counsel:	Attorney General of the State of New Jersey
University's Financial Advisor:	Prager & Co., LLC
Senior Manager:	Morgan Stanley
Co-Senior Manager:	TBD
Co-Manager(s):	TBD
Underwriter's Counsel:	Chiesa Shahinian & Giantomasi PC
Trustee:	U.S. Bank National Association
Trustee's Counsel:	M. Jeremy Ostow, Esq.
Escrow Agent (NJFA 2009 A):	U.S. Bank National Association
Escrow Agent's Counsel:	M. Jeremy Ostow, Esq.
Escrow Agent (BCIA 2010 A):	TD Bank, N.A.
Escrow Agent's Counsel:	TBD
Verification Agent:	The Arbitrage Group, Inc.
Printer:	ImageMaster LLC

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

**RESOLUTION AUTHORIZING THE ISSUANCE OF
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS, KEAN UNIVERSITY ISSUE, SERIES 2017 C
(FEDERALLY TAXABLE) AND REVENUE REFUNDING BONDS,
KEAN UNIVERSITY ISSUE, SERIES 2017 D (TAX-EXEMPT)**

Adopted: October 17, 2017

**RESOLUTION AUTHORIZING THE ISSUANCE OF
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS, KEAN UNIVERSITY ISSUE, SERIES 2017 C
(FEDERALLY TAXABLE) AND REVENUE REFUNDING BONDS,
KEAN UNIVERSITY ISSUE, SERIES 2017 D (TAX-EXEMPT)**

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

WHEREAS, the Authority has heretofore issued its Revenue Bonds, Kean University Issue, Series 1998 A (the "Series 1998 A Bonds") on behalf of Kean University (the "Public University"), the proceeds of which were issued to finance (i) construction of a new 50,000 square foot academic building, (ii) heating and cooling infrastructure upgrades, (iii) athletic facilities improvements, and (iv) campus beautification; and

WHEREAS, the Authority has heretofore issued its Revenue Bonds, Kean University Issue, Series 2001 A (the "Series 2001 A Bonds") on behalf of the Public University, the proceeds of which were issued to finance (i) the renovation of and addition to an existing building known as Downs Hall for use as a facility for meetings, special events and educational conferences and the housing of the campus police and ambulance service for the Public University; and

WHEREAS, the Authority has heretofore issued its Revenue Bonds, Kean University Issue, Series 2003 D (the "Series 2003 D Bonds") on behalf of the Public University, the proceeds of which were issued to finance (i) the construction of a Wellness and Fitness Center, (ii) the renovation of the D'Angola Gymnasium, (iii) the construction of restrooms, storage and concession area at the Alumni Stadium, (iv) the renovation of the Kean Building to provide executive office space, student recreational offices and Office of Admission spaces, and (v) the demolition of an existing structure and the construction in place thereof of a new academic building; and

WHEREAS, the Authority has heretofore issued its Revenue Bonds, Kean University Issue, Series 2005 B (the "Series 2005 B Bonds") on behalf of the Public University, the proceeds of which were issued to finance (i) the acquisition of certain real property and the construction and equipping of an academic building and other facilities thereon, (ii) the construction of an access road to connect the East Campus with the Main Campus, (iii) the renovation of the President's house, (iv) the renovation and remodeling of the East Campus, (v) the replacement of two guest cottages on the East Campus, and (vi) the renovation of the Wilkins Theater; and

WHEREAS, the Authority has heretofore issued its Revenue Refunding Bonds, Kean University Issue, Series 2007 E, consisting of: (a) Revenue Refunding Bonds, Kean University Issue, Sub-Series 2007 E-1 and (b) Revenue Refunding Bonds, Kean University Issue, Sub-Series 2007 E-2 (collectively, the "Series 2007 E Bonds") on behalf of the Public University, the

proceeds of which were issued to finance (i) the advance refunding and defeasing of all or portions of the outstanding Series 1998 A Bonds, Series 2001 A Bonds, Series 2003 D Bonds and Series 2005 B Bonds; and

WHEREAS, in connection with the issuance of the Series 2007 E Bonds, the Authority entered into two interest rate swap agreements on behalf of the Public University (the "Prior Swap Agreements"); and

WHEREAS, the Authority has heretofore issued its Revenue Refunding Bonds, Kean University Issue, Series 2009 A (the "Series 2009 A Bonds") on behalf of the Public University, the proceeds of which were used to finance (i) the current refunding of all of the outstanding Series 2007 E Bonds; and (ii) payment of the costs of issuance of the Series 2009 A Bonds, including certain termination fees in respect of the Prior Swap Agreements; and

WHEREAS, the Series 2009 A Bonds were issued under the terms and provisions of a bond resolution of the Authority adopted on December 1, 2008 and a Trust Indenture dated as of June 1, 2009 (the "Series 2009 A Indenture") by and between the Authority and U.S. Bank National Association; and

WHEREAS, the Bergen County Improvement Authority (the "BCIA") issued its Revenue Bonds, Series 2010 A (Kean University Foundation, Inc. Project) (the "Series 2010 A BCIA Bonds") pursuant to a bond resolution of the BCIA adopted on July 8, 2010, as supplemented pursuant to the series certificate executed by the Executive Director of the BCIA, dated December 2, 2010, both in connection with the issuance of such Series 2010 A BCIA Bonds (collectively, the "Series 2010 A BCIA Resolution") in an original aggregate principal amount of \$18,700,000, the proceeds of which were lent to the Kean University Foundation, Inc. (the "Foundation") to finance fifty percent (50%) of the construction costs of an academic building (the "Gateway Building") located on the campus of Ocean County College (the "County College") in Toms River, New Jersey which is jointly used by the Public University and the County College; and

WHEREAS, the Foundation leases fifty percent (50%) of the real property on which the Gateway Building is located from the County College pursuant to a Ground Lease between the County College and the Foundation (the "Ground Lease"), and the Foundation and the County College each own a fifty percent (50%) interest in the Gateway Building; and

WHEREAS, the Foundation leases its interest in the Gateway Building to the Public University; and

WHEREAS, the rental payments of the Public University under the lease of the Gateway Building secures the Series 2010 A BCIA Bonds and the Public University otherwise unconditionally guarantees the loan repayment obligations of the Foundation relating to the Series 2010 A BCIA Bonds; and

WHEREAS, the Public University has determined to undertake a project consisting of (i) the advance refunding and defeasance of all or a portion of the outstanding Series 2009 A Bonds (the "Series 2009 A Bonds to be Refunded" or the "Series 2009 A NJEFA Bonds Refunding Project") and (ii) the advance refunding and defeasance of all of the outstanding Series 2010 A

BCIA Bonds (the “Series 2010 A BCIA Bonds to be Refunded”) and, concurrently therewith, the Foundation’s ownership interest in the Gateway Building and the Foundation’s interest in the Ground Lease shall be transferred by the Foundation to the Public University (collectively, the “Series 2010 A BCIA Bonds Refunding Project” and collectively with the Series 2009 A NJEFA Bonds Refunding Project, the “Refunding 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 for the purpose of providing funds to (i) pay the cost of the Series 2009 A NJEFA Bonds Refunding Project, (ii) pay the cost of the Series 2010 A BCIA Bonds Refunding Project, and (iii) pay certain costs of issuance of the Bonds (as hereinafter defined), all as presented, submitted and approved by the Public University’s Board of Trustees; and

WHEREAS, the Authority has determined that it is necessary and in keeping with its authorized purposes to issue two series of bonds to be designated (i) New Jersey Educational Facilities Authority Revenue Refunding Bonds, Kean University Issue, Series 2017 C (Federally Taxable) or such other designation as may be determined by the Authority (the “Taxable Bonds”) for the purpose of providing funds to finance the Series 2009 A NJEFA Bonds Refunding Project and to pay certain costs of issuance of the Taxable Bonds and (ii) New Jersey Educational Facilities Authority Revenue Refunding Bonds, Kean University Issue, Series 2017 D (Tax-Exempt) (the “Tax-Exempt Bonds”, and together with the Taxable Bonds, the “Bonds”) or such other designation as may be determined by the Authority for the purpose of providing funds to finance the Series 2010 A BCIA Bonds Refunding Project and to pay certain costs of issuance of the Tax-Exempt Bonds; 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, a portion of the proceeds of the Taxable Bonds issued for the purpose of paying the costs of the Series 2009 A NJEFA Bonds Refunding Project, together with other available funds, will be deposited with the escrow agent named herein (the “Series 2009 A Escrow Agent”), to be held in trust under the terms of one or more Escrow Deposit Agreements executed in connection with the Series 2009 A Bonds to be Refunded (collectively, the “Series 2009 A Escrow Deposit Agreement”) to be entered into between the Authority and the Series 2009 A Escrow Agent for the benefit of the holders of the Series 2009 A Bonds to be Refunded in accordance with the provisions of the Series 2009 A Indenture; and

WHEREAS, a portion of the proceeds of the Tax-Exempt Bonds issued for the purpose of paying the costs of the Series 2010 A BCIA Bonds Refunding Project, will be transferred to the trustee for the Series 2010 A BCIA Bonds to be Refunded acting in its capacity as escrow agent (the "Series 2010 A Escrow Agent") under an Escrow Deposit Agreement (the "Series 2010 A Escrow Deposit Agreement") entered into between the BCIA and the Series 2010 A Escrow Agent for the benefit of the holders of the Series 2010 A Bonds to be Refunded in accordance with the provisions of the Series 2010 A BCIA Resolution; 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 Statement(s) 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.

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 Refunding 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 Refunding Project and to pay certain costs of issuance of the Bonds, in whole or in part.

1.2 Authorization of the Bonds.

(a) The Authority hereby authorizes the issuance of the Bonds, in the aggregate principal amount not-to-exceed \$210,000,000, in one or more series at one or more times, in order to finance, on behalf of the Public University, the costs of the Refunding Project and to pay certain costs of issuance of the Bonds, in whole or in part. The initial Taxable Bonds shall be designated “New Jersey Educational Facilities Authority Revenue Refunding Bonds, Kean University Issue, Series 2017 C (Federally Taxable)” or such other or additional designation or designations as shall be set forth in the Trust Indenture or as an Authorized Officer may determine. The initial Tax-Exempt Bonds shall be designated “New Jersey Educational Facilities Authority Revenue Refunding Bonds, Kean University Issue, Series 2017 D (Tax-Exempt)” 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 a complex financing structure, 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 under its standard procurement process and procedures and in accordance with Executive Order No. 26 (Whitman 1994)(“Executive Order No. 26”) and Executive Order No. 37 (Corzine 2006)(“Executive Order No. 37”), the Authority hereby selects and appoints Morgan Stanley & Co. LLC as the senior managing underwriter to purchase 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 Morgan Stanley & Co. LLC, 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 McCarter

& English, LLP, bond counsel to the Authority ("Bond Counsel") and the Attorney General of the State (such approval to be evidenced conclusively by such Authorized Officer's execution thereof), for the purchase of the Bonds at the price or prices to be agreed upon; provided, however, that the Underwriters' discount for (x) Tax-Exempt Bonds shall not exceed \$4.00 per \$1,000 of principal amount thereof and (y) the Taxable Bonds shall not exceed \$4.00 per \$1,000 of principal amount thereof. A copy of the Purchase Contract as executed shall be filed with the records of the Authority.

(d) Notwithstanding anything in this Section 1.2 or elsewhere in this Resolution to the contrary, no execution of the Purchase Contract for the portion of the Tax-Exempt Bonds to be issued for the purpose of paying the costs of the Series 2010 A BCIA Bonds Refunding Project shall occur until such time as the Public University provides evidence satisfactory to the Authority, Bond Counsel and the Attorney General of the State, that the Public University, the Foundation and the County College shall have received all approvals as are necessary to transfer the Foundation's ownership interests in the Gateway Building and the Ground Lease to the Public University concurrently with the issuance of such Tax-Exempt Bonds, and all applicable appeal periods, if any, relating thereto shall have lapsed with no appeal having been instituted during any such period.

(e) The Executive Director, the Deputy Executive Director, the Chair, the Vice-Chair, and the Director of Project Management or any such officer designated as "acting" or "interim" is hereby authorized to select and appoint a co-senior and/or one or more co-managing underwriters, if necessary, in connection with the financing in accordance with Executive Order No. 26, 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 Morgan Stanley & Co. LLC.

(f) 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, 2040. The Tax-Exempt 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 5.25%, and the Taxable 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 5.50%. 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 5.00%, *provided, further*, that the redemption premium on any Taxable Bonds subject to redemption pursuant to a "make-whole" provision may exceed 5.00% of the principal amount of such Taxable Bonds if so provided in the Trust Indenture.

1.3 Form of Bonds.

The Taxable Bonds and the Tax-Exempt Bonds shall be in substantially the forms set forth in Exhibit A-1 and Exhibit A-2, respectively, 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, Deputy Executive Director, Secretary, Assistant Treasurer or any Assistant Secretary, 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 Authorized Officer 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.

(a) 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.

(b) 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 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 Approval of Series 2009 A Escrow Deposit Agreement.

The form of the Series 2009 A Escrow Deposit 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 Series 2009 A Escrow Deposit Agreement in substantially such form, with such insertions and changes therein as the Authorized Officer executing the same may approve with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced by such Authorized Officer's execution thereof.

1.9 Appointments.

(a) U.S. Bank National Association is hereby appointed to act as the initial Trustee, Bond Registrar and Paying Agent 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.

(b) U.S. Bank National Association, the entity serving as trustee for the Series 2009 A Bonds, is hereby appointed as the Series 2009 A Escrow Agent under the Series 2009 A Escrow Deposit Agreement. The Series 2009 A Escrow Agent shall signify acceptance of the duties and obligations imposed upon it by the Series 2009 A Escrow Deposit Agreement by the Series 2009 A Escrow Agent's execution thereof.

(c) The Arbitrage Group, Inc. is hereby appointed to act as verification agent in connection with the refunding of the Series 2009 A Bonds to be Refunded pursuant to the terms of the Series 2009 A Escrow Deposit Agreement and as may be required in connection with the Series 2010 A BCIA Bonds Refunding Project.

1.10 Book-Entry System for the Bonds.

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

1.11 Bond Insurance Authorized.

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

1.12 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.

1.13 Conformance of Documents.

Any Authorized Officer is hereby authorized and directed to approve, as Bond Counsel may advise, such changes to the forms of the Preliminary Official Statement, the Official Statement, the Purchase Contract, the Agreement, the Trust Indenture, the Escrow Deposit Agreement 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, 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 and Certain Funds.

(a) Any Authorized Officer is hereby authorized to enter into or direct the Trustee, the Series 2009 A Escrow Agent or the Series 2010 A Escrow Agent, as the case may be, to enter into one or more agreements to invest the proceeds of the Bonds as permitted by the Trust Indenture, the Series 2009 A Indenture and/or the Series 2010 A BCIA Resolution, as the case may be (the “Eligible Investments”), which may include investment agreements and repurchase agreements, in the event that such Authorized Officer determines, in consultation with and with the consent of the Public University, that it is advantageous to the Public University for the Authority to invest any proceeds of the Bonds in Eligible Investments. The form of any such investment agreement or repurchase agreement shall be as approved by an Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State.

(b) Any Authorized Officer is hereby authorized to utilize the proceeds of the Bonds or other available moneys held pursuant to the Series 2009 A Indenture or the Series 2010 A BCIA Resolution, as the case may be, either (a) to purchase United States Treasury Obligations, State and Local Government Series (“SLGS”) or (b) to select a firm to act as the Authority’s broker or to select a bidding agent to solicit bids to purchase open market U.S. Treasury Obligations (which qualify as permissible defeasance obligations pursuant to the Series 2009 A Indenture or the Series 2010 A BCIA Resolution, as the case may be), in the event that such Authorized Officer of the Authority determines that it is necessary or advantageous to the Authority to purchase such open market U.S. Treasury Obligations. In connection with the purchase of open market U.S. Treasury Obligations, any Authorized Officer of the Authority is further authorized to solicit bids for one or more float forward or escrow reinvestment agreements (a “Float Forward Agreement”) and to direct the Series 2009 A Escrow Agent pursuant to the Series 2009 A Escrow Deposit Agreement or the Series 2010 A Escrow Agent pursuant to the Series 2010 A Escrow Deposit Agreement to enter into any such Float Forward Agreement with the successful bidder or bidders thereof. Pursuant to the terms of any Float Forward Agreement, the provider, in consideration of an upfront payment to the Series 2009 A Escrow Agent or the Series 2010 A Escrow Agent, as the case may be, shall have the right to sell U.S. Treasury Obligations to the Series 2009 A Escrow Agent or the Series 2010 A Escrow Agent, at the times and in the amounts set forth in the Float Forward Agreement at an aggregate purchase price not exceeding the maturity value thereof. Such U.S. Treasury Obligations shall mature on or before the dates when the proceeds thereof are needed to make payments in accordance with the Series 2009 A Escrow Deposit Agreement or the Series 2010 A Escrow Deposit Agreement. Each Float Forward Agreement shall be awarded to the bidder offering to pay the highest upfront payment therefor. The form of any Float Forward Agreement shall be approved by an Authorized Officer of the Authority, in consultation with Bond Counsel and the Attorney General of the State. An Authorized Officer of the Authority is further authorized to execute and deliver any such Float Forward Agreement and/or any certificates or other documents required in connection therewith. Notwithstanding the foregoing, nothing contained herein shall prohibit an Authorized Officer of the Authority from purchasing both SLGS and open market U.S. Treasury Obligations, to the extent permitted by law. Bond Counsel, the

Series 2009 A Escrow Agent, the Series 2010 A Escrow Agent and the Underwriters are hereby authorized to act as agent(s), if so directed by an Authorized Officer of the Authority, on behalf of the Authority for the subscription of SLGS via SLGSafe pursuant to the regulations promulgated therefor set forth in 31 C.F.R. Part 344.

2.2 Incidental Action.

(a) The Authorized Officers are hereby authorized to refund and to call for redemption any of the Series 2009 A Bonds to be Refunded selected by the Public University, in consultation with the Authority, the Public University's financial advisor and the Underwriters.

(b) The Authorized Officers are hereby authorized and directed to execute and deliver such other documents, certificates, directions and notices, and to take such other action as may be necessary or appropriate in order: (i) to effectuate the Refunding Project and the refunding and redemption of the Series 2009 A Bonds to be Refunded and the Series 2010 A BCIA Bonds to be Refunded; (ii) to effectuate the execution and delivery of the Purchase Contract, the Agreement, the Trust Indenture, the Series 2009 A Escrow Deposit Agreement 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; (iv) to maintain the tax-exempt status of the interest on the Tax-Exempt Bonds (including the preparation and filing of any information reports or other documents with respect to the Tax-Exempt Bonds as may at any time be required under Section 149 of the Internal Revenue Code of 1986, as amended, and any regulations thereunder); (v) to obtain any Policy; and (v) if deemed advisable by an Authority Officer, following consultation with the Public University, to enter into, or cause to be entered into, one or more agreements to invest the proceeds of the Bonds in Eligible Investments.

(c) The Authorized Officers are hereby authorized and directed to take such actions from time to time as may be necessary or appropriate to determine, prior to the issuance of the Bonds, the specific real and/or personal property to be subject to the Agreement and, if necessary, to accept conveyance of, or convey such property (including property subject to the Lease and Agreement relating to the Series 2009 A Bonds to be Refunded), to the Public University or other applicable entity.

2.3 Prior Resolutions.

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

2.4 Effective Date.

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

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

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

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER __, 2017

NEW ISSUE
BOOK ENTRY ONLY

Ratings: See "RATINGS" herein

In the opinion of McCarter & English, LLP, Bond Counsel to the Authority, assuming compliance by the Authority and the Public University with certain tax covenants described herein, under existing law, interest on the Series 2017 D Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and interest on the Series 2017 D Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing the alternative minimum tax. Based upon existing law, interest on the Bonds and net gains from the sale thereof are exempt from the tax imposed by the New Jersey Gross Income Tax Act. In the case of certain corporate holders of the Series 2017 D Bonds, interest on the Series 2017 D Bonds will be included in the calculation of the federal alternative minimum tax as a result of the inclusion of interest on the Series 2017 D Bonds in "adjusted current earnings". Interest on, and gain, if any on the sale of the Series 2017 C Bonds are not excludable from gross income for federal income tax purposes. See "TAX MATTERS" herein.



\$ _____ * New Jersey Educational Facilities Authority Revenue Refunding Bonds, Kean University Issue, Series 2017 C (Federally Taxable)

Insert
Kean
Logo

\$ _____ * New Jersey Educational Facilities Authority Revenue Refunding Bonds, Kean University Issue, Series 2017 D (Tax-Exempt)

Dated: Date of Delivery

Due: July 1, as shown on the inside cover

The New Jersey Educational Facilities Authority \$ _____ * Revenue Refunding Bonds, Kean University Issue, Series 2017 C (Federally Taxable) (the "Series 2017 C Bonds") and \$ _____ * Revenue Refunding Bonds, Kean University Issue, Series 2017 D (Tax-Exempt) (the "Series 2017 D Bonds" and, together with the Series 2017 C Bonds, the "Bonds"), when issued, will be issued as registered bonds and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases of Bonds will be made in book-entry-only form in denominations of \$5,000 or any integral multiple of \$1,000 in excess thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. So long as DTC is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC Participants and Indirect Participants. See "DESCRIPTION OF THE BONDS — Book-Entry-Only System". U.S. Bank National Association, Morristown, New Jersey (the "Trustee"), shall act as trustee, bond registrar and paying agent for the Bonds.

Interest on the Bonds will be payable on January 1 and July 1 of each year, commencing [January 1, 2018].

The Bonds are subject to optional, mandatory sinking fund [and make-whole] redemption prior to maturity, as described herein.

The 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 adopted by the New Jersey Educational Facilities Authority (the "Authority") on October 17, 2017 (the "Resolution") and a Trust Indenture dated as of November 1, 2017 (the "Trust Indenture") by and between the Authority and the Trustee. The proceeds of the Bonds, together with other available funds, will be used to (i) advance refund and defease (a) all or a portion of the Authority's Revenue Refunding Bonds, Kean University Issue, Series 2009 A and (b) all of the Bergen County Improvement Authority's Revenue Bonds, Series 2010 A (Kean University Foundation, Inc. Project) and (ii) pay certain costs of issuance of the Bonds.

The principal and redemption premium, if any, of and interest on the Bonds are payable solely from payments to be received by the Authority pursuant to a Lease and Agreement, dated as of November 1, 2017 (the "Agreement"), by and between the Authority and Kean University, and from funds and accounts held by the Trustee under the Trust Indenture.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY, AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OF NEW JERSEY OR 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 BONDS" HEREIN FOR A DESCRIPTION OF THE SECURITY FOR THE BONDS.

This cover page, including the inside cover page, contains certain information for quick reference only. It is not intended to be a summary of this issue or of all factors relevant to an investment in the Bonds. For a discussion of certain factors that should be considered, in addition to the other matters set forth on this cover page, in evaluating the investment quality of the Bonds, Investors must read the entire Official Statement, including, but not limited to, APPENDIX A and APPENDIX B, to obtain information essential to the nature of an informed investment decision on the Bonds.

The Bonds are offered when, as and if issued by the Authority and delivered to the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice and to the approval of their legality by McCarter & English LLP, Newark, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by their counsel, Chiesa Shahinian & Giantomasi PC, West Orange, New Jersey. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about _____, 2017.

MORGAN STANLEY

Dated: _____, 2017

7016111.5

This is a Preliminary Official Statement and the information contained herein is subject to completion and amendment in a final Official Statement. Under no circumstances will this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the securities offered hereby, in any such jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or exemption under the securities laws of any such jurisdiction.

\$ _____ * New Jersey Educational Facilities Authority Revenue Refunding Bonds,
Kean University Issue, Series 2017 C (Federally Taxable)
and

\$ _____ * New Jersey Educational Facilities Authority Revenue Refunding Bonds,
Kean University Issue, Series 2017 D (Tax-Exempt)

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NO.

\$ _____ * New Jersey Educational Facilities Authority Revenue Refunding Bonds,
Kean University Issue, Series 2017 C (Federally Taxable)

<u>Maturity</u> <u>July 1</u> *	<u>Principal</u> <u>Amount</u> *	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> **
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\$ _____ * _____ % Term Bonds, due July 1, 20 __, Price _____, Yield _____, CUSIP No. **

\$ _____ * _____ % Term Bonds, due July 1, 20 __, Price _____, Yield _____, CUSIP No. **

\$ _____ * New Jersey Educational Facilities Authority Revenue Refunding Bonds,
Kean University Issue, Series 2017 D (Tax-Exempt)

<u>Maturity</u> <u>July 1</u> *	<u>Principal</u> <u>Amount</u> *	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>CUSIP No.</u> **
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* Preliminary, subject to change.

**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 Standard & Poor's, Capital IQ. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the 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 Bonds, as a result of various subsequent actions including, but not limited to, a refunding in whole or in part 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 Bonds.

IN CONNECTION WITH THE OFFERING OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, REVENUE REFUNDING BONDS, KEAN UNIVERSITY ISSUE, SERIES 2017 C (FEDERALLY TAXABLE) AND REVENUE REFUNDING BONDS, KEAN UNIVERSITY ISSUE, SERIES 2017 D (TAX-EXEMPT) (COLLECTIVELY, THE "BONDS"), THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT 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 BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the 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 Bonds.

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

Kean University (the "Public University"), in APPENDIX A, has provided the description of the Public 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 Public University. This information should be read in conjunction with the audited financial statements and the related notes which are included as APPENDIX B to this Official Statement.

No dealer, broker, salesman or other person has been authorized by the Authority or the Public University to give any information or to make any representations with respect to the 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 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 Public 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 ("DTC") and DTC's book-entry only system has been supplied to the Authority by DTC for inclusion herein, and the Authority takes no responsibility for the accuracy thereof. Such information has not been independently verified by the Authority and the Authority makes no representation as to the accuracy or completeness of such information.

The Bonds have not been registered under the Securities Act of 1933, as amended, and neither the Resolution (as hereinafter defined) nor the Trust Indenture (as hereinafter defined) has been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions contained in such federal laws. In making an investment decision, investors must rely upon their own examination of the Bonds and the security therefor, including an analysis of the risk involved. The Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or

exemption of the Bonds in accordance with applicable provisions of securities laws of the various jurisdictions in which the Bonds have been registered, qualified or exempted cannot be regarded as a recommendation thereof. Neither such jurisdictions nor any of their agencies have passed upon the merits of the Bonds or the adequacy, accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

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

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
103 COLLEGE ROAD EAST
PRINCETON, NEW JERSEY 08540**

OFFICIAL STATEMENT

Relating to

\$ _____ * NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS, KEAN UNIVERSITY ISSUE,
SERIES 2017 C (FEDERALLY TAXABLE)

and

\$ _____ * NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS, KEAN UNIVERSITY ISSUE,
SERIES 2017 D (TAX-EXEMPT)

INTRODUCTORY STATEMENT

General

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish information concerning the New Jersey Educational Facilities Authority (the "Authority") and its \$ _____ * Revenue Refunding Bonds, Kean University Issue, Series 2017 C (Federally Taxable) (the "Series 2017 C Bonds") and \$ _____ * Revenue Refunding Bonds, Kean University Issue, Series 2017 D (Tax-Exempt) (the "Series 2017 D Bonds" and, together with the Series 2017 C Bonds, the "Bonds"). The Bonds are issued pursuant to a Resolution adopted by the Authority on October 17, 2017 (the "Resolution") and a Trust Indenture, dated as of November 1, 2017 (the "Trust Indenture"), by and between the Authority and U.S. Bank National Association, Morristown, New Jersey, as trustee (the "Trustee"). For definitions of certain capitalized words and terms used in this Official Statement and not otherwise defined herein, see "APPENDIX C – FORMS OF CERTAIN LEGAL DOCUMENTS" and "APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

Authority for Issuance

The 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 its revenue bonds, notes and other obligations to provide funds to finance and refinance an eligible educational facility as such may be required or convenient for the purpose of a public or private participating institution of higher education, and, in particular, Kean University, located in Union Township, New Jersey (the "Public University"). For information concerning the Public University, see Appendices A and B hereto.

* Preliminary, subject to change.

Purpose and Use of Proceeds

The proceeds of the Bonds, together with other available funds, will be used to provide funds to (i) refund and defease the Bonds to be Refunded (as defined herein) and (ii) pay certain costs of issuance of the Bonds. See “PLAN OF FINANCING” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

The Bonds to be Refunded consist of (i) the Authority’s Revenue Refunding Bonds, Kean University Issue, Series 2009 A, as more particularly described on APPENDIX F hereto (the “Series 2009 A NJEFA Bonds to be Refunded”) and (ii) the Bergen County Improvement Authority’s (the “BCIA”) Revenue Bonds, Series 2010 A (Kean University Foundation, Inc. Project) as more particularly described on APPENDIX F hereto (the “Series 2010 A BCIA Bonds to be Refunded” and, together with the Series 2009 A NJEFA Bonds to be Refunded, the “Bonds to be Refunded”).

[CONFIRM: All of the facilities to be refinanced with the proceeds of the Bonds described above are referred to herein as the “Project Facilities.”]

Certain Outstanding Obligations

The Public University has repayment obligations in respect of various bonds of the Authority issued for the benefit of the Public University, and certain other capital leases. All of such repayment obligations are general obligations of the Public University payable from any legally available funds of the Public 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 Public University. See “SECURITY FOR THE BONDS – Certain Outstanding Obligations” and “APPENDIX A – KEAN UNIVERSITY– Outstanding Indebtedness of Kean University” herein.

Security

Pursuant to a Lease and Agreement, dated as of November 1, 2017 (the “Agreement”), by and between the Authority and the Public University, the Public University will, upon the issuance of the 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 a portion (but not all) of the Project Facilities and certain other facilities of the Public University (referred to collectively herein as the “Leased Facilities”). The Basic Lease Payments under the Agreement are payable by the Public University from any legally available funds of the Public 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 4.06 of the Trust 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 mandatory sinking fund 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 mandatory sinking fund installment payable on July 1). To secure the payment of the Basic Lease Payments and the Additional Lease Payments, the Public University will establish a “Rental Pledge Account” under the Agreement, into which the Public University is required to deposit or cause to be deposited amounts sufficient to pay the Basic 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 Public University revenues is made in the Agreement with respect to the Bonds.

The Authority has previously issued other series of its revenue bonds to finance and refinance projects for the Public University, each of which projects is leased to the Public 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 Public University, payable from any legally available moneys of the Public University.

Upon the issuance of the Bonds, a portion of the property subject to the Agreement will also be subject to the Lease and Agreement dated as of August 1, 2015 by and between the Authority and the Public University relating to the Series 2015 H Bonds, as the same may be amended or supplemented from time to time (the "Series 2015 H Agreement" or "Prior Agreement").

The Bonds are special and limited obligations of the Authority payable solely from amounts paid by the Public University under the Agreement and from certain funds and accounts held under the Trust Indenture. See "SECURITY FOR THE BONDS" and "APPENDIX C – FORMS OF CERTAIN LEGAL DOCUMENTS" hereto.

THE 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 TRUST 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 TRUST INDENTURE). THE AUTHORITY HAS NO TAXING POWER. THE BONDS ARE PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE TRUST ESTATE (AS DEFINED IN THE TRUST INDENTURE), INCLUDING AMOUNTS HELD IN THE FUNDS AND ACCOUNTS (EXCEPT THE REBATE FUND) ESTABLISHED PURSUANT TO THE TRUST INDENTURE.

Additional Bonds and Other Obligations

Although additional bonds may not be issued under the Trust Indenture on a parity with the Bonds, the Trust Indenture permits the Authority to enter into Swap Agreements (as defined in the Trust Indenture) on behalf of the Public University with respect to the Bonds which may be secured on a parity with the Bonds. As of the date of the issuance of the Bonds, the Authority has not entered into and is not contemplating at this time entering into any Swap Agreement with respect to the Bonds.

Further, although additional bonds may not be issued on parity with the Bonds under the Trust Indenture, there are no covenants or restrictions which prohibit or limit the incurrence of debt or additional obligations by the Public University. Accordingly, the Authority may from time to time issue bonds or other obligations on behalf of the Public University, and the Public University may from time to time incur additional obligations (whether to the Authority or otherwise).

Payments by the Public University under the Agreement do not secure any other obligations of the Public University.

See "SECURITY FOR THE BONDS – Additional Bonds and Other Obligations" herein.

PLAN OF FINANCING

The proceeds of the Bonds, together with other available funds, will be used to provide funds to (i) pay the cost of refunding the Bonds to be Refunded and (ii) pay certain costs incidental to the issuance and sale of the Bonds.

On the date of issuance and delivery of the Series 2017 C Bonds, a portion of the proceeds of the Series 2017 C Bonds, together with other available funds, to be used for the refunding and legal defeasance of the Series 2009 A NJEFA Bonds to be Refunded will be deposited in an escrow fund (the "2009 A Escrow Fund") to be held by U.S. Bank National Association, as Escrow Agent (the "2009 A Escrow Agent"), and established pursuant to an escrow deposit agreement (the "2009 A Escrow Agreement") by and between the Authority and the 2009 A Escrow Agent. The portion of the proceeds of the Series 2017 C Bonds and other available funds on deposit in the 2009 A Escrow Fund, together with investment earnings thereon, will be sufficient to pay when due the principal or redemption price of and interest on the Series 2009 A NJEFA Bonds to be Refunded. See "VERIFICATION OF MATHEMATICAL CALCULATIONS" herein. Upon the deposit of such funds in the 2009 A Escrow Fund, the Series 2009 A NJEFA Bonds to be Refunded will no longer be Outstanding under the Trust Indenture, dated as of June 1, 2009, by and between the Authority and U.S. Bank National Association, as trustee, executed in connection with the issuance of such Series 2009 A NJEFA Bonds to be Refunded (the "2009 Prior Indenture"), and such Series 2009 A NJEFA Bonds to be Refunded shall cease to be entitled to the lien of the 2009 Prior Indenture, and such lien and all covenants, agreements and other obligations of the Authority thereunder shall cease, terminate, become void and be completely discharged as to such Series 2009 A NJEFA Bonds to be Refunded.

On the date of issuance and delivery of the Series 2017 D Bonds, a portion of the proceeds of the Series 2017 D Bonds, together with other available funds, to be used for the refunding and legal defeasance of the Series 2010 A BCIA Bonds to be Refunded will be deposited in an escrow fund (the "2010 A Escrow Fund" and, together with the 2009 A Escrow Fund, the "Escrow Funds") to be held by TD Bank, National Association, as Escrow Agent (the "2010 A Escrow Agent"), and established pursuant to an escrow deposit agreement (the "2010 A Escrow Agreement" and, together with the 2009 A Escrow Agreement, the "Escrow Agreements") between BCIA and the 2010 A Escrow Agent. The portion of the proceeds of the Series 2017 D Bonds and other available funds on deposit in the 2010 A Escrow Fund, together with investment earnings thereon, will be sufficient to pay when due the principal or redemption price of and interest on the Series 2010 A BCIA Bonds to be Refunded. See "VERIFICATION OF MATHEMATICAL CALCULATIONS" herein. Upon the deposit of such funds in the 2010 A Escrow Fund, the Series 2010 A BCIA Bonds to be Refunded will no longer be Outstanding under the bond resolution of the BCIA adopted on July 8, 2010, as supplemented pursuant to the series certificate executed by the Executive Director of the BCIA, dated December 2, 2010, both in connection with the issuance of such Series 2010 A BCIA Bonds to be Refunded (collectively, the "2010 BCIA Resolution"), and such Series 2010 A BCIA Bonds to be Refunded shall cease to be entitled to the lien of the 2010 BCIA Resolution, and such lien and all covenants, agreements and other obligations of the BCIA thereunder shall cease, terminate, become void and be completely discharged as to such Series 2010 A BCIA Bonds to be Refunded.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Bonds, together with other available funds, are expected to be applied approximately as follows:

Sources of Funds	<u>Series 2017 C Bonds</u>	<u>Series 2017 D Bonds</u>
Par Amount of the Bonds	\$	\$
Net Original Issue Premium		
Other Available Funds		
Total Sources of Funds	\$	\$
Uses of Funds		
Deposit to Escrow Fund	\$	\$
Cost of Issuance ⁽¹⁾		
Total Uses of Funds	\$	\$

(1) Includes fees and expenses of Bond Counsel, the Trustee, the Financial Advisor to the Public University, Underwriters' discount and other associated issuance costs.

DESCRIPTION OF THE BONDS

General

The 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, commencing [January 1, 2018]. The 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 front 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 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 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 Bonds is to be transferred and how the principal of and interest on the Bonds are to be paid to and credited by DTC while the 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 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 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 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 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 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

Payments of Principal, Tender Price, Premium, if any, and Interest. Redemption proceeds and principal and interest payments on the 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 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the bond documents. Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the 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 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 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

NONE OF THE AUTHORITY, THE TRUSTEE OR THE PUBLIC 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 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 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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 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 Bonds, or (ii) the Authority, with the consent of the Public 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 Bonds not to continue the Book-Entry-Only System or that interests of the Beneficial Owners of the 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 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 Provisions†

Series 2017 C Bonds

[Optional Redemption. The Series 2017 C 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 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.]

Mandatory Sinking Fund Redemption. The Series 2017 C Bonds maturing on July 1, ____ and July 1, ____ 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 Series 2017 C Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Term Bonds Maturing July 1, 20</u>	
<u>Year</u>	<u>Amount</u>

* Final maturity.

<u>Term Bonds Maturing July 1, 20</u>	
<u>Year</u>	<u>Amount</u>

\$

* Final maturity.

† Preliminary, subject to change.

The principal amount of the Series 2017 C Bonds required to be redeemed from Sinking Fund Installments may be reduced by the principal amount of such Series 2017 C Bonds theretofore delivered to the Trustee by the Public University in lieu of cash payments under the 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.

[Make-Whole Redemption]

The Series 2017 C Bonds are subject to make-whole redemption prior to maturity by written direction of the Authority, with the written consent of the Public University, in whole or in part, on any Business Day, at the "Make-Whole Redemption Price" (as defined below).

The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the Series 2017 C Bonds to be redeemed or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2017 C Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2017 C Bonds are to be redeemed, discounted to the date on which the Series 2017 C Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the adjusted "Treasury Rate" (as defined below), plus __ basis points, plus, in each case, accrued and unpaid interest on the Series 2017 C Bonds to be redeemed on the redemption date.

The "Treasury Rate" will be, as of the redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least five (5) Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the Series 2017 C Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one (1) year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one (1) year will be used.]

Series 2017 D Bonds

Optional Redemption. The Series 2017 D 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 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.

Mandatory Sinking Fund Redemption. The Series 2017 D Bonds maturing on July 1, ___ and July 1, ___ 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 Series 2017 D Bonds on July 1 in each of the years and in the principal amounts as follows:

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

<u>Term Bonds Maturing July 1, 20</u>	
<u>Year</u>	<u>Amount</u>
	\$

* Final maturity.

The principal amount of the Series 2017 D Bonds required to be redeemed from Sinking Fund Installments may be reduced by the principal amount of such Series 2017 D Bonds theretofore delivered to the Trustee by the Public University in lieu of cash payments under the 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.

Redemption in Part. Whenever any Bonds are to be called for redemption in part, such Bonds may 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 Bonds subject to scheduled mandatory 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.

If the Series 2017 C Bonds are registered in book-entry-only form and so long as DTC or a successor securities depository is the sole registered owner of the Series 2017 C Bonds, if less than all of the Series 2017 C Bonds of a maturity are called for redemption, the particular Series 2017 C Bonds of such maturity or portions thereof to be redeemed will be selected on a pro rata pass-through distribution of principal basis in accordance with the DTC procedures.

It is the intention of the Authority that redemption allocations made by DTC be made on a pro rata pass-through distribution of principal basis as described above. However, none of the Authority, the Public University or the Underwriters of the Series 2017 C Bonds can provide any assurance that DTC, DTC's Direct and Indirect Participants or any other intermediary will allocate the redemption of the Series 2017 C Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the Series 2017 C Bonds on a pro rata pass-through distribution of principal basis as discussed above, then the Series 2017 C Bonds will be selected for redemption, in accordance with the DTC procedures, by lot.

If the Series 2017 C Bonds are not registered in book-entry-only form, any redemption of less than all of a maturity of the Series 2017 C Bonds will be allocated among the registered owners of the Series 2017 C Bonds of such maturity, as nearly as practicable, taking into consideration the Authorized Denominations of the Series 2017 C Bonds, on a pro rata basis.

The Series 2017 D Bonds to be redeemed within any maturity shall be selected by the Trustee by lot or by any other method.

See "DESCRIPTION OF THE BONDS – Book-Entry-Only System."

Notice of Redemption. Notice of redemption of the Bonds will be given by the Trustee by mailing a copy of such notice to DTC, as the registered owner of the Bonds, not less than thirty (30) nor more than sixty (60) days prior to the redemption date, and such mailing shall be a condition precedent to such redemption. Failure of DTC or any Beneficial Owner to receive a copy of such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of the Bonds. Any notice of optional redemption of any Bonds 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.

Interest on any Bonds called for redemption shall cease to accrue from and after the date fixed for redemption if, on such date, sufficient moneys for the redemption of all such Bonds, together with interest to the date fixed for redemption, shall be held by the Trustee.

Negotiable Instruments

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

Principal and Interest Requirements

The following table sets forth for each bond year ending on June 30, subsequent to the issuance of the Bonds, the estimated total debt service on the Bonds and the debt service on other Authority bonds and other obligations of the Public University.

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ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS

YEAR ENDING JUNE 30 ¹	DEBT SERVICE ON OTHER AUTHORITY BONDS ²	DEBT SERVICE ON OTHER OBLIGATIONS ³	SERIES 2017 C BONDS		SERIES 2017 D BONDS		COMBINED OUTSTANDING TOTAL DEBT SERVICE
			PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
			TOTAL	TOTAL	TOTAL	TOTAL	

¹ Includes principal and interest to be paid on July 1 following each period, except with respect to the Series 2009 A Bonds, which are payable September 1 and March 1 of each year.

² Includes the Bonds to be Refunded, the Series 2015 H Bonds, and the Public University's 2010 and 2011 Equipment Lease obligations.

³ Includes the Public University's share of certain Authority programs, including the Higher Education Capital Improvement Fund 2014 A, Series 2014 C, Series 2016 A, and Series 2016 B, and the Higher Education Equipment Leasing Fund, Series 2014 A.

SECURITY FOR THE BONDS

General

The Bonds are special and limited obligations of the Authority payable solely from the Trust Estate. Trust Estate is defined in the Trust Indenture as (i) all right, title and interest of the Authority in the Agreement to the extent provided in the Agreement, and all payments received or receivable by the Authority from the Public University under the Agreement (except as otherwise provided in the Agreement), (ii) all money and securities held by the Trustee from time to time under the terms of the Trust Indenture (except moneys and securities held in the Rebate Fund), (iii) all Swap Revenues (as defined in the Trust Indenture) paid by the Public University or by the Swap Provider, if any (as defined in the Trust Indenture), and (iv) any and all other property pledged to secure the Bonds.

Pursuant to the Agreement, the Public 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 (as described in the Agreement). The Leased Facilities constitute a portion (but not all) of the facilities financed and refinanced by the Bonds. 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 4.06 of the Trust 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 mandatory sinking fund 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 mandatory sinking fund installment payable on July 1).

To secure the payment of the Basic Lease Payments and the Additional Lease Payments, the Public University will establish a "Rental Pledge Account" under the Agreement, into which the Public 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 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 Trust Indenture, such balance shall be transferred by the Trustee to the Public University.

The Public 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 Public University, payable from any legally available funds of the Public University. No specific pledge of Public University revenues is made in the Agreement with respect to the Bonds.

Upon the payment or defeasance of the Bonds, the Leased Facilities shall no longer be subject to the Agreement.

The Trust Indenture establishes various funds and accounts and provides for the application of the proceeds of the Bonds, the Lease Payments received pursuant to the Agreement, and other moneys which, by any of the provisions of the Trust Indenture, are required to be deposited in such funds and accounts. For a further description of the Trust Indenture, see "APPENDIX C – FORMS OF CERTAIN LEGAL DOCUMENTS" hereto.

THE 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 TRUST 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 TRUST INDENTURE). THE AUTHORITY HAS NO TAXING POWER. THE BONDS ARE PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE TRUST ESTATE (AS DEFINED IN THE TRUST INDENTURE) INCLUDING AMOUNTS HELD IN THE FUNDS AND ACCOUNTS (EXCEPT THE REBATE FUND) ESTABLISHED PURSUANT TO THE TRUST INDENTURE.

Certain Outstanding Obligations

The Authority has previously issued other series of its revenue bonds to finance and refinance projects for the Public University, each of which project is leased to the Public 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 Public University, payable from any legally available moneys of the Public University.

In addition, the Public University has repayment obligations in respect of (i) certain other bonds of the Authority issued for the benefit of various colleges and universities (including the Public University) under the Authority's Higher Education Capital Improvement Fund and Higher Education Equipment Leasing Fund programs, (ii) certain bonds of The Bergen County Improvement Authority issued for the benefit of the Public University, and (iii) certain capital leases, all as more fully described in "APPENDIX A – KEAN UNIVERSITY – Outstanding Indebtedness of the University" hereto.

The Authority may from time to time in the future issue other series of its revenue bonds to finance or refinance projects for the Public University, each of which project is to be leased to the Public University pursuant to a separate lease and agreement with the Authority.

Additional Bonds and Other Obligations

The repayment obligation of the Public University with respect to the Bonds pursuant to the Agreement is a general obligation of the Public University, and no specific revenues of the Public University are pledged as additional security for such repayment obligation. Payments by the Public University under the Agreement do not secure any other obligations of the Public University.

Although additional bonds may not be issued under the Trust Indenture on parity with the Bonds, the Trust Indenture permits the Authority to enter into Swap Agreements on behalf of the Public University (as defined in the Agreement) with respect to the Bonds. As of the date of issuance of the Bonds, the Authority has not entered into, and is not currently contemplating entering into, any Swap Agreement with respect to the Bonds.

In the event that any Swap Agreement is hereafter entered into, the Trust Indenture and the Agreement may each be amended, without notice to or consent by the holders of the 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 Bonds.

Further, although additional bonds may not be issued on a parity with the Bonds under the Trust Indenture, there are no covenants or restrictions which prohibit or limit the incurrence of debt or additional obligations by the Public University. Accordingly, the Authority may from time to time issue bonds or other obligations on behalf of the Public University, and the Public University may from time to time incur additional obligations (whether to the Authority or otherwise).

Payments by the Public University under the Agreement do not secure any other obligations of the Public University. Under the Trust Indenture, the Authority has covenanted not to issue any bonds, notes or other evidences of indebtedness (other than Swap Agreements, as described above) secured by a pledge of or charge on the Trust Estate.

Subordination With Respect to Insurance and Certain Remedies

The Agreement shall be subject to the Prior Agreement. To the extent the Prior Agreement is applicable thereto, the proceeds of any casualty insurance payable to the Public University or to the Authority in respect to any portion of the Leased Facilities shall first be applied as provided in such Prior Agreement. The proceeds not applied as provided in the Prior Agreement shall be applied as provided in the Agreement and the Trust Indenture. In addition, certain remedies of the Authority for breach of the Agreement (e.g., entry and reletting) shall be subject to the provisions of the Prior Agreement, to the extent applicable. For further descriptions of the Agreement and the Trust Indenture, see APPENDIX C hereto.

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.

Sheryl A. Stitt, Acting Executive Director, serves as Acting Secretary to the Authority.

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

Ellen Yang, Compliance Manager, serves as an Assistant Secretary to the Authority.

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

Outstanding Obligations of the Authority

As of December 31, 2016, the Authority has heretofore authorized and issued its obligations in a total outstanding amount of \$5,497,961,050 to finance and refinance eligible projects at certain of the participating public and private colleges and universities and public libraries located in the State.

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

STATE OF NEW JERSEY HIGHER EDUCATION

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

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

The New Jersey Higher Education system serves as the principal advocate for an integrated system of higher education that provides a broad scope of higher education programs and services. The system includes both thirty (30) public and forty (40) independent institutions and enrolls over 420,000 full-time and part-time credit-seeking students statewide.

The thirty (30) public colleges and universities are comprised of Rutgers, The State University of New Jersey (“Rutgers University”); Rowan University; the New Jersey Institute of Technology; Montclair State University; two (2) state colleges and five (5) state universities; and nineteen (19) community colleges. Pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, effective July 1, 2013, all liabilities and debt of the University of Medicine and Dentistry of New Jersey (“UMDNJ”) and its assets were transferred to Rutgers University, Rowan University and University Hospital; and UMDNJ, as a legal entity, ceased to exist. The 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

Moody’s Investors Service, Inc. (“Moody’s”) and S&P Global Ratings, acting through Standard & Poor’s Rating Services, a Standard & Poor’s Financial Services LLC (“S&P”), have provided ratings for the Bonds of “__” and “__”, respectively. These ratings reflect only the view of such organizations and any desired explanation of the significance of such ratings should be obtained from Moody’s and S&P, respectively. 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 Bonds.

TAX MATTERS

Exclusion of Interest on the Series 2017 D Bonds From Gross Income for Federal Tax Purposes

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Series 2017 D Bonds in order to assure that interest on the Series 2017 D Bonds will be excluded from gross income for federal income tax purposes under Section 103 of the Code. Failure of the Authority or the Public University to comply with such requirements may cause interest on the Series 2017 D Bonds to lose the exclusion from gross income for federal income tax purposes, retroactive to the date of issuance of the Series 2017 D Bonds. The Authority and the Public University will make certain representations in their tax certificates, which will be executed on the date of issuance of the Series 2017 D Bond, as to various tax requirements. The Authority and the Public University have covenanted to comply with the provisions of the Code applicable to the Series 2017 D Bonds and have covenanted not to take any action or fail to take any action that would cause the interest on the Series 2017 D Bonds to lose the exclusion from gross income under Section 103 of the Code. Bond Counsel, will rely upon the representations made in the tax certificates and will assume continuing compliance by the Authority and the Public University with the above covenants in rendering its federal income tax opinions with respect to the exclusion of interest on the Series 2017 D Bonds from gross income for federal income tax purposes and with respect to the treatment of interest on the Series 2017 D Bonds for the purposes of alternative minimum tax.

Assuming the Authority and the Public University observe their covenants with respect to compliance with the Code, McCarter & English, LLP, Bond Counsel to the Authority, is of the opinion that, under existing law, interest on the Series 2017 D Bonds is excluded from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code, and interest on the Series 2017 D Bonds is not an item of tax preference under Section 57 of the Code for purposes of computing alternative minimum tax.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing state and local government obligations, which may include randomly selecting bond issues for audit, to determine whether interest paid to the holders is properly excludable from gross income for federal income tax purposes. It cannot be predicted whether the Series 2017 D Bonds will be audited. If an audit is commenced, under current Service procedures the holders of the Series 2017 D Bonds may not be permitted to participate in the audit process, and the value and liquidity of the Series 2017 D Bonds may be adversely affected.

[Original Issue Discount

Certain maturities of the Series 2017 D Bonds (the “Discount Bonds”) were sold at an initial offering price less than the principal amount payable on the Discount Bonds at maturity. The difference between the initial public offering price of the Discount Bonds at which a substantial amount of each of the Discount Bonds was sold and the principal amount payable at maturity of each of the Discount Bonds constitutes the original issue discount. Bond Counsel is of the opinion that the appropriate portion of the original issue discount allocable to the original and each subsequent owner of the Discount Bonds will be treated for federal income tax purposes as interest not includable in gross income under Section 103 of the Code to the same extent as stated interest on the Discount Bonds. Under Section 1288 of the Code, the original issue discount on the Discount Bonds accrues on the basis of economic accrual. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bonds will be increased by the amount of such accrued discount. Owners of the Discount Bonds should consult their own tax advisors with respect to the determination for federal income tax purposes of the original issue discount properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest.]

[Original Issue Premium

Certain maturities of the Series 2017 D Bonds were sold at an initial offering price in excess of the amount payable at the maturity date (the “Premium Bonds”). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner’s tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner’s original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the “constant yield method” described in regulations interpreting Section 1272 of the Code. Owners of the Premium Bonds should consult their own tax advisors with respect to the calculation of the amount of bond premium which will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences of owning and disposing of the Premium Bonds.]

Additional Federal Income Tax Consequences of Holding the Series 2017 D Bonds

In the case of certain corporate holders of the Series 2017 D Bonds, interest on the Series 2017 D Bonds will be included in the calculation of the alternative minimum tax as a result of the inclusion of interest on the Series 2017 D Bonds in “adjusted current earnings” of certain corporations.

Prospective purchasers of the Series 2017 D Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Series 2017 D Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty companies, foreign corporations and certain S corporations.

Bond Counsel expresses no opinion regarding any federal tax consequences other than its opinion with regard to the exclusion of interest on the Series 2017 D Bonds from gross income pursuant to Section 103 of the Code and interest on the Series 2017 D Bonds not constituting an item of tax preference under Section 57 of the Code. Prospective purchasers of the Series 2017 D Bonds should consult their tax advisors with respect to all other tax consequences (including, but not limited to, those listed above) of holding the Series 2017 D Bonds.

Changes in Federal Tax Law Regarding the Series 2017 D Bonds

Federal, state or local legislation, administrative pronouncements or court decisions may affect the tax-exempt status of interest on the Series 2017 D Bonds, gains from the sale or other disposition of the Series 2017 D Bonds, the market value of the Series 2017 D Bonds, or the marketability of the Series 2017 D Bonds, or otherwise prevent the owners of the Series 2017 D Bonds from realizing the full current benefit of the exclusion from gross income of the interest thereon. Any such changes to state or federal tax law could affect the tax exemption of interest on the Series 2017 D Bonds or the market price for, or marketability of, the Series 2017 D Bonds. The opinions expressed by Bond Counsel are based upon existing laws and regulations as interpreted by relevant judicial and regulatory changes as of the date of issuance of the Series 2017 D Bonds, and Bond Counsel has expressed no opinion with respect to any legislation, regulatory changes or litigation enacted, adopted or decided subsequent thereto. Prospective purchasers of the Series 2017 D Bonds should consult their own tax advisers regarding such matters.

Federal Tax Matters Regarding the Series 2017 C Bonds

General

The following discussion is a summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of the Series 2017 C Bonds by original purchasers of the Series 2017 C Bonds who are U.S. Holders (as defined below). This summary is based on the Code, Treasury regulations, revenue rulings and court decisions, all as now in effect and all subject to change at any time, possibly with retroactive effect. This summary assumes that the Series 2017 C Bonds will be held as “capital assets” under the Code, and it does not discuss all of the United States federal income tax consequences that may be relevant to a holder in light of its particular circumstances or to holders subject to special rules, such as insurance companies, financial institutions, tax-exempt organizations, dealers in securities or foreign currencies, persons holding the Series 2017 C Bonds as a position in a “hedge” or “straddle” for United States federal income tax purposes, or holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar. Each prospective purchaser of the Series 2017 C Bonds should consult with its own tax advisor concerning the United States federal income tax and other tax consequences to it of the acquisition, ownership and disposition of the Series 2017 C Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

As used herein, the term “U.S. Holder” means a beneficial owner of a Series 2017 C Bond that is for United States federal income tax purposes (i) a citizen or resident of the United States, (ii) a

corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

Interest Income

Interest on the Series 2017 C Bonds is included in gross income for United States federal income tax purposes.

Disposition of Series 2017 C Bonds

Except as discussed above, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Series 2017 C Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder's adjusted tax basis in the Series 2017 C Bond. A U.S. Holder's adjusted tax basis in a Series 2017 C Bond generally will equal such U.S. Holder's initial investment in the Series 2017 C Bond, decreased by the amount of any payments, other than qualified stated interest payments, received. Such gain or loss generally will be long-term capital gain or loss if the Series 2017 C Bond was held for more than one year.

Defeasance

U.S. Holders of the Series 2017 C Bonds should be aware that, for federal income tax purposes, the deposit of moneys or securities in escrow in such amount and manner as to cause the Series 2017 C Bonds to be deemed to be no longer outstanding under the Trust Indenture (a "defeasance"), could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, for federal income tax purposes, the character and timing of receipt of payments on the Series 2017 C Bonds subsequent to any such defeasance could also be affected. U.S. Holders of the Series 2017 C Bonds are advised to consult with their own tax advisors regarding the consequences of a defeasance for federal income tax purposes, and for state and local tax purposes.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to non-corporate U.S. Holders with respect to payments of principal, payments of interest, and the proceeds of the sale of a Series 2017 C Bond before maturity within the United States. Backup withholding at a rate equal to the fourth lowest rate of tax under Section 1(c) of the Code will apply to such payments unless the U.S. Holder (i) is a corporation or other exempt recipient and, when required, demonstrates that fact, or (ii) provides a correct taxpayer identification number, certifies under penalties of perjury, when required, that such U.S. Holder is not subject to backup withholding and has not been notified by the Internal Revenue Service that it has failed to report all interest and dividends required to be shown on its United States federal income tax returns.

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over-withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the Internal Revenue Service.

Unearned Income Tax Affecting U.S. Holders

For taxable years beginning after December 31, 2012, a U.S. Holder that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, will be subject to a tax on the lesser of (1) the U.S. Holder's "net investment income" for the taxable year and (2) the excess of the U.S. Holder's modified adjusted gross income for the taxable year over a certain threshold (the "Unearned Income Tax"). A U.S. Holder's net investment income will generally include its interest income and its net gains from the disposition of the Bonds, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). A U.S. Holder that is an individual, estate, or trust, should consult its own tax advisor regarding the applicability of the Unearned Income Tax.

State Taxation

Bond Counsel is of the opinion that, based upon existing law, interest on the Bonds and net gains from the sale thereof are exempt from the tax imposed by the New Jersey Gross Income Tax Act.

CONTINUING DISCLOSURE

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

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

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

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

[TO BE UPDATED, AS NECESSARY] The Public University notes the following: Under the terms of prior continuing disclosure undertakings pursuant to Rule 15c2-12, for the fiscal year ended June 30, 2014, the Public University's annual financial and statistical information ("Operating Data") and audited financial statements were filed on time, but were not filed under all outstanding bond issues. For the fiscal year ended June 30, 2013, the audited financial statements were filed on time, but were not filed under all outstanding bond issues, and the Operating Data, due to be filed on December 27, 2013, was filed on February 3, 2014 and was not filed under all outstanding bond issues. For the fiscal year ended

June 30, 2012, the audited financial statements were filed on time, but were not filed under all outstanding bond issues, and the Operating Data, due to be filed on December 27, 2012, was filed on April 24, 2013 and was not filed under all outstanding bond issues. For the fiscal year ended June 30, 2011, the audited financial statements were filed on time, but were not filed under all outstanding bond issues, and the Operating Data, due to be filed on December 27, 2011, was filed on April 10, 2012 and was not filed under all outstanding bond issues. For the fiscal year ended June 30, 2010, the audited financial statements were filed on time, but were mislabeled as Operating Data and were not filed under all outstanding bond issues. The Operating Data, due to be filed on December 27, 2010, was filed on May 5, 2011 and was not filed under all outstanding bond issues. In connection with certain series of outstanding bonds, tables included in APPENDIX A to the Official Statements relating to such bonds titled "Tuition, Required Fees and Other Charges" and "Student Housing Room Rental Rates" (collectively, the "Tables") were required to be updated and included as part of the Public University's Operating Data pursuant to the terms of the continuing disclosure undertakings entered into in connection with such bonds. Updates to such Tables were not included as part of the Public University's Operating Data in each of the fiscal years ended June 30, 2010 through and including June 30, 2014. In addition, in May, 2013 and March, 2014, event notices with respect to certain bond rating upgrades relating to a third-party credit enhancement provider were not filed. As of the date hereof, all of the above-referenced filing errors and omissions have been corrected, and the Public University has taken steps to ensure future compliance.

LEGALITY FOR INVESTMENT

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

LEGAL MATTERS SUBJECT TO APPROVAL OF COUNSEL

All legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of McCarter & English, LLP, Newark, Bond Counsel to the Authority. A copy of the approving opinion of Bond Counsel, in substantially the form provided in APPENDIX D hereto, will be available at the time of the delivery of the Bonds. Certain legal matters will be passed upon for the Underwriters by Chiesa Shahinian & Giantomasi PC, West Orange, New Jersey.

LITIGATION

The Authority

There is no litigation pending or, to the knowledge of the Authority threatened, seeking to restrain or enjoin the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings or authority under which the 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 Trust Indenture or the Agreement, or to secure the Bonds in the manner herein described.

The Public University

There is no litigation pending, or to the knowledge of the Public University threatened, contesting the Public University's ability to enter into the Agreement, nor is there any litigation pending or, to the knowledge of the Public University, threatened, which, if adversely determined, would materially adversely affect the financial condition or operation of the Public University, the transactions contemplated by this Official Statement or the validity of the Bonds or the Agreement.

INDEPENDENT AUDITORS

The basic financial statements of the Public University and the blended component unit (the "Foundation") of the Public University as of and for the years ended June 30, 2017 and 2016, collectively comprise the Public University's basic financial statements. Those statements are presented in APPENDIX B to this Official Statement. The financial statements of the Public University for the years ended June 30, 2017 and 2016 have been audited by Wiss & Company, LLP, Iselin, New Jersey, independent certified public accountants, as stated in their report appearing in APPENDIX B to this Official Statement. [The financial statements of the Foundation for the years ended June 30, 2017 and 2016 were audited by other auditors, and Wiss & Company LLP's opinion, insofar as it relates to amounts included for the Foundation, is based solely on the report of such other auditors.]

FINANCIAL ADVISOR TO THE PUBLIC UNIVERSITY

The Public University has retained Prager & Co., LLC, New York, New York, ("Prager"), to act as Financial Advisor in connection with certain aspects of issuance of the Bonds. Prager has provided advice on the plan of financing and structure of the issue and has reviewed and commented on certain legal documents. Prager has not been engaged nor has it undertaken to make an independent verification of the Bonds or to guarantee the accuracy, completeness or fairness of the information in this Official Statement. Prager will receive compensation contingent upon the sale and delivery of the Bonds.

UNDERWRITING

Morgan Stanley & Co. LLC, as representative of the underwriters of the Bonds shown on the cover page hereof (the "Underwriters"), has agreed to purchase the Bonds pursuant to the terms of a contract of purchase, by and among the Authority, the Public University and the Underwriters, at an aggregate purchase price of \$_____ (said aggregate purchase price reflecting the par amount of the Bonds, plus a net original issue premium of \$_____, and less an Underwriters' discount of \$_____). The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Underwriters intend to offer the 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 Underwriters may offer and sell Bonds to certain dealers (including depositing Bonds into investment trusts) at prices lower than the public offering price.

Morgan Stanley & Co. LLC, one of the Underwriters of the Bonds, has entered into a retail distribution with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

VERIFICATION OF MATHEMATICAL CALCULATIONS

The Arbitrage Group, Inc. (the "Verification Agent") will verify, from the information provided to it, the mathematical accuracy, as of the date of delivery of the Bonds, of the computations contained in the provided schedules to determine (i) that the amounts to be deposited in the respective Escrow Funds pursuant to the Escrow Agreements, together with investment earnings thereon, will be sufficient to pay, when due, the principal, interest and redemption premium payment requirements, if any, of the Bonds to be Refunded, and (ii) the computations supporting the yield of the Series 2017 D Bonds and investments in the 2010 A Escrow Fund to support conclusion of Bond Counsel that interest on the Series 2017 D Bonds is excluded from gross income of the owners thereof for federal income tax purposes. The Verification Agent will express no opinion on the assumptions provided to it.

MISCELLANEOUS

The foregoing summaries of the provisions of the Act, the Resolution, the Bonds, the Trust Indenture, 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 and of the most recent financial statements of the Authority 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. All other information herein has been obtained by the Underwriter from the Public University, 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 Public 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 Public University or the Authority since the date hereof.

Appendices A, B, C, D, E [and F] 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 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 Public University, or the purchasers or Beneficial Owners of any of the Bonds.

The description of the Public University contained in APPENDIX A to this Official Statement has been provided by the Public University.

The financial statements of the Public University and independent auditors' report as of and for the years ended June 30, 2017 and 2016 which are included in APPENDIX B to this Official Statement have been provided by the Public University.

The information herein regarding DTC has been provided by DTC.

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

**NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY**

By: _____

Name: Sheryl A. Stitt

Title: Acting Executive Director

KEAN UNIVERSITY

By: _____

Name:

Title:

APPENDIX A
KEAN UNIVERSITY

APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF THE PUBLIC UNIVERSITY
AS OF AND FOR THE YEARS ENDED JUNE 30, 2017 AND 2016**

APPENDIX C
FORMS OF CERTAIN LEGAL DOCUMENTS

APPENDIX D
FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E
FORM OF OPINION OF BOND COUNSEL

APPENDIX F
SUMMARY OF BONDS TO BE REFUNDED

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS, KEAN UNIVERSITY ISSUE,
SERIES 2017 C (FEDERALLY TAXABLE)**

**and
SERIES 2017 D (TAX-EXEMPT)**

CONTRACT OF PURCHASE

_____, 2017

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

Kean University
1000 Morris Avenue
Union, New Jersey 07083

Ladies and Gentlemen:

Morgan Stanley & Co. LLC (the "Representative"), on behalf of ourselves and the underwriters named on the list attached hereto and incorporated herein by this reference as Schedule 1 (the Representative and said underwriters being hereinafter collectively referred to as the "Underwriters"), hereby offers to enter into this Contract of Purchase (this "Purchase Contract") with you, the New Jersey Educational Facilities Authority (the "Authority"), and Kean University (the "Public University"), which, upon your acceptance of this offer and upon execution hereof by the Authority and the Public University, will be binding upon the Authority, the Public University and the Underwriters. This offer is made subject to the acceptance by the Authority and the Public 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 Representative upon written notice delivered to the Authority at any time prior to acceptance hereof by the Authority. 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 Underwriters' 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 Underwriters hereby agree to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell to the Underwriters, all (but not less than all) of its \$_____ Revenue Refunding Bonds, Kean University Issue, Series 2017 C (Federally Taxable) (the "Series 2017 C Bonds") and \$_____ Revenue Refunding Bonds, Kean University Issue, Series 2017 D (Tax-Exempt) (the "Series 2017 D Bonds" and, together with the Series 2017 C Bonds, the "Bonds") to be issued under and pursuant to a Resolution adopted by the Authority on October 17, 2017 (the "Resolution") and a Trust Indenture, dated as of November 1, 2017 (the "Trust Indenture"), by and between the Authority and U.S. Bank National Association, Morristown, New Jersey, as trustee (the "Trustee"), at an aggregate purchase price equal to (i) with regard to the Series 2017 C Bonds, \$_____ (such purchase price reflecting Underwriters' discount of \$_____) and (ii) with regard to the Series 2017 D Bonds, \$_____ (such purchase price reflecting

Underwriters' discount of \$_____ and a net reoffering premium of \$_____). 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 refunding the Bonds to be Refunded (as such term is defined in the hereinafter defined Official Statement 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 Underwriters.

Each of the Authority, the University and the Representative 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.

3. **Delivery of the Bonds; Public Offering of the Bonds.** The Underwriters hereby agree 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 Underwriters reserve the right to lower such initial prices as they shall deem necessary in connection with the marketing of the Bonds. The Underwriters 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 Underwriters reserve 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 of each series, 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 Representative shall direct. Delivery of related documentation shall be made at the offices of McCarter & English, LLP, Newark, 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 November __, 2017, or such other time or date as shall be mutually agreed upon by the Authority and the Representative. The delivery of and payment for the 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 Representative at least 24 hours prior to the Closing Time.

The Authority has previously authorized the distribution of the Preliminary Official Statement, dated November __, 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 Public 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 Representative 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 Underwriters 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 Representative shall, at its own expense, submit the Official Statement to EMMA (as hereinafter defined). The Representative 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 underwriters under MSRB Rule G-32.

In addition, the Representative will provide to the Authority a copy of the notice sent to all purchasers of the Bonds from the Underwriters 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 Representative an amount of printed Official Statements in such quantities that the Representative may reasonably request, provided, that the number of copies the cost for which the Authority is responsible will not exceed 250 copies. Should the Representative require additional copies of the Official Statement, the Authority agrees to cooperate with the Representative in obtaining such copies; provided, that the cost of such additional copies will be borne by the Underwriters.

4. Establishment of Issue Price. The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the Series 2017 D Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Authority, the University 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 Series 2017 D Bonds.

(a) [Except for the maturities set forth in Schedule A attached to Exhibit C hereto,] the Authority will treat the first price at which 10% of each maturity of the Series 2017 D 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).

(b) The Representative confirms that the Underwriters have offered the Series 2017 D 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 A attached to Exhibit C attached hereto and in the final Official Statement. Schedule A attached to Exhibit C also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Series 2017 D Bonds for which the 10% test has not been satisfied and for which the Authority and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the issuer 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 Series 2017 D Bonds, the Underwriters will neither offer nor sell unsold Series 2017 D 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 Underwriters have sold at least 10% of that maturity of the Series 2017 D Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the Authority when the Underwriters have sold 10% of that maturity of the Series 2017 D 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, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2017 D Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2017 D Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2017 D Bonds.

(c) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2017 D 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 Series 2017 D Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Series 2017 D Bonds of that maturity or all Series 2017 D 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 Representative and as set forth in the related pricing wires, and

(ii) any agreement among underwriters and any selling group agreement relating to the initial sale of the Series 2017 D 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 Series 2017 D 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 Series 2017 D Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Series 2017 D Bonds of that maturity or all Series 2017 D 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 Representative or the Underwriter and as set forth in the related pricing wires.

(d) The Underwriters acknowledge that sales of any Series 2017 D Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this Section 4. Further, for purposes of this Section:

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

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2017 D Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2017 D 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 Series 2017 D Bonds to the public),

(iii) a purchaser of any of the Series 2017 D Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Purchase Contract by all parties

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

(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 November 1, 2017 by and between the Authority and the Public University relating to the Project (the “Agreement”), the Escrow Deposit Agreement (the “2009 A Escrow Deposit Agreement”) dated November __, 2017 by and between the Authority and U.S. Bank National Association, as Escrow Agent (the “2009 A Escrow Agent”) 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 2009 A Escrow Deposit 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 Representative and the Public University promptly of any proposal to amend or supplement the Official Statement pursuant to Section 9 hereof. The Authority will advise the Representative 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, the 2009 A Escrow Deposit 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 Representative 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, the 2009 A Escrow Deposit 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, the 2009 A Escrow Deposit 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, the 2009 A Escrow Deposit 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, the 2009 A Escrow Deposit 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 Representative shall be deemed a representation and warranty by the Authority to the Underwriters as to the statements made therein with the same effect as if such representation or warranty was set forth herein.

(i) The Authority will pay or cause to be paid only from the proceeds of the Bonds, other available funds or other moneys provided by the Public 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 Escrow Agents; 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 Public University all in connection with the transactions contemplated herein. The Authority shall be under no obligation to pay any expenses incident to the performance of the obligations of the Representative 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 Public University to meet its obligations under this Purchase Contract, the Public University shall pay all expenses incurred by the Authority.

(j) The costs of any meals and/or travel of representatives of the Authority or the Public University shall be paid by the Authority or the Public University.

(k) 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 Public University.** By its acceptance hereof the Public University hereby represents and warrants to, and agrees with, the Authority and the Underwriters that:

(a) The Public 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 Public University of the Agreement, the Continuing Disclosure Agreement dated the date of Closing by and between the Public University and the Trustee with respect to the Bonds (the "Continuing Disclosure Agreement"), this Purchase Contract and the Official Statement, or for any action by the Public 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 Public University hereby ratifies and consents to the use by the Underwriters, prior to the date hereof, of the Preliminary Official Statement in connection with the public offering of the 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 Public University hereby authorizes the use and distribution of the Official Statement by the Underwriters 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, there shall exist any event which, in the opinion of the Representative or in the opinion of the Authority or the Public 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 Public University will cooperate with the Authority, at the Public University's expense, to supplement or amend the Official Statement, in a form and in a manner approved by the Representative 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, not 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 Public University and the Project under the captions "INTRODUCTORY STATEMENT", "PLAN OF FINANCING", "ESTIMATED SOURCES AND USES OF FUNDS", "DESCRIPTION OF THE BONDS" (excluding the subsection "Book-Entry-Only System"), "SECURITY FOR THE BONDS", "CONTINUING DISCLOSURE", "LITIGATION – The Public 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 Public University and the Project under the captions "INTRODUCTORY STATEMENT", "PLAN OF FINANCING", "ESTIMATED SOURCES AND USES OF FUNDS", "DESCRIPTION OF THE BONDS", "SECURITY FOR THE BONDS" (excluding the subsection "Book-Entry-Only System"), "CONTINUING DISCLOSURE", "LITIGATION The Public 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) The Public University will advise the Representative 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 Public 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 Public 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 Public 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 Public University, and, to the knowledge of the Public University, no such action is threatened against the Public University, in any way contesting or questioning the due organization and lawful existence of the Public University or the title of any of the officers or members of the Public 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 Public 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 Public 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 Public 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 Public 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 Public University, will not violate any provision of the

Charter or By-Laws of the Public University, or constitute, on the Public 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 Public University is subject or by which the Public University is or may be bound.

(j) To the best of the knowledge of the officers of the Public University, after due inquiry, there has been no material adverse change in the financial condition and affairs of the Public University since the end of the fiscal year of the Public University ended June 30, 2016 as shown in the Official Statement in APPENDIX B – “AUDITED FINANCIAL STATEMENTS OF THE PUBLIC UNIVERSITY AS OF AND FOR THE YEARS ENDED JUNE 30, 2017 AND 2016”.

(k) The financial statements of, and other financial information regarding the Public University in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of the Public University as of the dates and for the periods therein set forth. The financial statements of the Public 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 Public University's audited financial statements included in the Preliminary Official Statement and in the Official Statement.

(l) Prior to the Closing Date, the Public University will not, without prior written notice to the Representative, offer or issue any obligations except as described in or contemplated by the Official Statement.

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

(n) As of the date hereof and as of the Closing Date, (i) the Authority has and will have good and marketable fee simple title, and the Public University has and will have good and marketable leasehold title, to the properties constituting the Project Facilities, subject only to such liens and encumbrances as have been disclosed to the Authority and the Representative in writing, (ii) the Public 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 Public University to use such properties for their intended purposes and to collect revenues therefrom, and (iii) the Public University has and will have good and marketable title to its revenues.

(o) To the best knowledge of the officers of the Public University, the Public 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 Public University, the Public University has not received any notice of an alleged violation and, to the best knowledge of the officers of the Public 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 Public University.

(p) If the Closing shall not occur as a result of the failure of the Public University to meet its obligations under this Purchase Contract, the Public University shall pay all of the expenses of the Authority as described in Section 5(i) above.

(q) None of the officers, members, agents or employees of the Public University shall personally be liable for the performance of any obligation under this Purchase Contract.

(r) In order to assist the Underwriter in complying with Rule 15c2-12, the Public 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 disclosed in the Preliminary Official Statement and the Official Statement, the Public 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.

(s) The Public 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.

(t) Prior to the Closing, the Public 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 Public University.

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

(a) The Representative is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization, having all requisite corporate power and authority to carry on its business as now constituted and has been duly authorized to execute this Purchase Contract and to act hereunder by and on behalf of the Underwriters pursuant to the Agreement among Underwriters dated November __, 2017 (the "AAU");

(b) The Resolution, the Trust Indenture, the Agreement, the 2009 A Escrow Deposit Agreement, the Continuing Disclosure Agreement and this Purchase Contract have been reviewed by the Representative and contain terms acceptable to, and agreed to by, the Representative;

(c) The Representative has the requisite authority to enter into this Purchase Contract on behalf of itself and the other Underwriters, and this Purchase Contract has been duly authorized, executed and delivered by the Representative on behalf of itself and the other

Underwriters and, assuming the due authorization, execution and delivery by the Authority, is the legal, binding and valid obligation of the Underwriters, enforceable against the Underwriters 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 Representative has not entered into and, based upon the representations and warranties received by the Representative from the other Underwriters under the AAU, the Representative is not aware that the other Underwriters have entered into, any undisclosed financial or business relationships, arrangements or practices required to be disclosed in the Official Statement pursuant to Securities and Exchange Commission Release No. 33-7049; 3433741; FR-42; File No. S7-4-94 (March 9, 1994) or required to be disclosed in the Official Statement pursuant to MSRB rules;

(e) The Representative represents and warrants for itself, and in reliance upon the representations and warranties made by the other Underwriters to the Representative in the AAU, for the other Underwriters, that the Representative and each such Underwriter is in compliance with the provisions of Rules G-37 and G-38 of the MSRB;

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

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

(h) The Representative, at or prior to the Closing, shall deliver to the Authority certificates stating the "issue price" and "yield" for the Series 2017 D Bonds, as such terms are defined in the Code, and such other information reasonably requested by Bond Counsel in the form attached hereto as Exhibit C; and

(i) The Representative represents and warrants for itself, and in reliance upon the representations and warranties made by the other Underwriters to the Representative in the AAU, for the other Underwriters, that neither the Representative nor any of the other Underwriters has 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.

(j) The Representative represents and warrants for itself, and in reliance upon the representations and warranties made by the other Underwriters to the Representative in the AAU, for the other Underwriters, that each Underwriter has complied with the requirements of N.J.S.A. 52:32-58 and has filed a certification with the Authority that it is not identified on the list of persons engaging in investment activities in Iran.

8. **Conditions to the Underwriters' Obligations.** The Underwriters' obligations hereunder shall be subject to the due performance by the Authority and the Public 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 Public 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 2009 A Escrow Deposit 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 Public University, as appropriate, and each of the foregoing and all related official action of the Authority and of the Public 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 Representative; (ii) the Authority and the Public 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 Representative, the Authority and the Public 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, the 2009 A Escrow Deposit Agreement and the Continuing Disclosure Agreement shall be fully enforceable in accordance with their terms.

(b) The Underwriters shall not have elected to cancel their obligation hereunder to purchase the Bonds, which election shall be made by written notice by the Representative to the Authority only if between the date hereof and the Closing: (i) any event shall have occurred that, in the reasonable judgment of the Representative, either (A) makes untrue or incorrect in any materially adverse respect any statement or information contained in the Official Statement or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any materially adverse respect and such event, in the reasonable judgment of the Representative, is such as to materially and adversely affect (x) the marketability of the Bonds, or (y) the ability of the Underwriters 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 Representative, is such as to materially and adversely affect the ability of the Underwriters to enforce confirmations of or contracts for the sale of the Bonds; or (iii) there shall be in force a general suspension of trading on the New York Stock Exchange the effect of which on the financial markets is such as to materially and adversely affect the marketability of the 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 Underwriters 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 any legislation, ordinance, rule or regulation shall be enacted by any governmental body, department or agency of the State or a final decision by a federal court (including the Tax Court of the United States) or a court of the State shall be rendered, or a final ruling, regulation or release or official statement by or on behalf of the President, the Treasury Department of the United States, the Internal Revenue Service or other federal or State agency shall be made, with respect to federal or State taxation upon revenues or other income of the general character of interest on the Bonds, or which would have the effect of changing directly or indirectly the federal or State income tax consequences of interest on bonds of the general character of the Bonds in the hands of the holders thereof and which, in the Representative's reasonable opinion, materially and adversely affects the marketability 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 Public 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 Public University's debt obligations, which action reflects a change in the ratings accorded any such obligations of the Public 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 Public University from that set forth in the Official Statement that in the reasonable judgment of the Representative, is material and adverse and that makes it, in the reasonable judgment of the Representative, impracticable to market the 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 Representative and the Authority; and the

Underwriters and the Trustee shall have received a letter from Bond Counsel, dated the Closing Date, authorizing them to rely on such unqualified approving opinion of Bond Counsel.

(e) Bond Counsel shall have delivered a supplementary opinion or opinions dated the Closing Date (addressed to the Authority, the Public University, the Underwriters and the Trustee as to items (i) to (v) below and to the Authority and the Public University as to item (vi) below), in the form satisfactory to the Authority and the Representative, to the effect that:

(i) the statements contained in the Official Statement in the sections captioned “INTRODUCTORY STATEMENT”, “PLAN OF FINANCING”, “DESCRIPTION OF THE BONDS” (excluding the subsection “Book-Entry-Only System”), “SECURITY FOR THE BONDS,” “THE AUTHORITY,” “STATE OF NEW JERSEY HIGHER EDUCATION,” “CONTINUING DISCLOSURE” (excluding the last paragraph thereof), “LEGALITY FOR INVESTMENT”, “PLEDGE OF STATE NOT TO AFFECT RIGHTS OF BOND-HOLDERS”, and in APPENDIX C – “FORMS 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, the 2009 A Escrow Deposit 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 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 Official Statement and without having undertaken to determine independently the accuracy or completeness of the statements contained in 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 of the Official Statement and as of the date of Closing, the Official Statement (except for the financial, tabular and other statistical information included therein and except for the information under the headings “DESCRIPTION OF THE BONDS – Book-Entry Only Bonds”, “LITIGATION” and in “APPENDIX A – KEAN UNIVERSITY” and “APPENDIX B – AUDITED FINANCIAL STATEMENTS OF THE UNIVERSITY AS OF AND FOR THE YEARS ENDED JUNE 30, 2017 AND 2016”, 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 Public University.

(f) The Authority and the Public University shall have received an opinion of the Attorney General of the State.

(g) The Underwriters 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, the 2009 A Escrow Deposit 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, the 2009 A Escrow Deposit 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 Underwriters 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 Representative.

(i) The Underwriters shall have received a certificate, dated the Closing Date, signed by an Authorized Officer of the University (or the Executive Vice President for Operations) of the Public University, to the effect that each of the representations and warranties of the Public 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, the Public 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, 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, and 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, and there has been no material adverse change in the condition and affairs of the Public 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 Representative.

(j) The Underwriters shall have received an Arbitrage Certificate of the Authority and a Tax Letter of Representation from the Public University in form and substance satisfactory to the Representative and to Bond Counsel.

(k) The Underwriters 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 Underwriters, shall have received ratings letters or other documents providing evidence of ratings of "___" and "___" on the Bonds from Moody's Investors Service and Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC business ("S&P"), 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 Underwriters shall have received certified copies of the resolutions of the Authority and of the Public University relating to the Bonds (including the Resolution), executed copies of the Trust Indenture, the Agreement, the 2009 A Escrow Deposit Agreement, the Continuing Disclosure Agreement and the Official Statement, all in form and substance satisfactory to the Representative.

(n) (i) 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 Representative; 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.

(ii) The Authority shall have received (1) a certificate of each Escrow Agent (as hereinafter defined), in its capacity as Escrow Agent in form and substance satisfactory to the Authority and the Representative; and (2) opinions of counsel to each Escrow Agent with respect to the Bonds dated the Closing Date stating that (A) the Escrow Agent 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 Escrow Agent and fiduciary under the laws of the State; (B) the Escrow Agent has duly accepted its appointment as Escrow Agent under the Escrow Deposit Agreement (as hereinafter defined) and possesses all necessary trust, fiduciary and other powers to carry out the duties and obligations imposed by the Escrow Deposit Agreement; (C) the Escrow Agent has duly executed and delivered the Escrow Deposit Agreement; (D) the duties and responsibilities created by the Escrow Deposit Agreement constitute the valid, legal and binding obligations of the Escrow Agent, enforceable against the Escrow Agent in accordance with its terms; (E) the acceptance, execution, delivery and performance by the Escrow Agent of the duties and obligations of the Escrow Agent under the Escrow Deposit Agreement will not conflict with or constitute a breach of or default under the Escrow Agent's charter, by-laws or other authorizing documents or any law, administrative regulation or consent decree to which the Escrow Agent is subject; (F) the execution and delivery of the Escrow Deposit Agreement and the due performance by the Escrow Agent of its obligations thereunder have been duly authorized by all necessary corporate actions on the part of the Escrow Agent; 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 Escrow Agent of its obligations under the terms of the Escrow Deposit 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 Public University and the Authority and such additional documentation of organization, authority and incumbency as may be reasonably satisfactory to the Representative and to Bond Counsel.

(p) The Underwriters shall have received an opinion of Chiesa Shahinian & Giantomasi PC, Underwriters' Counsel, dated the Closing Date, in form and substance satisfactory to the Representative in substantially the form attached hereto as Exhibit D.

(q) The Authority shall have received: (i) consent letters from the Public University's auditor, Wiss & Company, LLP (the "Auditor"), stating that the Auditor consents to the inclusion of its report regarding the financial statements of the Public 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 Public 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 Authority and the Public University shall have received the verification report of The Arbitrage Group verifying the mathematical accuracy, as of the date of delivery of the Bonds, of the computations contained in the provided schedules to determine that (1) the amounts to be deposited pursuant to the respective 2009 A Escrow Deposit Agreement will be sufficient to pay, when due, the principal or Redemption Price of and interest on the Bonds to be Refunded and (2) the computations supporting the yield of the Series 2017 D Bonds and investments in the 2010 A Escrow Fund to support conclusion of Bond Counsel that interest on the Series 2017 D Bonds is excluded from gross income of the owners thereof for federal income tax purposes.

(s) The Underwriters shall have received a certified copy of the resolution of the Bergen County Improvement Authority (the "BCIA") relating to the refunding of the Series 2010 A BCIA Bonds to be Refunded and an executed copy of the Escrow Deposit Agreement (the "2010 A Escrow Deposit Agreement" and, together with the 2009 A Escrow Deposit Agreement, the "Escrow Agreements") dated November __, 2017 by and between the BCIA and TD Bank, National Association, as Escrow Agent (the "2010 A Escrow Agent" and, together with the 2009 A Escrow Agent, the "Escrow Agents").

(t) The Authority and the Underwriters shall have received opinions as to the defeasance of the Bonds to be Refunded from Bond Counsel and/or counsel to the BCIA, as applicable.

The Underwriters shall have received such additional certificates, opinions and other documents as the Representative 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 Representative.

The Authority will furnish the Underwriters with such opinions, certificates, letters and documents as the Representative or Bond Counsel reasonably requests. If the Authority shall be unable to satisfy or cause to be satisfied any condition of the obligations of the Representative contained in this Purchase Contract and the satisfaction of such condition shall not be waived by the Representative or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriters nor the Authority nor the Public 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 9), 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 Public University or the Representative 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 Representative, and (b) if any event relating to or affecting the Authority, the Public 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 Representative, forthwith prepare and furnish to the Representative (at the expense of the Public University) up to 250 copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Authority, the Attorney General of the State, Bond Counsel and the Representative) which will amend or supplement the Official Statement so that the Official Statement, as amended or supplemented, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to the Representative, not misleading. The cost of any copies of such amendment or supplement to the Official Statement in excess of 250 shall be borne by the Underwriters. In addition, the Authority will provide, subject to customary disclaimers regarding the transmission of electronic copies, an electronic copy of the amendment or supplement to the Official Statement to the 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 9, the Authority will furnish such information that the Representative may from time to time reasonably request with respect to itself or the Public University, and the Public University will cooperate with the Authority in furnishing such information.

10. **Survival of Certain Representations and Obligations.** After the Closing, the respective agreements, representations, warranties and other statements of the Authority, of the Public University and their officials and of the Underwriters set 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 Underwriters, the Public 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:

Morgan Stanley & Co. LLC
1585 Broadway, 16th Floor
New York, New York 10036
Attention: Oliver Zlomislic, Executive 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: Executive Director

Any notice or other communication to be given to the Public University under this Purchase Contract may be given by mailing or delivering the same in writing to:

Kean University
1000 Morris Ave
Union, New Jersey 07083
Attention:

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 Public University and the Underwriters (including the successors or assigns of any of said parties) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. The terms "successors" and "assigns" as used herein shall not include any purchaser, as such purchaser, of any of the Bonds from the Underwriters. All representations and agreements of the Authority, the Public University and the Underwriters in this Purchase Contract shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriters and shall survive the delivery of and payment for the Bonds.

17. **Compliance with L. 2005, c. 271 Reporting Requirements.** The Underwriters are advised of their responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (“ELEC”) pursuant to N.J.S.A. 19:44A-20.13 (L. 2005, c. 271, section 3) if the Underwriters enter into agreements or contracts such as this Purchase Contract, with a public entity, such as the Authority, and receive 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 Public University agree to reasonably cooperate with the Representative and counsel to the Underwriters in any endeavor to qualify the Bonds for offering and sale under the securities or “Blue Sky” laws of such states as the Representative 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 Public University consent to the use of the Official Statement by the Underwriters in obtaining such qualifications; provided, however, that the Authority and the Public 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 Public 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 Underwriters of their obligation to purchase the Bonds under this Purchase Contract.

19. **Effect.** The performance of obligations of the Authority and the Public University hereunder is subject to the performance by the Underwriters of their obligations hereunder.

Very truly yours,

MORGAN STANLEY & CO. LLC

By: _____

Name: Oliver Zlomislic
Title: Executive Director

Accepted as of the date first written above:

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By: _____

Name: Sheryl A. Stitt
Title: Acting Executive Director

KEAN UNIVERSITY

By: _____

Name:
Title:

**SCHEDULE 1
UNDERWRITERS**

Morgan Stanley & Co. LLC

**EXHIBIT A
PRICING SUMMARY**

Redemption Provisions

EXHIBIT B

L. 2005, c. 51, CERTIFICATION OF NO CHANGE

I, Oliver Zlomislic, Executive Director of Morgan Stanley & Co. LLC (the “Representative”), and based solely on reliance upon the representations and warranties made to the Representative in the Agreement Among Underwriters, dated November __, 2017, by the other Underwriters (collectively, the “Underwriters”) listed on Schedule 1 to the Contract of Purchase (the “Purchase Contract”), dated _____, 2017, relating to the Authority’s \$_____ Revenue Refunding Bonds, Kean University Issue, Series 2017 C (Federally Taxable) (the “Series 2017 C Bonds”) and \$_____ Revenue Refunding Bonds, Kean University Issue, Series 2017 D (Tax-Exempt) (the “Series 2017 Series D Bonds” and, together with the Series 2017 C Bonds, the “Bonds”), do 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 and Executive Order No. 117 (Corzine 2008) and as required by law are true and correct as of the date hereof, and that all such statements have been made with full knowledge that the Authority and the State of New Jersey shall rely upon the truth of the statements contained herein and in the Purchase Contract in engaging the Representative and the other Underwriters in connection with the sale and issuance of the Bonds.

IN WITNESS WHEREOF, I have hereunto set my hand this __ day of _____, 2017.

Morgan Stanley & Co. LLC

By: _____
Oliver Zlomislic
Executive Director

EXHIBIT C

FORM OF ISSUE PRICE CERTIFICATE

_____, 2017

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

McCarter & English, LLP
Newark, New Jersey

Re: \$ _____ New Jersey Educational Facilities Authority Revenue
Refunding Bonds, Kean University Issue, Series 2017 D (Tax-Exempt)

Ladies and Gentlemen:

This Certificate is furnished by Morgan Stanley & Co. LLC, as Representative (the “Representative”) of the underwriters (the “Underwriters”) in connection with the sale and issuance by the New Jersey Educational Facilities Authority (the “Issuer”) of its \$[] aggregate principal amount of Revenue Refunding Bonds, Kean University Issue, Series 2017 Series D (Tax-Exempt) (the “Bonds”) issued _____, 2017, and the Representative hereby certifies and represents the following, based upon information available to us:

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] [“[SHORT NAME OF UNDERWRITER]”][the “Representative”)][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

Select appropriate provisions below:

1. [Alternative 1¹ – All Maturities Use General Rule: *Sale of the Bonds*. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.][Alternative 2² – Select Maturities Use General Rule: *Sale of the General Rule Maturities*. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price

¹ If Alternative 1 is used, delete the remainder of paragraph 1 and all of paragraph 2 and renumber paragraphs accordingly.

² If Alternative 2 is used, delete Alternative 1 of paragraph 1 and use each Alternative 2 in paragraphs 2(a) and (b).

at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.]

2. ***Initial Offering Price of the [Bonds][Hold-the-Offering-Price Maturities].***

(a) [Alternative 1³ – All Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Bonds 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.] [Alternative 2⁴ – Select Maturities Use Hold-the-Offering-Price Rule: [SHORT NAME OF UNDERWRITER][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) [Alternative 1 – All Maturities use Hold-the-Offering-Price Rule: As set forth in the [Bond Purchase Agreement][Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Bonds, [it][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. [[SHORT NAME OF UNDERWRITER] has not offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.] [Each of the other members of the Underwriting Group [and each selling group member] has represented that it would not offer or sell any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.] [Alternative 2 - Select Maturities Use Hold-the-Offering-Price Rule: As set forth in the [Bond Purchase Agreement][Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][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

³ If Alternative 1 is used, delete all of paragraph 1 and renumber paragraphs accordingly.

⁴ Alternative 2(a) of paragraph 2 should be used in conjunction with Alternative 2 in paragraphs 1 and 2(b).

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. [[SHORT NAME OF UNDERWRITER] has not offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.] [Each of the other members of the Underwriting Group [and each selling group member] has represented that it would not offer or sell 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 ([DATE]), or (ii) the date on which the [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] 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 [DATE].

(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).

We are aware that the Authority may rely on the foregoing certifications in connection with the delivery of its Certificate as to Arbitrage for the Bonds under the Internal Revenue Code of 1986, as amended (the "Code"), and Bond Counsel may rely on the foregoing certifications in rendering its opinion on the exclusion from federal and state gross income of the interest on the Bonds. The undersigned is certifying only as to facts in existence on the date hereof. Since we are not engaged in the practice of law, nothing herein represents the undersigned's interpretation of any laws, including in particular the regulations under the Code, or the application of any laws to these facts. In addition, we are not accountants or actuaries, and, although we believe the calculations above are correct, we do not warrant their validity. The certifications contained herein are not necessarily based on personal knowledge, but may instead be based on either inquiry deemed adequate by the undersigned or institutional knowledge (or both) regarding the matters set forth herein. Although certain information furnished in this Certificate has been derived from other purchasers, bond houses and brokers and cannot be independently verified by us, we have no reason to believe it to be untrue in any material respect.

Very truly yours,

MORGAN STANLEY & CO. LLC, on
behalf of itself and as Representative of the
Underwriters

By: _____
Oliver Zlomislic
Executive Director

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

EXHIBIT D

FORM OF OPINION OF UNDERWRITERS' COUNSEL

Morgan Stanley & Co. LLC,
on behalf of itself and as representative
of the underwriters
New York, New York

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
\$ _____ Revenue Refunding Bonds, Kean University Issue,
Series 2017 C (Federally Taxable)
and
\$ _____ Revenue Refunding Bonds, Kean University Issue,
Series 2017 D (Tax-Exempt)

Ladies and Gentlemen:

We have acted as counsel to you, Morgan Stanley & Co. LLC, as underwriter and as a Representative of a group of underwriters (the "Underwriters") under the Contract of Purchase dated November __, 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 October 17, 2017 (the "Resolution"), and a Trust Indenture, dated as of November 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 8(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 November __, 2017 ("the Preliminary Official Statement"); (5) the Official Statement relating to the Bonds dated November __, 2017 (the "Official Statement"); (6) executed copies of certificates delivered to you pursuant to the Contract of Purchase dated November __, 2017 by and among the Authority, the Public University and the Underwriters (the "Purchase Contract"), (7) the opinion letters of McCarter & English, 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 Public 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 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 Underwriters. 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.*).

McCarter & English, LLP
Draft #3
October 13, 2017

LEASE AND AGREEMENT

BY AND BETWEEN

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

AND

KEAN UNIVERSITY

DATED AS OF

[November] 1, 2017

**RELATING TO THE SERIES 1998 A PROJECT, THE SERIES 2001 A PROJECT, THE
SERIES 2003 D PROJECT, THE SERIES 2005 B PROJECT AND THE SERIES 2017 D
PROJECT**

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LEASE AND AGREEMENT

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
TO
KEAN UNIVERSITY**

THIS LEASE AND AGREEMENT (THE "AGREEMENT"), MADE AS OF [NOVEMBER] 1, 2017, BY AND BETWEEN THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (THE "AUTHORITY") AND KEAN UNIVERSITY (THE "PUBLIC UNIVERSITY")

WITNESSETH:

WHEREAS, the Authority has heretofore issued, *inter alia*, its Revenue Bonds, Kean University Issue, Series 1998 A (the "Series 1998 A Bonds"), its Revenue Bonds, Kean University Issue, Series 2001 A (the "Series 2001 A Bonds"), its Revenue Bonds, Kean University Issue, Series 2003 D (the "Series 2003 D Bonds") its Revenue Bonds, Kean University Issue, Series 2005 B (the "Series 2005 B Bonds"), its Revenue Bonds, Kean University Issue, Series 2007 E (the "Series 2007 E Bonds"), its Revenue Refunding Bonds, Kean University Issue, Series 2009 A (the "Series 2009 A Bonds") and its Revenue Refunding Bonds, Kean University Issue, Series 2015 H (the "Series 2015 H Bonds"); and

WHEREAS, the Bergen County Improvement Authority issued its Revenue Bonds, Series 2010 A (Kean University Foundation, Inc. Project) (the "Series 2010 A BCIA Bonds") in an original aggregate principal amount of \$18,700,000, the proceeds of which were lent to the Kean University Foundation, Inc. (the "Foundation") to finance fifty percent (50%) of the construction costs of an academic building (the "Gateway Building") located on the campus of Ocean County College (the "County College") in Toms River, New Jersey which is jointly used by the Public University and the County College; and

WHEREAS, the Foundation leases fifty percent (50%) of the real property on which the Gateway Building is located from the County College pursuant to a Ground Lease between the County College and the Foundation (the "Ground Lease"), and the Foundation and the County College each own a fifty percent (50%) interest in the Gateway Building; and

WHEREAS, the Foundation leases its interest in the Gateway Building to the Public University; and

WHEREAS, the rental payments of the Public University under the lease of the Gateway Building secures the Series 2010 A BCIA Bonds and the Public University otherwise unconditionally guarantees the loan repayment obligations of the Foundation relating to the Series 2010 A BCIA Bonds; and

WHEREAS, the Public University has determined it is necessary and advisable to undertake a project (collectively, the "Project") consisting of (i) the advance refunding and defeasance of [all][a portion] of the outstanding Series 2009 A Bonds (the "Series 2009 A Bonds to be Refunded" or the "Series 2009 A NJEFA Bonds Refunding Project") and (ii) the advance

refunding and defeasance of all of the outstanding Series 2010 A BCIA Bonds (the “Series 2010 A BCIA Bonds to be Refunded”) and, concurrently therewith, the Foundation’s ownership interest in the Gateway Building and the Foundation’s interest in the Ground Lease shall be transferred by the Foundation to the Public University (collectively, the “Series 2010 A BCIA Bonds Refunding Project”); and (iii) paying certain costs incidental to the issuance and sale of the Bonds (as hereinafter defined), all as presented, submitted and approved by the Public University Board; and

WHEREAS, pursuant to a Resolution of the Authority adopted on October 17, 2017, the Authority determined that it was necessary and in keeping with its authorized purposes to issue two series of bonds to be designated (i) New Jersey Educational Facilities Authority Revenue Refunding Bonds, Kean University Issue, Series 2017 C (Federally Taxable) (the “Taxable Bonds”) for the purpose of providing funds to finance the Series 2009 A NJEFA Bonds Refunding Project and to pay certain costs of issuance of the Taxable Bonds and (ii) New Jersey Educational Facilities Authority Revenue Refunding Bonds, Kean University Issue, Series 2017 D (Tax-Exempt) (the “Tax-Exempt Bonds”, and together with the Taxable Bonds, the “Bonds”) for the purpose of providing funds to finance the Series 2010 A BCIA Bonds Refunding Project and to pay certain costs of issuance of the Tax-Exempt Bonds, pursuant to the terms of a Trust Indenture dated as of November 1, 2017 (the “Indenture”), by and between the Authority and U.S. Bank National Association, as trustee, for the purpose of providing funds to finance the Project; and

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

WHEREAS, the Leased Facilities constitute a portion (but not all) of the Project Facilities (as hereinafter defined) and certain other facilities of the Public University; 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

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 [November] 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 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, (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, if any, 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, collectively, the Series 2017 C Bonds and the Series 2017 D 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 not closed.

“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 Initial Fee, administrative expenses of the Authority, legal fees, fees and expenses of the Trustee and other fiduciaries, depositories, and paying agents, the costs of issuance of the Bonds by the Authority and fees and expenses of financial advisors and consultants in connection therewith properly chargeable to the Project, the cost of insurance or other financial facility securing the payment of the Bonds, and such other expenses not specified herein as may be necessary or incident to the financing of the Project.

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

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

“Financing Documents” means, collectively, the Indenture, the Resolution, this Agreement, any Swap Agreement, the Series 2009 A Escrow Deposit 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: (a) any “hazardous substance,” “pollutant” or “contaminant” as defined in Applicable Environmental Laws, including without limitation CERCLA and the Spill Act; (b) any “hazardous waste” as such term is defined in Applicable Environmental Laws; (c) 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 (d) 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 [November] 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 a portion (but not all) of the Project Facilities and certain other facilities of the Public University, 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.

“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.

“Prior Agreements” shall mean the [Series 2009 A Agreement, and the] Series 2015 H Agreement.

“Prior Project Facilities” shall mean, collectively, the facilities financed by the Series 1998 A Bonds, the Series 2001 A Bonds, the Series 2003 D Bonds and the Series 2005 B Bonds and refinanced by the Series 2007 E Bonds and the Series 2009 A Bonds, and comprising the Series 1998 A Project, the Series 2001 A Project, the Series 2003 D Project and the Series 2005 B Project.

“Project Facilities” means the educational facilities comprising (i) Prior Project Facilities, and (ii) the Series 2017 D 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 Kean University.

“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 1998 A Project” means the capital project financed by the Series 1998 A Bonds and refinanced by the Series 2007 E Bonds and Series 2009 A Bonds on behalf of the Public University, consisting generally of (i) the construction of a new 50,000 square foot academic building, (ii) heating and cooling infrastructure upgrades, (iii) athletic facilities improvements, and (iv) campus beautification, all as more fully described in Exhibit B attached hereto.

“Series 2001 A Project” means the capital project financed by the Series 2001 A Bonds and refinanced by the Series 2007 E Bonds and Series 2009 A Bonds on behalf of the Public University, consisting generally of (i) the renovation of and addition to an existing building known as Downs Hall for use as a facility for meetings, special events and educational conferences and the housing of the campus police and ambulance service for the Public University, all as more fully described in Exhibit B attached hereto.

“Series 2003 D Project” means the capital project financed by the Series 2003 D Bonds and refinanced by the Series 2007 E Bonds and Series 2009 A Bonds on behalf of the Public University, consisting generally of (i) the construction of a Wellness and Fitness Center, (ii) the renovation of the D’Angola Gymnasium, (iii) the construction of restrooms, storage and concession area at the Alumni Stadium, (iv) the renovation of the Kean Building to provide executive office space, student recreational offices and Office of Admission spaces, and (v) the demolition of an existing structure and the construction in place thereof of a new academic building; all as more fully described in Exhibit B attached hereto.

“Series 2005 B Project” means the capital project financed by the Series 2005 B Bonds on behalf of the Public University, consisting generally of acquiring real property and constructing and equipping an academic building and other facilities, constructing an access road to connect the East Campus to the Main Campus, renovating the President’s house, renovating and remodeling the East Campus, replacing two guest cottages on the East Campus, renovating

the Wilkins Theater and a portion of the cost of an academic building, all as more fully described in Exhibit B attached hereto.

“Series 2009 A Agreement” means the Lease and Agreement dated as of June 1, 2009 between the Authority and the Public University relating to the Series 2009 A Bonds, as the same may be amended or supplemented from time to time.

“Series 2009 A Escrow Deposit Agreement” means the Escrow Deposit Agreement dated _____, 2017 between the Authority and U.S. Bank National Association, as escrow agent, executed in connection with the Series 2009 A Bonds to be Refunded.

“Series 2015 H Agreement” means the Lease and Agreement dated as of August 1, 2015 between the Authority and the Public University, relating to the Series 2015 H Bonds, as the same may be amended or supplemented from time to time.

“Series 2017 C Bonds” or **“Taxable Bonds”** means the New Jersey Educational Facilities Authority Revenue Refunding Bonds, Kean University Issue, Series 2017 C (Federally Taxable), in the original principal amount of \$ _____, issued pursuant to the Resolution and the Indenture.

“Series 2017 D Bonds” or **“Tax-Exempt Bonds”** means the New Jersey Educational Facilities Authority Revenue Refunding Bonds, Kean University Issue, Series 2017 D (Tax-Exempt), in the original principal amount of \$ _____, issued pursuant to the Resolution and the Indenture.

“Series 2017 D Project” means the capital project financed by the Series 2007 D Bonds on behalf of the Public University, consisting generally of that portion of the Gateway Building owned and operated by the Public University financed by the Series 2010 A BCIA Bonds, all as more fully described in Exhibit B attached 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.

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 PROJECT

SECTION 2.01. Payment of Costs. It is hereby understood and agreed that the cost of each portion of the Project shall be paid solely from the proceeds of the Bonds issued by the Authority in connection with such portion of the Project in accordance with the Indenture and the Resolution, and other funds made available to the Authority for such purpose under the provisions of this Agreement or said Resolution.

SECTION 2.02. Use of the Project Facilities and Leased Facilities. The Authority agrees that the Leased Facilities may be, and the Public University agrees that said Leased Facilities, the sites of which are 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 Project Facilities and the operation thereof; that it will maintain and operate 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, 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 a Lease Default Event 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 Bond Counsel, acceptable to an Authorized Officer of the Authority, to the effect that all or any portion of the Leased Facilities and 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, if any, to pay such Cost of the Project.

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, and other reports pertaining to the Project that from time to time may be required to be submitted to the Authority and/or the Trustee pursuant to the Indenture and this Agreement.

SECTION 2.06. Completion of the Project Facilities. The Public University represents and warrants that each of the Prior Project Facilities has been completed substantially in conformity with the descriptions thereof contained in Exhibit B attached hereto, and that all or substantially all costs therefor have been paid.

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

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

(b) In all cases, the Public University shall certify to the Authority that (1) the portion of the Leased Facilities and/or Leased Facilities Site subject to the Property Release (the “Releasable Real Estate”) is not necessary for the construction or completion of any portion of the Project Facilities, or for the continuing use of any of the remaining Leased Facilities, (2) the overall value and utility of the Leased Facilities and Leased Facilities Site will not be materially reduced by the release of the Releasable Real Estate, and (3) the Leased Facilities and Leased Facilities Site to be subject to this Agreement immediately following the Property Release (the “Resulting Real Estate”) shall, in their totality, constitute essential facilities of the Public University, and the Public University acknowledges and agrees that the full amount of Lease Payments payable under this Agreement shall remain payable by the Public University notwithstanding such Property Release. The above certification may take into account such additional real estate (if any) as the Public University may, with the consent of the Authority, which consent shall not be unreasonably withheld, 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 Tax-Exempt 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 Tax-Exempt 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 Cost of the Project and related costs of issuance, 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 acquired by the Authority for the Project which exist at the time of closing of the Bonds, including (without limitation) the Prior Agreements; and

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

SECTION 4.03. Term of Agreement. The term of this Agreement shall continue until at least July 1, 20__ , 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. Special Fund. To secure payment of the Basic Lease Payments and Additional Lease Payments hereunder, the Public University has caused to be created the "Kean University 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 the 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, on January 2 and June 2, respectively, to the Public University.

The moneys in the Rental Pledge Account may be invested at the direction of the Public University and with the approval of an Authorized Officer of the Authority, in direct obligations of the United States of America, in obligations the principal of and interest of which are

guaranteed by the United States of America, in Permitted Money Market Funds or in certificates of deposit or time deposits of banks or trust companies, including the Trustee, secured by the aforesaid obligations, provided, however, that moneys shall be available in the Rental Pledge Account in the appropriate amounts on each Basic Lease Payment Date to make the payments required by Sections 4.05 and 4.06 of this Agreement.

SECTION 4.05. Basic Lease Payments. The Public University agrees to pay the Basic Lease Payments for the use and occupancy of the Leased Facilities from any legally available funds of the Public University.

The Public University agrees to pay from any legally available funds of the Public University "Basic Lease Payments" in an amount sufficient to enable the Trustee to make the transfers and deposits required at the times and in the amounts pursuant to Section 4.06 of the Indenture (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 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 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 on each Basic Lease Payment Date in the amount of interest due and payable on the Bonds (a) 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 of a balance available for 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 the Bond Year ending June 30, 2018 and in each Bond Year thereafter while the Bonds are Outstanding.

Payments required to be made under this Section 4.07 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. Subject to the Prior Agreements, the Public University is further hereby granted the option to prepay and purchase all of the Authority's right, title and interest in and to the Leased Facilities in whole, at the time set forth in Section 4.08(b) hereof, by paying to the Trustee the "Purchase Option Price", which for any date of calculation shall be the sum of (i) the aggregate amount of unpaid principal of the Bonds to their redemption date under the terms of the Indenture and as set forth in the Public University's notice to the Trustee of such prepayment, (ii) any interest accrued on the Bonds from the last Interest Payment Date thereof on which interest thereon was paid to the redemption date set forth in clause (i) above, (iii) the redemption premium, if any, applicable to the payment of the Bonds on the redemption date set forth in clause (i) above, and (iv) any costs of redemption or defeasance or other expenses incurred by any party to the Financing Documents in implementing such prepayment. The Purchase Option Price shall be deposited upon receipt by the Trustee in the Debt Service Fund (or in such other Trustee escrow account as may be specified by the Public University) and, at the request of and as determined by the Public University, credited against payments due hereunder or used for the redemption or purchase of Outstanding Bonds in the manner and subject to the terms and conditions set forth in the Indenture. Notwithstanding any such prepayment, as long as any Bonds remain Outstanding or any Additional Lease Payments required to be made hereunder remain unpaid 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 redemption thereof, plus all interest accruing thereon to such final maturity 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.

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

SECTION 4.09. Obligations Unconditional. The obligations of the Public University hereunder are absolute and unconditional, regardless of whether the Project Facilities (or any portion thereof) are completed or are available for occupancy by the Public University, and notwithstanding any other provision of this Agreement or the Indenture. Until this Agreement is terminated and all payments hereunder are made, the Public University:

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

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

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

(d) except as provided herein, will not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, damage, destruction or

condemnation of the Project Facilities financed or refinanced with the proceeds of the Bonds or any part thereof, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State, or any political subdivision of either thereof or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement. Nothing contained in this Section 4.09 shall be construed to release the Authority from the performance of any of the agreements on its part contained herein, and in the event the Authority should fail to perform any such agreement on its part, the Public University may institute such action against the Authority as the Public University may deem necessary to compel performance.

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 CONCERNING PROJECT

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 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 5.05 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 or (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 5.05[, or (iii) if there is substantial damage to the Leased Facilities rendering such facilities, in the opinion of an Authorized Officer of the Authority in consultation with the Public University, 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 5.05.

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 5.05 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.

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

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

SECTION 5.06. Compliance with Laws and Regulations. The Public University agrees that throughout the term of this Agreement, at the Public University's sole cost and expense, it will promptly comply with (or cause to be complied with) all laws and ordinances and the orders, rules, regulations and requirements of all federal, State and local governments and agencies and departments thereof which are applicable to the Public University and the Leased Facilities, or, and whether or not the same requires structural repairs and alterations, which may be applicable to the Leased Facilities, the fixtures or equipment thereof, or the sidewalks and curbs adjoining the Leased Facilities, or the use or manner of use of the Leased Facilities. The Public University will also observe and comply with (or cause to be observed and complied with) the requirements of all policies and arrangements of insurance at any time in force with respect to the Leased Facilities and the fixtures and equipment thereof.

SECTION 5.07. Alterations and Additions to Leased Facilities. The Public University shall have the right at any time and from time to time during the term of this Agreement, with the approval of 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 Site.

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 violation of Applicable

Environmental Laws. 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. To the extent required by State law, 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. The Public University anticipates that the Leased Facilities will be exempt from local property taxes.

SECTION 5.13. Compliance with Prevailing Wage Act. In connection with the Project Facilities, the Public University hereby acknowledges that the provisions of N.J.S.A. 18A:72A-5.1 to -5.4 relating to the payment of the prevailing wage rate determined by the Commissioner of the State Department of Labor and Workforce Development pursuant to the Prevailing Wage Act (N.J.S.A. 34:11-56.25 et seq.) applies to construction and rehabilitation taken in connection with Authority financial assistance and the Public University covenants to comply with such provisions.

SECTION 5.14. P.L. 2005, c. 92. In accordance with P.L. 2005, c. 92, the Public University covenants and agrees that all services performed under this Agreement shall be performed within the United States of America.

SECTION 5.15. Consent to Authority's Use of Photographs and Videos. The Public University agrees that the Authority may use photographs or videos taken on the Public University's campus (whether taken by the Authority or other person) in the Authority's newsletters, reports or other publications or materials (including PowerPoint presentations) in connection with the Authority's operations.

ARTICLE VI

CHARACTER OF AGREEMENT

SECTION 6.01. Net Lease. It is mutually agreed by the parties hereto that this is a net lease and notwithstanding any language herein to the contrary, it is intended, and the Public University expressly covenants and agrees, that all rentals and other payments herein required to be made by the Public University to the Authority shall be net payments to the Authority, meaning that the Authority is not and shall not be required to expend any money or do any acts or take any steps affecting or with respect to the maintenance, preservation, repair, restoration, reconstruction, or protection of the Leased Facilities Site or the Leased Facilities or any part thereof.

ARTICLE VII

RIGHTS ON DEFAULT

SECTION 7.01. Entry. The Authority and the Public University agree that, if an Event of Default (as hereinafter defined) occurs and is continuing, the Authority shall have the right to and may enter the Leased Facilities without being liable for any prosecution or damages therefor, and may relet the Leased Facilities for such term of years, which may exceed the term of this Agreement, and receive the rent therefor, upon such terms as shall be satisfactory to the Authority. Such entry by the Authority shall not relieve the Public University of its obligations under this Agreement nor operate to release the Public University from any Basic Lease Payments to be paid or covenants to be performed under this Agreement during the full term of this Agreement. For the purpose of reletting, the Authority shall be authorized to make such repairs or alterations in or to the Leased Facilities as it may deem necessary to place the same in good order and condition. The Public University shall be liable to the Authority for the cost of such repairs or alterations and all expenses of such reletting. If the sum realized or to be realized from the reletting is insufficient to satisfy the Basic Lease Payments provided in this Agreement, the Authority, at its option, may require the Public University to pay such deficiency month by month, or may hold the Public University liable in advance for the entire deficiency to be realized during the term of the reletting of the Leased Facilities in excess of the Basic Lease Payments reserved in this Agreement. Notwithstanding such entry by the Authority, the Public University agrees that: (i) all rights-of-way, easements or other rights in land conveyed or otherwise provided in accordance with this Agreement shall be continued in full force and effect; and (ii) any utility services shall be furnished by the Public University to the Leased Facilities at the expense of the Public University. Furthermore, upon such entry by the Authority, any sublease of the Leased Facilities shall immediately terminate and be of no further force and effect.

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

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

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

(a) Upon failure by the Public University to pay in full any Lease Payment 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 as may be required. 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, Swap Termination Payments and all other obligations incurred by the Authority in connection with the Project have been paid, or that sufficient funds for such payment in full are held in trust by the Trustee, an Authorized Officer of the Authority shall transfer all its rights, title and interest in and to the Leased Facilities to the appropriate State entity by deed or deeds in form satisfactory to an Authorized Officer of the Authority. Notwithstanding the foregoing, in the event any of the Prior Agreements are still then in effect, the respective Leased Facilities Site shall not be so transferred until permitted by the terms of such Prior Agreement.

ARTICLE X

ASSIGNMENTS

SECTION 10.01. Assignments. Except as permitted by Section 5.01 above, the Public University shall not assign this Agreement or any interest therein or sublet the Leased Facilities Site or any part thereof without the prior consent of the Authority; provided, however, that nothing in this Article X shall prohibit the licensing, to students of the Public University or other use of the Leased Facilities, or any part thereof, so long as the Public University does not grant an interest in or over the Leased Facilities 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, agents and attorneys of the Authority. The Public University agrees to indemnify the Authority and the Authority's members, officers, employees, agents, consultants and attorneys 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 respective members, officers, employees, consultants, attorneys 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 upon the occurrence of an Event of Default by the Public University, the Authority, the Trustee and their respective members, officers, employees, consultants, agents and attorneys 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 their respective members, officers, employees, consultants, agents and attorneys 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 the 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 Tax-Exempt Bonds which would cause the Tax-Exempt 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.

(a) The Authority and the Public University covenant that they will take no action which would cause the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds or \$5,000,000 of the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds and (ii) the ownership and use of all the property financed with proceeds of the Tax-Exempt Bonds, as such records are further described in the Public University’s Tax Representation Letter with respect to the Tax-Exempt Bonds. The Authority covenants to create and retain records with respect to: (x) all investments made with Gross Proceeds of the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds, the amount and date of payments for a qualified guarantee or qualified hedge with respect to the Tax-Exempt Bonds, and the issue price of the Tax-Exempt Bonds; and (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 Tax-Exempt Bonds, as such records are further described in the Authority's Certificate as to Arbitrage with respect to the Tax-Exempt Bonds. The Authority and the Public University covenant to retain all such records until three years after the last scheduled maturity date of the Tax-Exempt Bonds, or in the event the Tax-Exempt Bonds are retired early, three years after the final retirement of the Tax-Exempt Bonds.

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

(d) The Authority and the University will comply with all of the covenants and requirements set forth in the Tax Agreement. All representations made in the Tax Agreement are true and correct and fully and accurately represent the facts as known to the Authority and the Public University. All of the representations and warranties contained in the Tax Agreement (i) are incorporated herein by reference with the same force and effect as if set forth in full herein and (ii) shall survive the discharge and satisfaction of the Tax-Exempt Bonds and the term of this Agreement.

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

(f) 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 Tax-Exempt Bonds and any other outstanding bonds of the Authority that have financed facilities for the Public University (together with the Tax-Exempt 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 Tax-Exempt 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 has 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 Tax-Exempt Bonds will be preserved. In the event the Authority becomes aware of a Special Notice Event, the Authority shall have the right, upon prior written notice to the 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. Upon request of the Authority, the Public University shall adopt and follow its own written post-issuance compliance procedures to supplement the foregoing.

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 Tax-Exempt 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 Rebate Amount 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 Tax-Exempt Bonds, the Public University will pay to the Authority the amount equal to the Rebate Amount.

(c) [The provisions of Section 11.05 of the Series 2009 A Agreement are hereby incorporated by reference herein and shall remain in effect as to Series 2009 A Bonds, notwithstanding any discharge of the Series 2009 A Agreement, so long as any rebate obligations remain applicable thereto.]

SECTION 11.06. Agreement Not to Purchase Bonds. The Public University agrees that neither it nor any person related to it, within the meaning of Treasury Regulations Sections 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 nationally recognized 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 Section 7.01 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 (x) 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 Tax-Exempt 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 (y) 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 the Authority's members, 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 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 11.11. 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, 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:

(i) The Public University shall, if and when reasonably requested by the Authority, deliver to the Authority any records required by Section 11.04(b) of this Agreement and the Tax Representation Letter executed by the Public University. 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.

(ii) 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 Indenture and the Resolution; provided however, the procedures set forth in the Indenture do not have to be complied with prior to the issuance of the Bonds provided that the consent of the Swap Provider, if any, is provided to the extent such amendment or modification affects its security.

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 any right, remedy or claim under or by reason of this Agreement, 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 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 Acting Executive Director and the Public University has caused these presents to be executed by the [Executive Vice President, Operations] of the Public University, all as of the day and year first hereinabove set forth.

**NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY**

Signed and delivered in the
presence of:

By: _____

KEAN UNIVERSITY

Signed, Sealed and delivered in the
presence of:

By: _____

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

Personally came before me this ____ day of _____, 2017, _____, the [Executive Vice President, Operations] of Kean University, to me known to be the person who executed the foregoing instrument and to me known to be such President and acknowledged that he executed the foregoing instrument as such officer as the act and deed of said Kean University by its authority.

Notary Public

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

BE IT REMEMBERED that on this ____ day of _____, 2017 before me the subscriber, a Notary Public of the State of New Jersey, personally appeared [Sheryl A. Stitt], who being by me duly sworn according to law on his oath, says that she is the [Acting 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 [Acting Executive Director], as and for her voluntary act and deed and as and for the voluntary act and deed of said Authority.

Notary Public

EXHIBIT A

PROPERTY DESCRIPTIONS OF THE LEASED FACILITIES SITE

[Wellness and Fitness Center]

[D'Angola Gymnasium]

[Center for Academic Success]

[Wilkins Theater]

[OTHERS TO BE INSERTED]

EXHIBIT B

DESCRIPTION OF THE PROJECT FACILITIES

Series 1998 A Project

[TO BE INSERTED]

Series 2001 A Project

[TO BE INSERTED]

Series 2003 D Project

[TO BE INSERTED]

Series 2005 B Project

East Campus Link – Construction of a roadway and vehicular bridge over the Elizabeth River that was designed to connect the University’s East Campus with the Main Campus.

President’s House Renovations – The President’s House, located adjacent to the East Campus, was renovated to facilitate University functions and gatherings. Renovations were designed to include the enlargement of the dining room, addition of handicap accessible facilities to the first floor of the residence and other related improvements.

Wilkins Theater Renovations – The Wilkins Theater, which is located on the University’s Main Campus, was renovated to add a curriculum theater, refurbish the existing auditorium and provide classroom and studio space for the Music and Theater Departments. Planned renovations to upgrade the theater to provide entertainment for the community were not completed.

Acquisition of Certain Real Property and the Construction and Equipping of a New Academic Building and Other Facilities thereon – Real property located in the vicinity of the University’s Main Campus was acquired for purposes of constructing a new academic building and other facilities thereon. The academic building was designed to include facilities for classrooms, office suites and other ancillary space.

East Campus Renovations – The principal East Campus building, which consisted of approximately 139,500 square feet, was materially renovated and expanded to include new interior space, windows, central cooling plant, enclosed atrium, auditorium, audio/visual system, smart classrooms and laboratories. The renovations were designed to accommodate the relocation of the University’s Nathan Weiss Graduate College to the East Campus.

Robert Busch School of Design – A portion of the proceeds of the Series 2005 B Bonds was reprogrammed to finance a portion of the cost of the construction of a new academic building located on Green Lane to house the Robert Busch School of Design.

EXHIBIT C

SCHEDULE OF BASIC LEASE PAYMENTS

(Included for Informational Purposes Only)

EXHIBIT D

SPECIAL NOTICE EVENTS

1. **Private business use of the Bond Financed Property** -- if any portion of the projects financed with Tax-Exempt Bonds will be used by anyone other than a State or local governmental unit or members of the general public who are not using the property in the conduct of a trade or business (e.g., use by a person as an owner, lessee, purchaser of the output of facilities under a “take and pay” or “take or pay” contract, purchaser or licensee of research, a manager or independent contractor under certain management or professional service contracts or any other arrangement that conveys special legal entitlements, including an arrangement that conveys priority rights to the use or capacity of the property financed with Tax-Exempt Bonds, for beneficial use of the property financed with proceeds of tax-exempt debt or an arrangement that conveys a special economic benefit). Use of facilities financed with Tax-Exempt Bonds 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 Bond Proceeds** -- if any portion of the proceeds of the Tax-Exempt 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 projects financed with Tax-Exempt Bonds 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 projects financed with Tax-Exempt Bonds 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 projects financed with Tax-Exempt Bonds is to be used under a management contract (e.g., food service, bookstore, or parking management) or service contract, other than (i) a contract for services that are solely incidental to the primary function of financed projects, such as janitorial services or office equipment repair, or (ii) a qualified management contract described in Rev. Proc. 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 projects financed with Tax-Exempt Bonds will be or has been used in any partnership or joint venture arrangement with any person other than a State or local governmental unit, which is not allocable to financing the Public University’s interest in the arrangement, as described in Treasury Regulations 1.141-3(g)(2)(v);

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

8. **Unexpected Payments or Proceeds** -- if the Public University receives funds related to Tax-Exempt Bond financed property or the Tax-Exempt 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

TRUST INDENTURE

by and between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of November 1, 2017

Relating to

\$ _____ New Jersey Educational Facilities Authority Revenue Refunding Bonds,
Kean University Issue, Series 2017 C (Federally Taxable)

and

\$ _____ New Jersey Educational Facilities Authority Revenue Refunding Bonds,
Kean University Issue, Series 2017 D (Tax-Exempt)

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EXHIBIT A-1	FORM OF TAXABLE BOND
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EXHIBIT B	LIST OF INVESTMENT OBLIGATIONS

TRUST INDENTURE

This **TRUST INDENTURE** (this "Indenture"), dated as of November 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 Authority has heretofore issued its Revenue Refunding Bonds, Kean University Issue, Series 2009 A (the "Series 2009 A Bonds") on behalf of Kean University (the "Public University"); and

WHEREAS, the Series 2009 A Bonds were issued under the terms and provisions of a bond resolution of the Authority adopted on December 1, 2008 and a Trust Indenture dated as of June 1, 2009 (the "Series 2009 A Indenture") by and between the Authority and U.S. Bank National Association (the "Series 2009 A Trustee"); and

WHEREAS, The Bergen County Improvement Authority issued its Revenue Bonds, Series 2010 A (Kean University Foundation, Inc. Project) (the "Series 2010 A BCIA Bonds") in an original aggregate principal amount of \$18,700,000, the proceeds of which were lent to the Kean University Foundation, Inc. (the "Foundation") to finance fifty percent (50%) of the construction costs of an academic building (the "Gateway Building") located on the campus of Ocean County College (the "County College") in Toms River, New Jersey which is jointly used by the Public University and the County College; and

WHEREAS, the Foundation leases fifty percent (50%) of the real property on which the Gateway Building is located from the County College pursuant to a Ground Lease between the County College and the Foundation (the "Ground Lease"), and the Foundation and the County College each own a fifty percent (50%) interest in the Gateway Building; and

WHEREAS, the Foundation leases its interest in the Gateway Building to the Public University; and

WHEREAS, the rental payments of the Public University under the lease of the Gateway Building secures the Series 2010 A BCIA Bonds and the Public University otherwise unconditionally guarantees the loan repayment obligations of the Foundation relating to the Series 2010 A BCIA Bonds; and

WHEREAS, Kean University (the “Public University”) has determined it is necessary and advisable to undertake a project (collectively, the “Project”) consisting of (i) the advance refunding and defeasance of [all][a portion] of the outstanding Series 2009 A Bonds (the “Series 2009 A Bonds to be Refunded” or the “Series 2009 A NJEFA Bonds Refunding Project”) and (ii) the advance refunding and defeasance of all of the outstanding Series 2010 A BCIA Bonds (the “Series 2010 A BCIA Bonds to be Refunded”) and, concurrently therewith, the Foundation’s ownership interest in the Gateway Building and the Foundation’s interest in the Ground Lease shall be transferred by the Foundation to the Public University (collectively, the “Series 2010 A BCIA Bonds Refunding Project”); and (iii) paying certain costs incidental to the issuance and sale of the Bonds (as hereinafter defined), all as presented, submitted and approved by the Public University Board; and

WHEREAS, pursuant to a Resolution of the Authority adopted on October 17, 2017, the Authority determined that it was necessary and in keeping with its authorized purposes to issue two series of bonds to be designated (i) “New Jersey Educational Facilities Authority Revenue Refunding Bond, Kean University Issue, Series 2017 C (Federally Taxable) (the “Taxable Bonds”) for the purpose of providing funds to finance the Series 2009 A NJEFA Bonds Refunding Project and to pay certain costs of issuance of the Taxable Bonds and (ii) “New Jersey Educational Facilities Authority Revenue Refunding Bond, Kean University Issue, Series 2017 D (Tax-Exempt) (the “Tax-Exempt Bonds”, and together with the Taxable Bonds, the “Bonds”) for the purpose of providing funds to finance the Series 2010 A BCIA Bonds Refunding Project and to pay certain costs of issuance of the Tax-Exempt Bonds; 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).

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 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 and shall also include any such officers designated as “interim” or “acting”; (ii) in the case of the Public University, the Chair or Vice Chair of the Public University Board, the President or the Treasurer [CONFIRM IF OTHERS], 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, the Series 2009 A Escrow Deposit Agreement, the Series 2010 A BCIA Escrow Deposit 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, collectively, the Series 2017 C Bonds and the Series 2017 D 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 not closed.

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

“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 Board Chairperson, President or Executive Vice President, Operations of the Public University and by its Secretary or Assistant Secretary [CONFIRM IF OTHERS]; 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 or an Assistant Secretary 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 or any authorized officer of the Public University as authorized by resolution of the Public University Board, under its corporate seal, to have been duly adopted and to be in full force and effect as of the date of certification.

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

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

“Costs of Issuance” means issuance costs with respect to the Bonds described in Section 147(g) of the Internal Revenue Code, including but not limited to the following: (a) 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, collectively, the accounts so designated for each series of the Bonds, 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 “Event of Default” as defined in Section 7.01 of the Lease Agreement.

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

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

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

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

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

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

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

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

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

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

transacts business with the Authority or the Public University shall not make such Person an employee within the meaning of this definition.

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

“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.

“Lease Payments” means the payments referred to in Section 4.05 of the Lease Agreement.

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

“Letter of Instructions” means the Letter of Instructions provided by McCarter & English, LLP in connection with the execution of this Indenture and attached to the Arbitrage Certificate 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 _____, 2017 with respect to the Bonds.

“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, 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 Morgan Stanley & Co. LLC, on behalf itself and the other underwriters named in the Contract of Purchase dated _____, 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.

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

“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, Kean University, located in Union, 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.

“Qualified Financial Institution” means (a) any domestic branch or a foreign bank, U.S. domestic institution which is a bank, trust company, national banking association or a corporation, including the Trustee and any of its affiliates, subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, or a member of the National Association of Securities Dealers, Inc. whose unsecured obligations or uncollateralized long-term debt obligations have been assigned a rating of at least A- by Fitch, A3 by Moody’s or A- by S&P, or which has issued a letter of credit, contract, agreement or surety bond in support of debt obligations which have been so rated; (b) an insurance company with a claims-paying ability or a corporation whose obligations are guaranteed by an insurance company (in the form of an insurance policy) or by an insurance holding company rated at least AA- by Fitch, Aa3 by Moody’s or AA- by S&P or whose unsecured obligations or uncollateralized long-term debt obligations have been assigned a rating of at least AA- by Fitch, Aa3 by Moody’s or AA- by S&P or (c) other financial institutions whose unsecured obligations or uncollateralized long-term debt obligations have been assigned a rating of at least A- by Fitch, A3 by Moody’s or A- by S&P.

“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, Moody’s and S&P.

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

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

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

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

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

“Rental Pledge Account” means the Kean University 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 October 17, 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 2009 A Escrow Deposit Agreement” means the Escrow Deposit Agreement dated _____, 2017 between the Authority and U.S. Bank National Association, as escrow agent, executed in connection with the Series 2009 A Bonds to be Refunded.

["Series 2010 A BCIA Escrow Deposit Agreement” means the Escrow Deposit Agreement dated _____, 2017 between the Bergen County Improvement Authority and TD Bank, National Association, as escrow agent, executed in connection with the Series 2010 A Bonds to be Refunded.][CONFIRM]

“Series 2017 C Bonds” or **“Taxable Bonds”** means the New Jersey Educational Facilities Authority Revenue Refunding Bonds, Kean University Issue, Series 2017 C (Federally Taxable), in the original principal amount of \$ _____, issued pursuant to the Resolution and this Indenture.

“Series 2017 D Bonds” or **“Tax-Exempt Bonds”** means the New Jersey Educational Facilities Authority Revenue Refunding Bonds, Kean University Issue, Series 2017 D (Tax-Exempt), 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(b) 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.

“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.

“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 Series 2017 C Bonds shall be issued and secured under this Indenture for the purpose of financing the costs of the Series 2009 A NJEFA Bonds Refunding Project. The Series 2017 D Bonds shall be issued and secured under this Indenture for the purpose of financing the costs of the Series 2010 A BCIA Bonds Refunding Project. The total principal amount of Series 2017 C Bonds that may be issued as provided in Section 2.02 is hereby expressly limited to \$ _____. The total principal amount of Series 2017 D 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 Series 2017 C Bonds shall be designated “New Jersey Educational Facilities Authority Revenue Refunding Bonds, Kean University Issue, Series 2017 C (Federally Taxable)”. The Series 2017 D Bonds shall be designated “New Jersey Educational Facilities Authority Revenue Refunding Bonds, Kean University Issue, Series 2017 D (Tax-Exempt)”. The Bonds shall be issuable as fully registered Bonds without coupons in Authorized Denominations. Each maturity of the Series 2017 E Bonds and shall be numbered consecutively from 1 upward in the order of their issuance. Each maturity of the Series 2017 E Bonds 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. (i) The Series 2017 C 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
20__	\$	___ %	20__	\$	%
20__		_____	20__		
20__		_____	20__		
20__		_____	20__		
20__		_____	20__		
20__		_____	20__		

(i) The Series 2017 D 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
20__	\$	___ %	20__	\$	%
20__		___	20__		
20__		___	20__		
20__		___	20__		
20__		___	20__		
20__		___	20__		

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, Assistant Treasurer, or any 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 (or other officer serving in a similar capacity), of the resolution(s) adopted and approved by the Public University 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 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 Series 2017 C Bonds and the Trustee's Certificate of Authentication to be endorsed thereon shall be in substantially the form set forth in Exhibit A-1 hereto, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture or any Supplemental Indenture. The Series 2017 D Bonds and the Trustee's Certificate of Authentication to be endorsed thereon shall be in substantially the form set forth in Exhibit A-2 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 Series 2017 C Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Exhibit A-1 hereto, which shall be manually executed by the Trustee. The Series 2017 D Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Exhibit A-2 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 Series 2017 D Bonds maturing before July 1, 20__ are not subject to optional redemption prior to maturity. The Series 2017 D 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. Subject to the Prior Agreements, 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 College. 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 Series 2017 C 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 Series 2017 D Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Bonds Maturing July 1, 20__</u>	
<u>Year</u>	<u>Amount</u>
20__	\$
20__	
20__*	

* Final maturity.

The Series 2017 D 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 Series 2017 D Bonds on July 1 in each of the years and in the principal amounts as follows:

<u>Bonds Maturing July 1, 20__</u>	
<u>Year</u>	<u>Amount</u>
20__	\$
20__	
20__*	

* 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.

[(d) Make-Whole Redemption. The Series 2017 C Bonds are subject to make-whole redemption prior to maturity by written direction of the Authority, with the written consent of the Public University, in whole or in part, on any Business Day, at the "Make-Whole Redemption Price" (as defined below).

The "Make-Whole Redemption Price" is equal to the greater of (1) 100% of the principal amount of the Series 2017 C Bonds to be redeemed and (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2017 C Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2017 Series C Bonds are to be redeemed, discounted to the date on which the 2017 Series C Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the adjusted Treasury Rate (hereinafter defined), plus__ basis points, plus, in each case, accrued and unpaid interest on the 2017 Series C Bonds to be redeemed on the redemption date.

"Treasury Rate" means, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least five (5) Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the 2017 Series C Bonds to be redeemed. However, if the period from the redemption date to such maturity date is less than one (1) year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one (1) year will be used.

The Trustee may retain, at the expense of the Public University, an independent accounting firm or financial advisor to determine such Make-Whole Redemption Price and perform all actions and make all calculations required to determine the Make-Whole Redemption Price. The Trustee and the Public University may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and determination of, the Make-Whole Redemption Price, and none of the Trustee or the Public University will have any liability for their reliance.]

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.

If the Series 2017 C Bonds are registered in book-entry-only form and so long as The Depository Trust Company or a successor Securities Depository is the sole registered owner of the Series 2017 C Bonds, if less than all of the Series 2017 C Bonds of a maturity are called for redemption, the particular Series 2017 C Bonds of such maturity or portions thereof to be redeemed will be selected on a pro rata pass-through distribution of principal basis in accordance with The Depository Trust Company procedures, or the procedures of such successor Securities Depository, as the case may be.

If the Series 2017 C Bonds are not registered in book-entry-only form, any redemption of less than all of a maturity of the Series 2017 C Bonds will be allocated among the registered owners of the Series 2017 C Bonds of such maturity, as nearly as practicable, taking into consideration the Authorized Denominations of the Series 2017 C Bonds, on a pro rata basis.

The Series 2017 D 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(b), and such Bonds, subject to the exercise by the Authority of its rights under Section 3.02(b), 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, Kean University Series 2017” (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 “Series 2017 C Costs of Issuance Account” and (ii) a “Series 2017 D Costs of Issuance Account”.

(b) “New Jersey Educational Facilities Authority Debt Service Fund, Kean University Series 2017” (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 which account shall have the following sub-accounts therein: (A) “Series 2017 C” and (B) “Series 2017 D” and (ii) a “Principal Account” (which shall be used to pay principal or redemption price of the Bonds and any Swap Termination Payments), and which account shall have the following sub-accounts therein: (A) “Series 2017 C” and (B) “Series 2017 D”.

(c) “New Jersey Educational Facilities Authority Rebate Fund, Kean University Series 2017 D” (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 and Other Moneys.

(a) The aggregate principal amount of the Series 2017 C Bonds, [plus/minus an aggregate net original issue premium/discount of \$_____ and less an aggregate underwriters' discount of \$_____], shall be applied as follows:

(i) \$_____ from the proceeds of the Series 2017 C Bonds shall be deposited in the Series 2017 C Sub-Account Costs of Issuance Account of the Construction Fund;

(ii) \$_____ from the proceeds of the Bonds [plus \$_____ constituting moneys on deposit in the [CONFIRM IF FUNDS ON HAND TO BE TRANSFERRED] for the Series 2009 A Bonds shall be transferred to U.S. Bank National Association, as escrow agent (the "Escrow Agent"), for deposit in the Escrow Fund established for the Series 2009 A Bonds to be Refunded pursuant to the terms of the Series 2009 A Escrow Deposit Agreement; and

(b) The aggregate principal amount of the Series 2017 D Bonds, [plus/minus an aggregate net original issue premium/discount of \$_____ and less an aggregate underwriters' discount of \$_____], shall be applied as follows:

(i) \$_____ from the proceeds of the Series 2017 D Bonds shall be deposited in the Series 2017 D Sub-Account Costs of Issuance Account of the Construction Fund;

(ii) \$_____ from the proceeds of the Bonds shall be transferred at the direction of the Public University [to TD Bank, National Association, as escrow agent (the "Escrow Agent"), for deposit in the Escrow Fund established for the Series 2010 A Bonds to be Refunded pursuant to the terms of the Series 2010 A BCIA Bonds Escrow Deposit Agreement]; and

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 relating to the issuance of the Bonds.

(b) 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. If the Public University requests a copy of any Certificate issued by the Authority under this subparagraph, the Authority shall comply with such request.

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

Section 4.05 Close-Out of the Construction Fund. Not later than the one hundred twentieth (120th) day following the issuance of the Bonds (which date may be extended by notice from an Authorized Officer of the Authority), 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 the 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 such Certificate. Any amount not to be retained in the Costs of Issuance Account for payment of Costs of the Project, and any amount retained but not subsequently applied to the payment of Costs of the Project as provided in the foregoing sentence, 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 Debt Service Fund.

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

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

(ii) To the Principal Account (unless otherwise directed by an Authorized Officer of the Authority), the balance of the Net Proceeds of condemnation

awards, sale under threat of condemnation or insurance received by the Trustee pursuant to the Lease Agreement.

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

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

(b) Except as otherwise provided in Article VII or elsewhere herein, moneys in each account in the Debt Service Fund shall be expended solely as follows: (i) to pay interest on the Bonds as the same becomes due; (ii) to pay principal of the applicable Bonds as the same mature or become due 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 4.07 Rebate Fund.

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

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

Subject to subsection (c) of this Section 4.07, as of the last day on which the last Tax-Exempt 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 Tax-Exempt 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 4.07. 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 4.07, the Public University, or the Trustee at the written direction of an Authorized Officer of the Authority and upon the receipt of funds from the Public University, shall deposit in the Rebate Fund the amount for such deficiency.

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

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

Section 4.08 Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of principal 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 4.09 Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Authority to the Owner thereof for the payment of such Bond, shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee, to hold such funds in trust in a separate trust account, uninvested and without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on or with respect to said Bond. Thereupon it shall be the duty of the Trustee to comply with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq.* with respect to such funds in accordance with the Trustee's escheat policies and procedures, which must not be in conflict with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq.* Any money held by the Trustee pursuant to this Section 4.09 shall be held uninvested and without any liability for interest.

Section 4.10 Reports From Trustee. The Trustee shall furnish monthly to the Authority and the Public University a report on the status of each of the funds and accounts established under this Article which are held by the Trustee, showing at least the balance in each such fund or account as of the first day of the preceding month, the total of deposits to and the total of disbursements from each such fund or account, the dates of such deposits and disbursements, and the balance in each such fund or account on the last day of the preceding month.

Section 4.11 Certain Verifications. The Authority, from time to time, with notice to the Public University, may cause a firm of attorneys, consultants or Independent accountants or an investment banking firm acceptable to the Authority to supply the Authority or the Public University with such information as the Authority or the Public University may request in order to determine in a manner reasonably satisfactory to the Authority or the Public University all matters relating to (a) the Yields on the Bonds as the same may relate to any data or conclusions necessary to verify that the Tax-Exempt 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 5/02, 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 5.02 through its own or its affiliate's bond department or investment department and may pool moneys for investment purposes, except moneys held in the yield restricted portion of any fund or account, which shall be invested separately. Any such Investment Obligations shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund or account in which such moneys are originally held. The interest accruing on and any profit realized from such Investment Obligations (other than any amounts required to be deposited in the Rebate Fund pursuant to Section 4.07) shall be credited to such fund or account, and any loss resulting from such Investment Obligations shall be charged to such fund or account. The Trustee shall sell and reduce to cash a sufficient amount of such Investment Obligations whenever the cash balance in such fund or account is insufficient for the purposes of such fund or account. The Trustee shall not be responsible for any loss or decrease in value of the investments made pursuant to this Article V. The Trustee shall not be required to provide brokerage confirmations so long as the Trustee provides periodic statements that include investment activity to the Authority.

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

ARTICLE VI
PARTICULAR COVENANTS AND PROVISIONS

Section 6.01 Special and Limited Obligations. The Bonds and the interest thereon, 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, 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 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 Tax-Exempt 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 Tax-Exempt Bonds or any other funds of the Authority or the Public University, or take or omit to take any action that would cause the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds from time to time. This covenant shall survive payment in full or defeasance of the Tax-Exempt Bonds. The Authority and the Public University specifically covenant to pay or cause to be paid to the United States of America at the times and in the amounts determined under Section 4.07 hereof the Rebatale Arbitrage, as described in the Tax Agreement.

Notwithstanding any provision of this Section 6.08 and Section 4.07 hereof, if the Authority, at the expense of the Public University, shall provide to the Public University and the Trustee an opinion of nationally recognized bond counsel to the effect that any action required under this Section 6.08 and Section 4.07 hereof is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of interest on the Tax-Exempt 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 7.01, 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 an 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 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:

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

(b) 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;

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

(d) 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 7.07, 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 7.07, 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 (c) 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 8.01.

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, 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 8.03, 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 8.03, 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 8.04, the Trustee shall be secured under this Indenture by a lien prior to the Bonds, and shall have the right to use and apply any trust moneys held by it under Articles IV and VII except for funds and investments held pursuant to Section 4.07.

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

Section 8.05 Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder which shall be a bank, national banking association or trust company organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority, having a corporate trust office located in the State, and having a combined capital and surplus of at least \$75,000,000 or having its obligations hereunder guaranteed by an affiliated entity with a combined capital and surplus of at least \$75,000,000. If such corporation or association publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section 8.05, 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 8.05, 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 8.07 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(b) 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 9.02 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 9.02, 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 9.02 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 fifteen (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 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 10.01 must be provided to each Rating Agency.

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 10.02 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 Obligations", as contained in Exhibit B attached hereto, which shall not be subject to redemption prior to their maturity.

Notwithstanding the foregoing, in the case of any Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (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 11.01, all moneys or Government Obligations set aside and held in trust pursuant to this Section 11.01 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 11.02, and compliance with the other payment requirements of Section 11.01, and subject to this Section 11.02, 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
Morristown, New Jersey 07960
Attention: Corporate Trust Department

(c) To the Public University at:

Kean University
1000 Morris Avenue
Union, New Jersey 07083
Attention: Executive Vice President, Operations

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 _____

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

By _____

Acknowledged and Accepted:

KEAN UNIVERSITY

By: _____

**EXHIBIT A-1
TO TRUST INDENTURE**

(FORM OF TAXABLE 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 REFUNDING
BONDS, KEAN UNIVERSITY ISSUE, SERIES 2017 C (FEDERALLY TAXABLE)**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
	July 1, 20__	_____, 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 [November] 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 Refunding Bonds, Kean University Issue, Series 2017 C (Federally Taxable)" in the aggregate principal amount of \$_____ (the "Bonds"). The Bonds are issued for the purpose of providing funds to Kean University (herein called the "Public University") to finance the costs of the Series 2009 A NJEFA Bonds Refunding Project (as defined in the Indenture) and to 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.*, as amended (the "Act") and pursuant to a resolution adopted by the Authority on _____, 2017. The funding will be made pursuant to the Lease and Agreement, dated as of [November] 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, Kean State University Series 2017 C and D" 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 Lease Payments derived by the Authority under the Lease Agreement and the Trust Estate and are secured by a pledge and assignment of the 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 or 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) or Deputy Executive Director, Secretary or an Assistant Secretary, 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-2
TO TRUST INDENTURE**

(FORM OF TAX-EXEMPT 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 REFUNDING
BONDS, KEAN UNIVERSITY ISSUE, SERIES 2017 D (TAX-EXEMPT)**

<u>Interest Rate</u>	<u>Maturity Date</u> July 1, 20__	<u>Dated Date</u> _____, 2017	<u>CUSIP</u>
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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 [November] 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 Refunding Bonds, Kean University Issue, Series 2017 D (Tax-Exempt)" in the aggregate principal amount of \$_____ (the "Bonds"). The Bonds are issued for the purpose of providing funds to Kean University (herein called the "Public University") to finance the costs of the Series 2010 A BCIA Bonds Refunding Project (as defined in the Indenture) and to 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.*, as amended (the "Act") and pursuant to a resolution adopted by the Authority on _____, 2017. The funding will be made pursuant to the Lease and Agreement, dated as of [November] 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, Kean State University Series 2017 C and D" 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 Lease Payments derived by the Authority under the Lease Agreement and the Trust Estate and are secured by a pledge and assignment of the 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 or 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) or Deputy Executive Director, Secretary or an Assistant Secretary, 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 B
TO TRUST INDENTURE**

LIST OF INVESTMENT OBLIGATIONS

Investment Types

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

party form. Securities must be held in the Authority's custodial account or in a separate account in the name of the Authority.

- d. Acceptable underlying securities include only securities that are direct obligations of, or that are fully guaranteed by, the United States or any agency of the United States, including U.S. Agency-issued mortgage-backed securities.
- e. Underlying securities must have an aggregate current market value, including accrued interest, of at least 102% (or 100% if the counterparty is a Federal Reserve Bank) of the purchase price plus current accrued price differential at the close of each business day.

K. Shares in open-end and no-load money market mutual funds that are backed by U.S. government securities, provided such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7.

L. New Jersey Cash Management Fund.

Collateralization

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

Investment Parameters

Sector Type	Sector Max (%)	Issuer Max (%)	Minimum Ratings Requirement ¹	Max Maturity
US Treasury	100%	N/A	N/A	10 Years
Federal Agency	25%	5%	N/A	10 Years
Municipals	25%	5%	Two Highest LT Rating Categories (AA-/Aa3/AA-)	10 Years
Negotiable CDs	50% in aggregate ²	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Commercial Paper		5%	Highest ST Rating Category (A-1/P-1/F-1)	270 Days
Corporate Bonds & Medium Term Notes		5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years

Asset Backed Securities	20%	5%	Highest LT Rating (AAA/Aaa/AAA)	10 Year Avg. Life
Certificates of Deposit	25%	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Repurchase Agreements	20%	5%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the highest ST Rating category (A-1/P-1/F-1). If the counterparty is a Federal Reserve Bank, no rating is required.	90 Days
Government Money Market Funds	100%	25%	Highest rating by all NRSROs who rated the fund (AAA _m 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.

ESCROW DEPOSIT AGREEMENT

between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION, as Escrow Agent

Dated [November __], 2017

With Respect to [Portions of] the
New Jersey Educational Facilities Authority

Revenue Refunding Bonds, Kean University Issue, Series 2009 A

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT (the "Agreement") dated [November] __, 2017 is by and between the **NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY** (the "Authority") and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as Escrow Agent (the "Escrow Agent");

WITNESSETH:

WHEREAS, the Authority has previously issued and sold its Revenue Refunding Bonds, Kean University Issue, Series 2009 A (the "Series 2009 A Bonds") on behalf of the Public University pursuant to a bond resolution adopted by the Authority on December 1, 2008 and a Trust Indenture dated as of June 1, 2009 (the "Series 2009 A Indenture") by and between the Authority and U.S. Bank National Association, as trustee (in such capacity, the "Series 2009 A Trustee"); and

WHEREAS, the Series 2009 A Indenture provides, in substance, that if the Authority shall pay or cause to be paid to the holders of the Series 2009 A Bonds the principal of and interest thereon, at the times and in the manner stipulated therein, then the pledge of the "Trust Estate" pledged by the Series 2009 A Indenture to such Series 2009 A Bonds, and all other rights granted by the Series 2009 A Indenture to the Series 2009 A Bonds shall be discharged and satisfied; and

WHEREAS, the Authority is now issuing \$ _____ principal amount of its Revenue Refunding Bonds, Kean University Issue, Series 2017 C (Federally Taxable) (the "Series 2017 C Bonds") on behalf of the Public University pursuant to a Bond Resolution adopted by the Authority on October 17, 2017 (the "Resolution") and a Trust Indenture dated as of [November] 1, 2017 (the "Trust Indenture") by and between the Authority and U.S. Bank National Association, as trustee thereunder, to provide for, among other things, the refunding of [all][the portion] of the outstanding Series 2009 A Bonds maturing on July 1 of the years [20__ through 20__, inclusive, 20__ and 20__ (the "Refunded Series 2009 A Bonds"), as more fully described in Exhibit A attached hereto (collectively, the "Refunded Bonds"); and

WHEREAS, pursuant to the Trust Indenture, the Authority has authorized the deposit with the Escrow Agent of an amount from the proceeds of the Series 2017 C Bonds which, together with certain moneys transferred from certain amounts on deposit in the various funds and accounts established under the Series 2009 A Indenture, and the investment income to be earned on such proceeds and transferred moneys, will be sufficient to pay the principal of and interest on Refunded Bonds until September 1, 2019 as set forth on Schedule A (the "Redemption Date"), and to pay the redemption price of the Refunded Bonds on the Redemption Date; and

WHEREAS, upon the deposit with the Escrow Agent of moneys which, together with the investment income to be earned thereon, will be sufficient to pay the principal of and the

interest on the Refunded Bonds until and on the Redemption Date, and the principal of the Refunded Bonds due on the Redemption Date, and the giving of certain irrevocable instructions by the Authority to the Escrow Agent as herein provided, the Refunded Bonds shall cease to be entitled to any lien, benefit or security under the Series 2009 A Indenture, and all obligations of the Authority to the holders of the Refunded Bonds shall thereupon be released, discharged and satisfied.

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

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

SECTION 2. (a) The Escrow Agent hereby acknowledges receipt of immediately available funds in the aggregate amount of \$_____, consisting of proceeds of the Series 2017 C Bonds, which shall be deposited in the Escrow Fund.

(b) The Escrow Agent, in its capacity as Series 2009 A Trustee, has been directed by the Authority and the Public University to transfer \$_____, consisting of \$_____ on deposit in the Interest Account of the Debt Service Fund for the Series 2009 A Bonds, \$_____ on deposit in the Principal Account of the Debt Service Fund for the Series 2009 A Bonds, and \$_____ on deposit in the Rental Pledge Account for the Series 2009 A Bonds, to the Escrow Fund.

SECTION 3. The Escrow Agent shall immediately deposit the amounts set forth in Section 2 hereof in the Escrow Fund, aggregating \$_____. The Escrow Agent shall apply such deposited amounts as follows: The Escrow Agent shall apply \$_____ of the amount deposited in the Escrow Fund to the purchase, on the date hereof, of the securities listed on Exhibit B attached hereto, and shall retain \$_____ uninvested in cash in the Escrow Fund.

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

SECTION 4. (a) The Escrow Agent agrees that the amounts deposited in the Escrow Fund pursuant to Section 3 hereof and the interest income to be earned thereon and any other moneys and investments deposited in the Escrow Fund will be held in trust for the benefit

of the holders of the Refunded Bonds. The Escrow Agent shall have no liability for the payment of the principal of and interest on the Refunded Bonds pursuant to this Section and the Series 2009 A Indenture, except for the application of moneys and obligations available for such purposes in the Escrow Fund. The Escrow Agent shall not be liable for any loss resulting from any investment made in accordance with the provisions of this Agreement, nor shall it be required to risk or expend its own funds hereunder.

(b) The entire balance remaining in Escrow Fund upon purchase of the Defeasance Securities listed on Exhibit B, shall remain uninvested in cash. For the purposes of the immediately preceding sentence “uninvested” shall mean held as a cash balance in the Escrow Fund and not invested for any purpose.

SECTION 5. Except as otherwise expressly provided herein, the Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Defeasance Securities held hereunder or to sell, transfer or otherwise dispose of the Defeasance Securities acquired hereunder, or to pay interest on any such moneys not required to be invested hereunder; provided however, that at the written direction of the Authority and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer, otherwise dispose of, or request the redemption of, the Defeasance Securities acquired hereunder, and to substitute therefor other Defeasance Securities which are non-callable. Any substituted Defeasance Securities or cash shall be a part of and credited to the Escrow Fund. The Escrow Agent shall purchase such substitute Defeasance Securities with the proceeds derived from the sale, transfer, disposition or redemption of the Defeasance Securities and with any other funds available for such purpose. From time to time, Defeasance Securities may be sold, transferred, redeemed or otherwise disposed of and replaced by other Defeasance Securities subject to the same conditions. Any amounts received from the sale or redemption of Defeasance Securities and not needed or used to purchase substitute Defeasance Securities shall be transferred by the Escrow Agent as directed in writing by an Authorized officer of the Authority. The foregoing transactions may be effected only if: (i) a recognized firm of certified public accountants shall certify that after such transaction the principal amount of, and interest income on, the substituted Defeasance Securities or cash will, together with any moneys or securities in the Escrow Fund reserved for such purpose, be sufficient to pay when due (whether at stated maturity or at the optional redemption date, as applicable) the principal of, and interest and redemption premium on, the Refunded Bonds; (ii) the amounts and dates of the anticipated payments from the Escrow Fund to the holders of such Refunded Bonds in accordance with their terms will not be diminished or postponed thereby; (iii) the Escrow Agent shall receive an opinion of nationally recognized bond counsel to the effect that such disposition and substitution or purchase is permitted under the Series 2009 A Indenture and this Agreement, and it would have no adverse effect on the exclusion from gross income for federal income tax purposes of the interest on the Refunded Bonds; (iv) in the event cash is provided, such cash shall, to the extent not insured by the Federal Deposit Insurance Corporation or other Federal agency, be continuously secured by the pledge of direct obligations of the United States of America; and (v) the Authority pays all costs incident to the transactions. If United States Treasury Securities, State and Local Government Series are to be purchased as substitute Defeasance Securities, the Authority, or at its direction the underwriter of the Series 2017 C Bonds, shall prepare and file

the appropriate application therefor. The Escrow Agent shall incur no liability for complying with the provisions of this Section except for its own negligence or willful misconduct.

SECTION 6. The Authority hereby irrevocably instructs the Escrow Agent and the Escrow Agent hereby agrees: (i) to redeem the Refunded Bonds on the Redemption Date, in the amounts and at the redemption prices set forth on Exhibit A, and to apply the principal of and interest earned on the Defeasance Securities to the payment of the principal of and interest on, and the principal or redemption price of such Refunded Bonds as the same become due until and on the applicable maturity or Redemption Date, as set forth on Exhibit A; (ii) to mail to the holders of the Refunded Bonds, as soon as practicable, a notice of refunding substantially in the form attached hereto as Exhibit D-1; and (iii) to mail to the holders of the Refunded Bonds, not less than thirty (30) nor more than sixty (60) days prior to the Redemption Date, a notice of redemption substantially in the form attached hereto as Exhibit D-2 as applicable, and in accordance with the Series 2009 A Indenture (which Series 2009 A Indenture provides that the forgoing notices to holders of the Refunded Bonds shall be provided only to the Securities Depository so long as the Securities Depository is effecting book-entry transfers of the Series 2009 A Bonds). In addition, the Escrow Agent shall cause notices of (i) such refunding, as soon as practicable, but not later than ten (10) business days following the date of issuance of the Series 2017 C Bonds, and (ii) such redemption, at least thirty (30) days prior to the Redemption Date, to be provided to the Municipal Securities Rulemaking Board (the "MSRB"), in an electronic format as prescribed by the MSRB and accompanied by such identifying information as is prescribed by the MSRB.

SECTION 7. On September 1, 2019, the Redemption Date, after payment of the principal and redemption price of and interest on the Refunded Bonds, all remaining moneys and securities in the Escrow Fund shall be transferred by the Escrow Agent to the Interest Account of the Debt Service Fund established pursuant to the Trust Indenture for application solely for the payment of the Series 2017 C Bonds.

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

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

(b) The recitals of fact in this Agreement shall be taken as the statements of the Authority, and the Escrow Agent does not assume any responsibility for the correctness of

the same. The Escrow Agent shall not be under any obligation or duty to perform any act which would involve it in any expense or liability or to institute or defend any suit in respect of this Agreement or to advance any of its own moneys unless properly indemnified to its satisfaction. The Escrow Agent shall not be liable in connection with the performance of its respective duties hereunder except for its own negligence or willful misconduct.

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

(d) The Escrow Agent may resign at any time and be discharged of its duties hereunder, provided that: (i) it has given not less than sixty (60) days written notice to the Authority of such resignation; (ii) it has given notice of resignation to the Holders of the Refunded Bonds in the manner prescribed in the Series 2009 A Indenture; (iii) the Authority has appointed a successor to the Escrow Agent hereunder; (iv) the Escrow Agent has received an instrument of acceptance executed by the successor to the Escrow Agent hereunder; and (v) the Escrow Agent has delivered to its successor hereunder all of the escrowed documents, the Defeasance Securities and moneys held by the Escrow Agent in the Escrow Fund. Such resignation shall take effect only upon the occurrence of all of the events listed in clauses (i) through (v) of this subsection (d) and only if the Escrow Agent has complied with and is not in default of any of its obligations hereunder, unless the Authority and the Public University consent to such resignation. Upon receipt by the Authority of the written notice described in clause (i) above, the Authority shall use its best efforts to obtain a successor to the Escrow Agent hereunder as soon as possible. If no appointment of a successor is made within sixty (60) days

after the giving by the Escrow Agent of written notice of resignation in accordance with Section 9(d), the Escrow Agent may apply to any State court of competent jurisdiction for the appointment of such a successor, and the State court may thereupon, after such notice, if any, as the State court may deem proper, appoint a successor.

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

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

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

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

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

The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized bond counsel with respect to the matters provided for in this Section 11, including the extent, if any, to which any change, modification, addition or elimination affects the rights of holders of the Refunded Bonds or that any instrument executed hereunder complies with the conditions or provisions of this Section 11. Notwithstanding anything in this paragraph to the contrary, no change shall be made to any provision of this Agreement regarding the investment or other use of the proceeds of the Series 2017 C Bonds without an unqualified opinion of nationally recognized bond counsel to the effect that such

change and the investment or other use of the proceeds of the Series 2017 C Bonds in accordance with such change will not cause any of the Refunded Bonds to be deemed “outstanding” within the meaning of the Series 2009 A Indenture.

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

SECTION 13. The Escrow Agent hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (“ELEC”) pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c. 271, section 3) if the Escrow Agent enters into agreements or contracts such as this Agreement, with a public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from public entities, such as the Authority, in a calendar year. It is the Escrow Agent’s responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

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

SECTION 15. This Agreement 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.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers as of the date first above written.

**NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY**

By: _____

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

By: _____

EXHIBIT "A"

Summary of Refunded Bonds

**Refunded Series 2009 A Bonds
Redemption Date September 1, 2019**

Maturity Date September 1	Principal Amount	Interest Rate	Redemption Price	CUSIP
2018	\$	4.500 %	100%	646065ZQ8
2019	\$	4.500 %	100%	646065ZR6
2021	\$	5.000 %	100%	646065ZS4
2024	\$	5.000 %	100%	646065ZT2
2029	\$	5.250 %	100%	646065ZU9
2036	\$	5.500 %	100%	646065ZV7

EXHIBIT "B"

**Description of Securities
for deposit in the Escrow Fund**

EXHIBIT "C"
Verification Report of
The Arbitrage Group, Inc.

EXHIBIT "D-1"

NOTICE OF REFUNDING

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

Revenue Refunding Bonds, Kean University Issue, Series 2009 A, dated June 24, 2009

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Trust Indenture dated as of June 1, 2009 by and between the New Jersey Educational Facilities Authority (the "Authority") and U.S. Bank National Association, as trustee (the "Series 2009 A Indenture"), there has been deposited with U.S. Bank National Association, as Escrow Agent, moneys and/or direct obligations of the United States of America which are not subject to redemption prior to maturity, the principal of and interest when due will provide moneys which (together with the moneys, if any, deposited with the Escrow Agent at the same time, shall be sufficient to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on the bonds referenced below (collectively, the "Bonds") on and prior to their respective maturity dates or redemption date listed below (the "Redemption Date"), and that the Authority has given the Escrow Agent irrevocable instructions to call the Bonds for optional redemption on the Redemption Date at a redemption price of 100% of the principal amount thereof, plus interest accrued to the Redemption Date.

**Refunded Series 2009 A Bonds
Redemption Date September 1, 2019**

Maturity Date September 1	Principal Amount	Interest Rate	Redemption Price	CUSIP
2018	\$	4.500 %	100%	646065ZQ8
2019	\$	4.500 %	100%	646065ZR6
2021	\$	5.000 %	100%	646065ZS4
2024	\$	5.000 %	100%	646065ZT2
2029	\$	5.250 %	100%	646065ZU9
2036	\$	5.500 %	100%	646065ZV7

On the respective maturity dates or Redemption Date, moneys will be available for the payment of the principal or Redemption Price, if applicable, on said Bonds. Accordingly, said Bonds are deemed to have been paid in accordance with the Series 2009 A Indenture. You are hereby notified that the Bonds should be presented for redemption at the corporate trust office of the Escrow Agent, U.S. Bank National Association, as follows:

U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Avenue East
St. Paul, MN 55107

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

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

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
By: U.S. Bank National Association, as Escrow Agent

EXHIBIT "D-2"

NOTICE OF OPTIONAL REDEMPTION

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

Revenue Refunding Bonds, Kean University Issue, Series 2009 A, dated June 24, 2009

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Trust Indenture dated as of June 1, 2009 by and between the New Jersey Educational Facilities Authority (the "Authority") and U.S. Bank National Association, as trustee, the bonds referenced below (collectively, the "Bonds") have been called for redemption on **September 1, 2019** (the "Redemption Date"), at a redemption price of 100% of the principal amount thereof, plus interest accrued to the Redemption Date.

**Refunded Series 2009 A Bonds
Redemption Date September 1, 2019**

Maturity Date September 1	Principal Amount	Interest Rate	Redemption Price	CUSIP
2021	\$	5.000 %	100%	646065ZS4
2024	\$	5.000 %	100%	646065ZT2
2029	\$	5.250 %	100%	646065ZU9
2036	\$	5.500 %	100%	646065ZV7

You are hereby notified that the Bonds should be presented for redemption at the corporate trust office of the Escrow Agent, U.S. Bank National Association, as follows:

U.S. Bank National Association
Global Corporate Trust Services
111 Fillmore Avenue East
St. Paul, MN 55107

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

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

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
By: U.S. Bank National Association, as Escrow Agent

McCarter & English, LLP
Draft #4
October 16, 2017

CONTINUING DISCLOSURE AGREEMENT

BY AND BETWEEN

KEAN UNIVERSITY

AND

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

Dated as of November 1, 2017

Entered into with respect to the

\$_____ New Jersey Educational Facilities Authority
Revenue Refunding Bonds, Kean University Issue, Series 2017 C (Federally Taxable)
and
\$_____ New Jersey Educational Facilities Authority
Revenue Refunding Bonds, Kean University Issue, Series 2017 D (Tax-Exempt)

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the “Agreement”), made and entered into as of November 1, 2017 by and between **KEAN UNIVERSITY**, a public institution of higher education located in the State of New Jersey (the “Public 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, 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 (hereinafter referred to as the “Authority”) is issuing its (i) Revenue Refunding Bonds, Kean University Issue, Series 2017 C (Federally Taxable), dated November __, 2017, in the aggregate principal amount of \$ _____ (the “Series 2017 C Bonds”) and (ii) Revenue Refunding Bonds, Kean University Issue, Series 2017 D (Tax-Exempt), dated November __, 2017, in the aggregate principal amount of \$ _____ (the “Series 2017 D Bonds”, and collectively with the Series 2017 C Bonds, the “Bonds”); and

WHEREAS, the Bonds are being issued pursuant to the Authority’s Bond Resolution adopted on October 17, 2017 (the “Resolution”), and a Trust Indenture dated as of November 1, 2017 (the “Trust Indenture”) by and between the Authority and the Trustee; and

WHEREAS, the Public University and the Authority have entered into a Lease and Agreement dated as of November 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 Public University and the Public 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 Public University have determined that the Public 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 list of 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 November __, 2017, the Authority and the Public University entered into a Contract of Purchase (the “Contract of Purchase”) with Morgan Stanley & Co. LLC, on behalf of itself and the underwriters named therein (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 Public 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 Public 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 Public 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 2.1(d).

“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 Public 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 November __, 2017 pertaining to the Bonds.

“Financial Statements” means the basic financial statements of the Public 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 Public University. As of the date of this Agreement, the Fiscal Year of the Public University begins on July 1 of each calendar year and closes on June 30 of the next succeeding calendar year.

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

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

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to Rule 15c2-12. Effective July 1, 2009 and until otherwise designated by the MSRB or the SEC, filings with the MSRB are to be made through EMMA.

“Operating Data” means the financial and statistical information of the Public University of the type included in the Final Official Statement, under the heading “APPENDIX A – KEAN UNIVERSITY”.

“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 1.1 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 Public University performs any obligations, mentioned in the passage in which such term appears.

The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

ARTICLE 2

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

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

(a) Not later than December 27th following the end of each Fiscal Year, commencing with the Fiscal Year of the Public University ending June 30, 2018, an Annual Report to the MSRB through EMMA, to the Trustee and to the Authority. If the Fiscal Year of the Public University should change, then the Annual report shall be due not later than one-hundred eighty (180) days after the end of each Fiscal Year;

(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 the 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, to the Trustee and to the Authority, audited Financial Statements for the Public University;

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

- (i) Principal and interest payment delinquencies.
- (ii) Non-payment related defaults, if material.
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (v) Substitution of credit or liquidity providers or their failure to perform.
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds.
- (vii) Modifications to rights of holders of the Bonds, if material.
- (viii) Bond calls, if material, and tender offers.

- (ix) Defeasances.
- (x) Release, substitution or sale of property securing repayment of the Bonds, if material.
- (xi) Rating changes.
- (xii) Bankruptcy, insolvency, receivership or similar events of the Public 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 Public 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 Public 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 Public University.
- (xiii) The consummation of a merger, consolidation, or acquisition involving the Public University or the sale of all or substantially all of the assets of the Public 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, to the Trustee and to the Authority, notice of a failure by the Public University to provide the Annual Report within the period described in subsection 2.1(a) hereof.

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

(a) Financial Statements shall be prepared according to 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 Public 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 Public 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 Public University agrees that each Annual Report, each Disclosure Event Notice and each 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 Public University has determined it necessary to report the occurrence of a Disclosure Event, the Public University or Dissemination Agent (if it has received notice from the Public University of a Disclosure Event) shall in a timely manner not in excess of ten business days after the occurrence of the event, file a Disclosure Event Notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB. The obligations of the Public 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 Public University or the Dissemination Agent shall file a copy of each Disclosure Event Notice with the Authority and the Trustee, for informational purposes only.

(b) If an Annual Report is received by it, the Dissemination Agent shall file a written report with the Public 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 Public 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, with notice to the Authority, such discharge to be effective on the date of the appointment of a successor Dissemination Agent. The Public 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 Public 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 Public University to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Agreement, with such failure remaining uncured for a period of thirty (30) days after written notice thereof has been given to the Public University by the Trustee or any Bondholder, shall constitute a disclosure default hereunder.

Section 3.2 Remedies on Default.

(a) The Trustee may (and shall, at the 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), or any Bondholder may, for the equal benefit and protection of all Bondholders similarly situated, take whatever action at law or in equity against the Public University and any of the officers, agents and employees of the Public University which is necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the Public University under this Agreement and may compel the Public 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 Public 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 Public 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 Public 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 Public University and the Dissemination Agent for the benefit of the Bondholders and in order to assist the Participating Underwriter in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2. Third-Party Beneficiaries; Authority and Bondholders.

(a) The Authority is hereby recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder in favor of the 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 Public 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 Public 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 Public 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 Public University to perform. 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 Public University, the Indemnified Parties shall promptly notify the Public University in writing; *provided, however*, that the failure on the part of any Indemnified Party to give such notification shall not relieve the Public University from its obligation under this Section 4.3. Upon receipt of such notification, the Public University shall promptly assume the defense of such action, including the retention of counsel, the payment of all expenses in connection with such action and the right to negotiate and settle any such action on behalf of such party. 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 Public University, or unless by reason of conflict of interest (determined by the written opinion of counsel to any such Indemnified Party) it is advisable for such Indemnified Party to be represented by separate counsel, in which case the fees and expenses of such separate

counsel shall be borne by the Public University. The Public 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 Public University or if there be a final judgment for the plaintiff in any such action with or without written consent, the Public 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 Public 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 Public 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 Public 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 Public 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 Public 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 Public 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 Public University, addressed to it at the office of the [Executive Vice President, Operations] of the Public University, 1000 Morris Avenue, Union, New Jersey 07083 (facsimile: [(973) 737-7007]); 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, 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 written notice to the Authority, and, as a condition to any such assignment, only upon the assumption in writing of all of the obligations imposed upon such party by this Agreement.

Section 4.7. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other

provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 4.8. Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Both parties hereto may sign the same counterpart or each party hereto may sign a separate counterpart.

Section 4.9. Amendments, Changes and Modifications.

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

(b) Without the consent of any Bondholders, the Public University and the Trustee 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 covenants and agreements of the Public University hereunder for the benefit of the Bondholders, or to surrender any right or power conferred upon the Public 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 Public University or to reflect changes in the identity, nature or status of the Public University or in the business, structure or operations of the Public University or any mergers, consolidations, acquisitions or dispositions made by or affecting the Public 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 Public 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 Public University shall provide, or cause the Dissemination Agent to provide, to the MSRB through EMMA, notice of any such amendment or modification.

(d) The Public University and the Trustee shall be entitled to rely exclusively upon an opinion of counsel nationally recognized as an expert in federal securities law acceptable to the Public University to the effect that such amendments or modifications comply with the conditions and provisions of this Section.

Section 4.10. Amendments Required by Rule 15c2-12. The Public 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 Public 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 Public 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. The parties agree that the Public 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 Public University's Continuing Disclosure Obligations. The continuing obligation of the Public 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 Public 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 Public University provides, or causes the Dissemination Agent to provide, to the MSRB through EMMA written 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 Public University and the Dissemination Agent and their respective successors and assigns.

Section 4.15. Prior Undertakings. Except as disclosed in the Final Official Statement, the Public 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.

IN WITNESS WHEREOF, KEAN UNIVERSITY 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.

KEAN UNIVERSITY

By: _____

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

By: _____

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY AUTHORIZING A ONE-YEAR EXTENSION OF THE
APPOINTMENT OF THE AUTHORITY'S FINANCIAL PRINTER**

Adopted: October 17, 2017

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") was created 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 is 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: At the meeting of February 23, 2016, after the staff of the Authority distributed a Request for Proposals ("RFP") dated January 25, 2016 for the selection of a financial printer for the Authority, and after the RFP was distributed by the Authority to various firms, the Authority appointed ImageMaster, LLC as the Authority's Financial Printer; and

WHEREAS: The Authority entered into an agreement ("Agreement") with ImageMaster, LLC for a term of two (2) years from February 23, 2016 to February 22, 2018 with an optional one (1) year extension at the discretion of the Authority; and

WHEREAS: The Authority now wishes to exercise its option under the Agreement to extend the appointment of ImageMaster, LLC to serve as the Financial Printer to the Authority for an additional one (1) year period from February 23, 2018 to February 22, 2019.

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

SECTION 1. The Authority hereby authorizes the engagement of ImageMaster, LLC to serve as the Financial Printer to the Authority for an additional one (1) year period from February 23, 2018 to February 22, 2019.

SECTION 2. The Authority hereby authorizes the Executive Director or the Deputy Executive Director, and any serving in an interim or acting capacity, to take and do any and all acts and things as may be necessary or desirable in connection with implementation of 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 _____ Mr. Moore _____ and upon roll call the following members voted:

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

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY AUTHORIZING A ONE-YEAR EXTENSION OF THE
APPOINTMENT OF THE AUTHORITY'S SWAP MONITOR**

Adopted: October 17, 2017

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") was created 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 is 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: In accordance with the Authority's Derivative Policy adopted by the Authority on July 26, 2006, the Authority will make the services of a Swap Monitor available to its clients for each Swap related to Authority bonds; and

WHEREAS: The Authority's clients currently have three (3) swaps outstanding for which swap monitoring services including daily mark-to market, payment calculation and verification, and automatic alerts to material changes among other services are being provided; and

WHEREAS: At the meeting of February 23, 2016, after the staff of the Authority distributed a Request for Proposals ("RFP") dated January 25, 2016 for the selection of a Swap Monitor for the Authority, and after the RFP was distributed by the Authority to various firms, the Authority appointed FirstSouthwest as the Authority's Swap Monitor; and

WHEREAS: The Authority entered into an agreement ("Agreement") with FirstSouthwest for a term of two (2) years from February 23, 2016 to February 22, 2018 with an optional one (1) year extension at the discretion of the Authority; and

WHEREAS: The Authority now wishes to exercise its option under the Agreement to extend the appointment of FirstSouthwest to serve as the Swap Monitor to the Authority for an additional one (1) year period from February 23, 2018 to February 22, 2019.

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

SECTION 1. The Authority hereby authorizes the engagement of FirstSouthwest to serve as the Swap Monitor to the Authority for an additional one (1) year period from February 23, 2018 to February 22, 2019.

SECTION 2. The Authority hereby authorizes the Executive Director, the Deputy Executive Director or the Director of Project Management, including any serving in an interim or acting capacity, to take and do any and all acts and things as may be necessary or desirable in connection with implementation of this Resolution.

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

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

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

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY AUTHORIZING A ONE-YEAR EXTENSION OF THE
APPOINTMENT OF THE AUTHORITY'S CHALLENGED CREDIT
FINANCIAL ADVISOR**

Adopted: October 17, 2017

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") was created 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 is authorized to issue its obligations to provide a means for New Jersey public and private colleges and universities to obtain financing to construct educational facilities as defined in the Act; and

WHEREAS: The Authority had determined that it was advisable to retain the services of a financial advisor with experience in connection with new issuance of debt for institutions with challenged credit or developing strategies for dealing with outstanding debt for institutions with challenged credit; and

WHEREAS: At the meeting of January 26, 2016, after the staff of the Authority distributed a Request for Proposals ("RFP") dated December 24, 2015 for the selection of a Challenged Credit Financial Advisor for the Authority, and after the RFP was distributed by the Authority to various firms, the Authority appointed Public Resources Advisory Group ("PRAG") to serve as the Authority's Challenged Credit Financial Advisor; and

WHEREAS: The Authority entered into an agreement ("Agreement") with PRAG for a term of two (2) years from January 26, 2016 to January 25, 2018 with the option to extend the engagement of PRAG for an additional one (1) year period in the sole discretion of the Authority; and

WHEREAS: The Authority now wishes to exercise its option under the Agreement to extend the engagement of PRAG to serve as the Challenged Credit Financial Advisor to the Authority for an additional one (1) year period from January 26, 2018 to January 25, 2019.

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

SECTION 1. The Authority hereby authorizes the engagement of Public Resources Advisory Group to serve as the Challenged Credit Financial Advisor to the Authority for an additional one (1) year period from January 26, 2018 to January 25, 2019.

SECTION 2. The Authority hereby authorizes the Executive Director, the Deputy Executive Director or the Director of Project Management, including any serving in an interim or acting capacity, to take and do any and all acts and things as may be necessary or desirable in connection with implementation of this Resolution.

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

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

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

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING THE SECOND RENEWAL OF THE CONTRACT WITH THE
AUTHORITY'S INSURANCE BROKER**

Adopted: October 17, 2017

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") was created 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 is authorized to issue its obligations to provide a means for New Jersey public and private colleges and universities to obtain financing to construct educational facilities as defined in the Act; and

WHEREAS: The Authority is required in order to operate in a prudent business manner to carry property insurance, liability insurance, automobile insurance, workers compensation and directors and officers liability insurance; and

WHEREAS: At the meeting of May 20, 2014, after the staff of the Authority distributed a Request for Qualifications/Request for Proposals ("RFQ/RFP") dated March 17, 2014 for the selection of an insurance broker for the Authority, and after the RFQ/RFP was distributed by the Authority to various firms, the Authority appointed Willis of New Jersey, Inc. as the Authority's insurance broker ("Willis"); and

WHEREAS: The Authority entered into an agreement ("Agreement") with Willis for a term of three (3) years from July 1, 2014 to June 30, 2017 with two (2) optional one-year renewals; and

WHEREAS: At the meeting of May 23, 2017, the Authority authorized execution of the first renewal option with Willis for the first renewal term from July 1, 2017 to June 30, 2018; and

WHEREAS: The Authority now wishes to exercise its second renewal option under the Agreement to have Willis serve as the insurance broker to the Authority for the second renewal term from July 1, 2018 to June 30, 2019 ("Second Renewal Term").

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

SECTION 1. The Authority hereby authorizes the engagement of Willis of New Jersey, Inc. to serve as the insurance broker to the Authority for the Second Renewal Term.

SECTION 2. The Authority hereby authorizes the Executive Director, the Deputy Executive Director, or the Director of Finance/Controller, and any serving in an interim or acting capacity, to take and do any and all acts and things as may be necessary or desirable in connection with implementation of this Resolution, including but not limited to executing a renewal of the Agreement with Willis in order to exercise the Authority's option to renew the Agreement for the First Renewal Term.

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

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

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

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

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

Adopted: October 17, 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 Authority's Employee Policy Manual (the "Manual") was adopted on January 24, 2001, and certain sections of the Manual were amended and revised from time to time; and

WHEREAS: Section 710 of the Manual relates to prohibited discrimination and harassment in the workplace; and

WHEREAS: The Acting Executive Director, in consultation with the Authority's Human Resources Manager and alternate EEO/AA Officer, has determined that it is advisable to revise and update Section 710 of the Manual to incorporate the New Jersey State Policy Prohibiting Discrimination in the Workplace; and

WHEREAS: The Members of the Authority have determined that it is necessary, advisable and appropriate to accept the recommendation of the Acting Executive Director.

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

SECTION 1. The Authority hereby authorizes an amendment to the Authority's Employee Policy Manual as to Section 710 pertaining to Prohibited Discrimination and Harassment as set forth in EXHIBIT A attached hereto.

SECTION 2. The Executive Director and the Deputy Executive Director, including any serving in an interim or acting capacity, the Human Resources Manager, and the Authority's EEO/AA Officer are hereby authorized and directed to take all necessary and appropriate steps to implement these amendments and to reflect such amendments in the Manual.

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

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

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

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

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY EMPLOYEE MANUAL**710 Prohibited Discrimination and Harassment**

Effective Date: 1/29/2001

Revision Date: 5/23/2007; _____

I. POLICY

The New Jersey State Policy Prohibiting Discrimination in the Workplace is incorporated in and is a part of this Policy # 710. The full text of the State's Policy may be viewed at:

http://www.nj.gov/treasury/purchase/pdf/anti_discrimination_policy.pdf

a. Protected Categories

NJEFA is committed to providing every employee and prospective employee with a work environment free from prohibited discrimination or harassment. Under this policy, forms of employment discrimination or harassment based upon the following protected categories are prohibited and will not be tolerated: race, creed, color, national origin, nationality, ancestry, age, sex/gender (including pregnancy), marital status, civil union status, domestic partnership status, familial status, religion, affectional or sexual orientation, gender identity or expression, atypical hereditary cellular or blood trait, genetic information, liability for service in the Armed Forces of the United States, or disability.

To achieve the goal of maintaining a work environment free from discrimination and harassment, NJEFA strictly prohibits the conduct that is described in this policy. This is a zero tolerance policy. This means that NJEFA reserves the right to take either disciplinary action, if appropriate, or other corrective action, to address any unacceptable conduct that violates this policy, regardless of whether the conduct satisfies the legal definition of discrimination or harassment.

b. Applicability

Prohibited discrimination/harassment undermines the integrity of the employment relationship, compromises equal employment opportunity, debilitates morale and interferes with work productivity. Thus, this policy applies to all employees and applicants for employment with NJEFA. NJEFA will not tolerate harassment or discrimination by anyone in the workplace including supervisors, coworkers, or persons doing business with NJEFA. This policy also applies to both conduct that occurs in the workplace and conduct that occurs at any location which can be

reasonably regarded as an extension of the workplace (any field location, any off-site business-related social function, or any facility where NJEFA business is being conducted and discussed).

This policy also applies to third party harassment. Third party harassment is unwelcome behavior involving any of the protected categories referred to in Section I(a) above that is not directed at an individual but exists in the workplace and interferes with an individual's ability to do his or her job. Third party harassment based upon any of the aforementioned protected categories is prohibited by this policy.

II. PROHIBITED CONDUCT

a. Defined

It is a violation of this policy to engage in any employment practice or procedure that treats an individual less favorably based upon any of the protected categories referred to in Section I(a) above. This policy pertains to all employment practices such as recruitment, selection, hiring, training, promotion, transfer, assignment, layoff, return from layoff, termination, demotion, discipline, compensation, fringe benefits, working conditions and career development.

It is also a violation of this policy to use derogatory or demeaning references regarding a person's race, gender, age, religion, disability, affectional or sexual orientation, ethnic background, or any other protected category set forth in Section I(a) above. A violation of this policy can occur even if there was no intent on the part of an individual to harass or demean another.

Examples of behaviors that may constitute a violation of this policy include, but are not limited to:

- Discriminating against an individual with regard to terms and conditions of employment because of being in one or more of the protected categories referred to in Section I(a) above;
- Treating an individual differently because of the individual's race, color, national origin or other protected category, or because an individual has the physical, cultural or linguistic characteristics of a racial, religious, or other protected category;
- Treating an individual differently because of marriage to, civil union to, domestic partnership with, or association with persons of a racial, religious or other protected category; or due to the individual's membership in or association with an organization identified with the interests of a certain racial, religious or other protected category; or because an individual's name, domestic partner's name, or spouse's name is associated with a certain racial, religious or other protected category;

- Calling an individual by an unwanted nickname that refers to one or more of the above protected categories, or telling jokes pertaining to one or more protected categories;
- Using derogatory references with regard to any of the protected categories in any communication;
- Engaging in threatening, intimidating, or hostile acts toward another individual in the workplace because that individual belongs to, or is associated with, any of the protected categories; or
- Displaying or distributing material (including electronic communications) in the workplace that contains derogatory or demeaning language or images pertaining to any of the protected categories.
- Sexual Harassment

It is a violation of this policy to engage in sexual (or gender-based) harassment of any kind, including hostile work environment harassment, quid pro quo harassment, or same-sex harassment. For the purposes of this policy, sexual harassment is defined, as in the Equal Employment Opportunity Commission Guidelines, as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when, for example:

- Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment;
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive working environment.

Examples of prohibited behaviors that may constitute sexual harassment and are therefore a violation of this policy include, but are not limited to:

- Generalized gender-based remarks and comments;
- Unwanted physical contact such as intentional touching, grabbing, pinching, brushing against another's body or impeding or blocking movement;
- Verbal, written or electronic sexually suggestive or obscene comments, jokes or propositions including letters, notes, e-mail,

text messages, invitations, gestures or inappropriate comments about a person's clothing;

- Visual contact, such as leering or staring at another's body; gesturing; displaying sexually suggestive objects, cartoons, posters, magazines or pictures of scantily-clad individuals; or displaying sexually suggestive material on a bulletin board, on a locker room wall, or on a screen saver;
- Explicit or implicit suggestions of sex by a supervisor or manager in return for a favorable employment action such as hiring, compensation, promotion, or retention;
- Suggesting or implying that failure to accept a request for a date or sex would result in an adverse employment consequence with respect to any employment practice such as performance evaluation or promotional opportunity; or
- Continuing to engage in certain behaviors of a sexual nature after an objection has been raised by the target of such inappropriate behavior.

III. EMPLOYEE RESPONSIBILITIES

Any employee who believes that she or he has been subjected to any form of prohibited discrimination/harassment, or who witnesses others being subjected to such discrimination/harassment is encouraged to promptly report the incident(s) to a supervisor or directly to NJEFA's Equal Employment Opportunity/Affirmative Action Officer or to any other persons designated by NJEFA to receive workplace discrimination complaints.

All employees are expected to cooperate with investigations undertaken pursuant to Section VI below. Failure to cooperate in an investigation may result in administrative and/or disciplinary action, up to and including termination of employment.

IV. SUPERVISOR RESPONSIBILITIES

Supervisors shall make every effort to maintain a work environment that is free from any form of prohibited discrimination/harassment. Supervisors shall immediately refer allegations of prohibited discrimination/harassment to NJEFA's Equal Employment Opportunity/Affirmative Action Officer, or any other individual designated by NJEFA to receive complaints of workplace discrimination/harassment. A supervisor's failure to comply with these requirements may result in administrative and/or disciplinary action, up to and including termination of employment. For purposes of this section and in the State of New Jersey Model Procedures for Processing Internal Complaints Alleging Discrimination in the Workplace (Model Procedures), a supervisor is defined broadly to include any manager or other individual who has authority to control the work environment of any other staff member (for example, a project leader).

V. DISSEMINATION

NJEFA shall annually distribute the policy described in this section, or a summarized notice of it, to all of its employees, including part-time and seasonal employees. The policy, or summarized notice of it, shall also be posted on NJEFA's internal network of NJEFA's office. NJEFA shall distribute the policy to vendors/contractors with whom NJEFA has a direct relationship.

VI. COMPLAINT PROCESS

NJEFA shall follow New Jersey State Model Procedures for Internal Complaints Alleging Discrimination in the Workplace with regard to reporting, investigating, and where appropriate, remediating claims of discrimination/harassment. See N.J.A.C. 4A:7-3.2. NJEFA is responsible for designating an individual or individuals to receive complaints of discrimination/harassment, investigating such complaints, and recommending appropriate remediation of such complaints. In addition to the Equal Employment Opportunity/Affirmative Action Officer, NJEFA shall designate an alternate person to receive claims of discrimination/harassment.

All investigations of discrimination/harassment claims shall be conducted in a way that respects, to the extent possible, the privacy of all the persons involved. The investigations shall be conducted in a prompt, thorough and impartial manner. The results of the investigation shall be forwarded to the Executive Director to make a final decision as to whether a violation of the policy has been substantiated.

Where a violation of this policy is found to have occurred, NJEFA shall take prompt and appropriate remedial action to stop the behavior and deter its reoccurrence. NJEFA shall also have the authority to take prompt and appropriate remedial action, such as moving two employees apart, before a final determination has been made regarding whether a violation of this policy has occurred. The remedial action taken may include counseling, training, intervention, mediation, and/or the initiation of disciplinary action up to and including termination of employment.

NJEFA shall maintain a written record of the discrimination/harassment complaints received. Written records shall be maintained as confidential records to the extent practicable and appropriate.

NJEFA's procedures for internal complaints alleging discrimination in the workplace are outlined in detail in Section XII below.

VII. PROHIBITION AGAINST RETALIATION

Retaliation against any employee who alleges that she or he was the victim of discrimination/harassment, provides information in the course of an investigation into claims of discrimination/harassment in the workplace, or opposes a discriminatory practice, is prohibited by this policy. No employee bringing a complaint, providing

information for an investigation, or testifying in any proceeding under this policy shall be subjected to adverse employment consequences based upon such involvement or be the subject of other retaliation.

Following are examples of prohibited actions taken against an employee because the employee has engaged in activity protected by this section:

- Termination of an employee;
- Failing to promote an employee;
- Altering an employee's work assignment for reasons other than legitimate business reasons;
- Imposing or threatening to impose disciplinary action on an employee for reasons other than legitimate business reasons; or
- Ostracizing an employee (for example, excluding an employee from an activity or privilege offered or provided to all other employees).

VIII. FALSE ACCUSATIONS AND INFORMATION

An employee who knowingly makes a false accusation of prohibited discrimination/harassment or knowingly provides false information in the course of an investigation of a complaint, may be subjected to administrative and/or disciplinary action, up to and including termination of employment. Complaints made in good faith, however, even if found to be unsubstantiated, shall not be considered a false accusation.

IX. CONFIDENTIALITY

All complaints and investigations shall be handled, to the extent possible, in a manner that will protect the privacy interests of those involved. To the extent practical and appropriate under the circumstances, confidentiality shall be maintained throughout the investigatory process. In the course of an investigation, it may be necessary to discuss the claims with the person(s) against whom the complaint was filed and other persons who may have relevant knowledge or who have a legitimate need to know about the matter. All persons interviewed, including witnesses, shall be directed not to discuss any aspect of the investigation with others in light of the important privacy interests of all concerned. Failure to comply with this confidentiality directive may result in administrative and/or disciplinary action, up to and including termination of employment.

X. ADMINISTRATIVE AND/OR DISCIPLINARY ACTION

Any employee found to have violated any portion or portions of this policy may be subject to appropriate administrative and/or disciplinary action which may include, but which shall not be limited to: referral for training, referral for counseling, written or verbal reprimand, suspension, reassignment, demotion or termination of employment.

Referral to another appropriate authority for review for possible violation of State and federal statutes may also be appropriate.

XI. TRAINING

NJEFA shall provide all new employees with training on the policy and procedures set forth in this policy within a reasonable period of time after each new employee's appointment date. Refresher training shall be provided to all employees, including supervisors, within a reasonable period of time. NJEFA shall also provide supervisors with training on a regular basis regarding their obligations and duties under the policy and regarding procedures set forth in this policy.

XII. NJEFA PROCEDURES FOR INTERNAL COMPLAINTS ALLEGING DISCRIMINATION IN THE WORKPLACE

1. Every effort should be made to report complaints promptly. Delays in reporting may not only hinder a proper investigation, but may also unnecessarily subject the victim to continued prohibited conduct.
2. Supervisors shall immediately report all alleged violations of NJEFA's Policy Prohibiting Discrimination in the Workplace to the EEO/AA Officer. Such a report shall include both alleged violations reported to a supervisor, and those alleged violations directly observed by the supervisor.
3. If reporting a complaint to any of the persons set forth in paragraphs 2 through 4 above presents a conflict of interest, the complaint may be filed directly with the Division of EEO/AA, P.O. Box 315, Trenton, NJ 08625. An example of such a conflict would be where the individual against whom the complaint is made is involved in the intake, investigative or decision making process.
4. In order to facilitate a prompt, thorough and impartial investigation, all complainants are encouraged to submit a Division of EEO/AA Discrimination Complaint Processing Form. An investigation may be conducted whether or not the form is completed.
5. NJEFA shall maintain a written record of the discrimination/harassment complaints received. Written records shall be maintained as confidential records to the extent practicable and appropriate. A copy of all complaints (regardless of the format in which submitted) must be submitted to the Civil Service Commission, Division of EEO/AA, by NJEFA's EEO/AA Officer, along with a copy of the acknowledgement letter(s) sent to the person(s) who filed the complaint and, if applicable, the complaint notification letter sent to the person(s) against whom the complaint has been filed. If a written complaint has not been filed, the EEO/AA Officer must submit to the Division of EEO/AA a brief summary of the allegations that have been made. Copies of complaints filed with the New Jersey Division on Civil Rights, the U.S. Equal Employment Opportunity Commission, or in court also must be submitted to the Division of EEO/AA.

6. During the initial intake of a complaint, the EEO/AA Officer or authorized designee will obtain information regarding the complaint, and determine if interim corrective measures are necessary to prevent continued violations of NJEFA's Policy Prohibiting Discrimination in the Workplace.
7. At the EEO/AA Officer's discretion, a prompt, thorough, and impartial investigation into the alleged harassment or discrimination will take place.
8. An investigatory report will be prepared by the EEO/AA Officer or his or her designee when the investigation is completed. The report will include, at a minimum:
 - a) A summary of the complaint;
 - b) A summary of the parties' positions;
 - c) A summary of the facts developed through the investigation; and
 - d) An analysis of the allegations and the facts. The investigatory report will be submitted to the Executive Director or designee who will issue a final letter of determination to the parties.
9. The Executive Director or designee will review the investigatory report issued by the EEO/AA Officer or authorized designee, and make a determination as to whether the allegation of a violation of NJEFA's Policy Prohibiting Discrimination in the Workplace has been substantiated. If a violation has occurred, the Executive Director or designee will determine the appropriate corrective measures necessary to immediately remedy the violation.
10. The Executive Director or designee will issue a final letter of determination to both the complainant(s) and the person against whom the complaint was filed, setting forth the results of the investigation and the right of appeal to the Civil Service Commission, as set forth in Paragraphs 13 and 14, below. To the extent possible, the privacy of all parties involved in the process shall be maintained in the final letter of determination.
 - A) The Civil Service Commission, Division of EEO/AA shall be furnished with a copy of the final letter of determination, which shall include, at a minimum:
 - i) A brief summary of the parties' positions;
 - ii) A brief summary of the facts developed during the investigation; and
 - iii) An explanation of the determination, which shall include whether:

- a) The allegations were either substantiated or not substantiated; and
 - b) A violation of NJEFA's Policy Prohibiting Discrimination in the Workplace did or did not occur.
- B) The investigation of a complaint shall be completed and a final letter of determination shall be issued no later than 120 days after the initial intake of the complaint referred to in Paragraph 8, above, is completed.
- C) The time for completion of the investigation and issuance of the final letter of determination may be extended by the Executive Director for up to 60 additional days in cases involving exceptional circumstances. The Executive Director shall provide the Division of EEO/AA and all parties with written notice of any extension and shall include in the notice an explanation of the exceptional circumstances supporting the extension.
11. A complainant who is an applicant for employment, who disagrees with the determination of the Executive Director or designee, may submit a written appeal to the, New Jersey Civil Service Commission ("NJCSC"), Division of Appeals and Regulatory Affairs, Written Record Appeals Unit, P.O. Box 312, Trenton, NJ 08625-0312, postmarked or delivered within 20 days of the receipt of the determination from the Executive Director or designee. The appeal shall be in writing and include all materials presented by the complainant at NJEFA, the final letter of determination, the reason for the appeal and the specific relief requested. Please be advised that there is a \$20 fee for appeals. Please include a check or money order along with the appeal, payable to NJCSC. (Persons receiving public assistance and those qualifying for NJCSC Veterans Preference are exempt from this fee).
- A) Employees filing appeals which raise issues for which there is another specific appeal procedure must utilize those procedures. The Civil Service Commission Chair may require any appeal, which raises issues of alleged discrimination and other issues, such as examination appeals, to be processed using the procedures set forth in this section or a combination of procedures as the Chair deems appropriate. See N.J.A.C. 4A:2-1.7.
 - B) The Civil Service Commission shall decide the appeal on a review of the written record or such other proceeding as it deems appropriate. See N.J.A.C. 4A:2-1.1(d).
 - C) The appellant shall have the burden of proof in all discrimination appeals brought before the Civil Service Commission.
12. In a case where a violation has been substantiated, and no disciplinary action recommended, the party(ies) against whom the complaint was filed may appeal the determination to the Civil Service Commission at the address indicated in

Paragraph 13 above, within 20 days of receipt of the final letter of determination by the Executive Director or designee.

- A) The burden of proof shall be on the appellant.
 - B) The appeal shall be in writing and include the final letter of determination, the reason for the appeal, and the specific relief requested.
 - C) If disciplinary action has been recommended in the final letter of determination, the party(ies) charged may appeal using the procedures set forth in N.J.A.C. 4A:2-2 and 3.
13. The Division of EEO/AA shall be placed on notice of, and given the opportunity to submit comments on, appeals filed with the Civil Service Commission of decisions on discrimination complaints, regardless of whether or not the complaint was initially filed directly with the Division of EEO/AA.
14. Any employee or applicant for employment can file a complaint directly with external agencies that investigate discrimination/harassment charges in addition to utilizing this internal procedure. The time frames for filing complaints with external agencies indicated below are provided for informational purposes only. An individual should contact the specific agency to obtain exact time frames for filing a complaint. The deadlines run from the date of the last incident of alleged discrimination/harassment, not from the date that the final letter of determination is issued by the Executive Director or designee.

Complaints may be filed with the following external agencies:

**Division on Civil Rights
NJ Department of Law & Public Safety
(Within 180 days for violation of the discriminatory act)**

**Trenton Regional Office
140 East Front Street, 6th Floor
P.O. Box 090
Trenton, NJ 08625-0090
(609) 292-4605**

**Newark Regional Office
31 Clinton Street, 3rd floor
P.O. Box 46001
Newark, NJ 07102
(973) 648-2700**

Atlantic City Office
1325 Boardwalk (at Tennessee Avenue), 1st Floor
Atlantic City, NJ 08401
(609) 441-3100

Southern Regional Office
5 Executive Campus Building 5, Suite 107
Cherry Hill, NJ 08002
(856) 486-4080

United States Equal Employment Opportunity Commission (EEOC)
(Within 300 days of the discriminatory act)
National Call Center: 1-800-669-4000

Newark Area Office
2 Gateway Center, 17th Floor
Newark, NJ 07102
(973) 645-4684

The Newark Area Office has jurisdiction over the State of New Jersey Counties of Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Passaic, Somerset, Sussex, Union and Warren.

Philadelphia District Office
801 Market Street, Suite
1300 Philadelphia, PA
19107-3127
(215) 440-2600

The Philadelphia District Office has jurisdiction over the State of New Jersey, Counties of Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Ocean and Salem.

XIV. ADMINISTRATIVE AND/OR DISCIPLINARY ACTION

Any employee found to have violated any portion of this Policy may be subject to remedial or disciplinary action as described in Policy # 725.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2017 BUDGET VARIANCE ANALYSIS
FOR THE MONTH ENDED September 30, 2017**

EXECUTIVE SUMMARY

Net Operating Income

The NJEFA concluded September with year-to-date net operating income in the amount of \$282,077 based on year to date revenues of \$2,361,198 and expenses of \$2,079,121.

Revenues

Year-to-date revenues were \$498,644 less than projected due to fewer than projected financings expected to close compared to prior year bond issuance activity and an overall increase in average par value per issuance resulting in higher total par value for the year compared to prior years.

Expenses

Operating expenditures for the first nine months of the year were under budget by \$430,146 primarily due to staff vacancies and timing of expenditures.

Exhibits

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Operating Account – Vendor Payments	2
Summary of Construction Funds	3

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
SEPTEMBER 2017

	Month Ended September 30, 2017			Nine Months Ended September 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	\$184,062	\$208,410	\$ (24,348)	\$ 1,959,950	\$ 2,057,343	\$ (97,393)
Initial Fees	54,130	87,500	(33,370)	354,130	787,500	(433,370)
Investment Income	6,965	1,667	5,298	47,118	14,999	32,119
	<u>\$ 245,157</u>	<u>\$ 297,577</u>	<u>\$ (52,420)</u>	<u>\$ 2,361,198</u>	<u>\$ 2,859,842</u>	<u>\$ (498,644)</u>
<u>Operating Expenses</u>						
Salaries	\$110,470	\$124,978	\$ 14,508	\$ 1,015,861	\$ 1,187,277	\$ 171,416
Employee Benefits	31,347	33,350	2,003	391,805	464,369	72,564
Provision for Post Ret. Health Benefits	17,850	17,850	-	160,650	160,650	-
Office of The Governor	2,208	2,208	-	19,874	19,876	2
Office of The Attorney General	4,666	4,667	1	41,994	41,999	5
Sponsored Programs	-	1,400	1,400	4,244	12,600	8,356
Telephone	1,748	2,167	419	15,357	19,499	4,142
Gasoline & Auto Maintenance	-	300	300	408	2,100	1,692
Rent	15,903	16,667	764	143,126	149,999	6,873
Utilities	1,687	1,792	105	15,180	16,124	944
Postage	49	417	368	1,107	3,749	2,642
Office Supplies & Expenses	899	3,625	2,726	19,982	32,625	12,643
Travel & Official Receptions	655	1,167	512	5,311	10,499	5,188
Staff Training & Tuition Reimbursement	1,034	1,083	49	11,739	9,751	(1,988)
Insurance	5,101	6,750	1,649	41,812	60,750	18,938
Annual Report & Newsletters	-	1,900	1,900	15,522	17,100	1,578
Public Relations	-	517	517	189	4,649	4,460
Professional Services	3,375	10,500	7,125	91,020	172,500	81,480
Dues & Subscriptions	1,519	3,433	1,914	20,732	30,901	10,169
Data Processing	3,675	3,833	158	27,720	34,501	6,781
Maintenance of Equipment	1,219	3,667	2,448	22,154	32,999	10,845
Depreciation	1,481	2,750	1,269	13,334	24,750	11,416
Contingency	-	-	-	-	-	-
	<u>204,886</u>	<u>245,021</u>	<u>40,135</u>	<u>2,079,121</u>	<u>2,509,267</u>	<u>430,146</u>
Net Operating Income	<u>\$ 40,271</u>	<u>\$ 52,556</u>	<u>\$ (12,285)</u>	<u>\$ 282,077</u>	<u>\$ 350,575</u>	<u>\$ (68,498)</u>

NJEFA
Operating Account - Vendor Payments
September 2017

2:26 PM

Type	Date	Num	Name	Memo	Account	Accrual Basis Amount
Check	09/01/2017	11704	100 & RW CRA, LLC	Inv 002000	Rent, Utilities	11,806.67
Check	09/14/2017	11706	W.B. Mason Company, Inc.	Inv IS0670578	Office Supplies and Expenses	102.86
Check	09/14/2017	11707	Hazley, Linda J.	Employee Reimbursement	Employee Benefits	225.00
Check	09/14/2017	11708	Public Resources Advisory Group Inc.	Inv 17579 Drew F.A.	Professional Services	3,045.00
Check	09/14/2017	11709	Verizon Wireless	Inv 9792000237	Telephone	273.28
Check	09/14/2017	11710	MCS	Inv 52770	Equipment Maintenance	136.00
Check	09/14/2017	11711	Government News Network	Inv 78373-G	Dues & Subscriptions	318.00
Check	09/14/2017	11712	UPS	Inv 2Y687X347	Postage	19.14
Check	09/14/2017	11713	SS&C Technologies, Inc	INV473673	Data Processing	3,675.00
Check	09/14/2017	11714	Thomson Reuters Global Markets Inc.	Inv 948000419	Dues & Subscriptions	710.00
Check	09/14/2017	11715	Polar Inc.	Inv 016672	Office Supplies and Expenses	104.35
Check	09/14/2017	11716	DocuSafe	Inv 99206	Office Supplies and Expenses	546.60
Check	09/14/2017	11717	The Hartford	Acct # 12566813 WC Premium Adj.	Insurance	481.00
Check	09/14/2017	11718	Society for Human Resource Management	SHRM Membership - ST	Dues & Subscriptions	199.00
Check	09/14/2017	11719	Arkadin Inc.	Inv 1077218-0817	Telephone	47.67
Check	09/14/2017	11720	Cash	Replenish Petty Cash	Office Supplies and Expenses	101.14
Check	09/20/2017	EFT	NJSHBP	ID 150400 09/17	Employee Benefits	28,455.34
Check	09/20/2017	EFT	NJSHBP	ID 150400 09/17	Post Retirement Benefits	3,917.80
Check	09/26/2017	11721	20/20 Business Solutions, Inc.	Inv 495207	Equipment Maintenance	511.11
Check	09/26/2017	11722	Polar Inc.	Inv 018634	Office Supplies and Expenses	43.20
Check	09/26/2017	11723	Princeton Healthcare System	Employee Reimbursement	Employee Benefits	112.00
Check	09/26/2017	11724	McFadyen, Jacqueline	Expense Reimb - 9/6/17 - 9/14/17	Employee Benefits	171.59
Check	09/26/2017	11725	Clark, Rebecca	Expense Reimb - 7/15/17 - 7/26/17	Travel & Official Receptions	31.93
Check	09/26/2017	11726	Curtis, Matthew J.	Inv 66054170915	Travel & Official Receptions	26.00
Check	09/26/2017	11727	Line Systems	Expense Reimb - EACUBO 9/13/17, Travel 8/17/17-9/13/17	General Telephones	1,427.31
Check	09/26/2017	11728	Nelson, Steven	September Coverage	Staff Training, Travel & Official Receipt	1,252.82
Check	09/26/2017	11729	NJ Economic Development Authority	Inv 52849, 52856	Employee Benefits	1,770.17
Check	09/26/2017	11730	MCS	Inv 1708215206	Equipment Maintenance	572.00
Check	09/26/2017	11731	Lexis Nexis	Inv 2Y687X377	Electronic Subscriptions	292.00
Check	09/26/2017	11732	UPS	Inv 22546478 10/6/17 - DP	Postage	29.07
Check	09/26/2017	11733	Fred Pryor Seminars	Expense Reimb - Travel 8/10/17 - 9/14/17	Staff Training	49.00
Check	09/26/2017	11734	Yang, Ellen	Inv 6070111709130100470	Travel & Official Receptions	37.11
Check	09/26/2017	11735	Panera Bread	WPU Pricing 8/17/17 - SN	Travel & Official Receptions	67.57
Check	09/26/2017	11736	Citigroup Global Markets Inc.	Expense Reimb - GFOA GAAP Update	Travel & Official Receptions	37.99
Check	09/26/2017	11737	Sockkoo, Brian	7/25/17 Board Meeting	Staff Training	135.00
Check	09/26/2017	11739	Wegmans Food Markets Inc.		Travel & Official Receptions	52.00
						60,781.73

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of September 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>
Private						
Seton Hall University	2016 Series C	Welcome Center, Bishop Dougherty Univ Center	\$ 38,059,002.20	\$ (13,299,138.02)	\$ 24,759,864.18	35%
The College of Saint Elizabeth	2016 Series D	Renov of O'Connor Hall & Improv, Refund 2008 F	2,627,671.74	(2,186,630.49)	441,041.25	83%
Stevens Institute of Technology	2017 Series A	Various Renov & Improvements, Refund 1998 I, 2007 A	76,911,558.14	(18,148,840.85)	58,762,717.29	24%
Princeton University	2017 Series C	Renov, Maint & Partial Refund Commercial Paper	162,455,632.40	(73,398,746.36)	89,056,886.04	45%
Seton Hall University	2017 Series E	Medical & Non-Medical Bldgs, Res & Clinical Admin Offices	31,915,000.00	(324,953.30)	31,590,046.70	1%
Sub Total			\$ 311,968,864.48	\$(107,358,309.02)	\$ 204,610,555.46	
Public						
New Jersey City University	Series 2010 F	Various Capital Improvements	\$ 14,717,070.83	\$ (13,802,770.07)	\$ 914,300.76	94%
The College of New Jersey	Series 2013 A	Demo of Holman Hall, Construct and Renov of STEM	25,608,240.10	(25,538,125.65)	70,114.45	99.7%
Montclair State University	Series 2014 A	Various Refundings and Capital Projects	156,675,111.09	(122,217,659.25)	34,457,451.84	78%
New Jersey City University	Series 2015 A	Various Renovations & Improv, Refund 02 A, 08 E	37,869,656.10	(26,196,640.30)	11,673,015.80	69%
Ramapo College of New Jersey	Series 2015 B	Refund & Renov to Student Center & Coll. Park Apts	16,039,113.37	(13,841,479.83)	2,197,633.54	86%
Stockton University	Series 2016 A	Science Center, Academic Bldg, Quad Project	26,207,528.53	(10,086,683.55)	16,120,844.98	38%
Ramapo College of New Jersey	Series 2017 A	Refund 06 I, Renov Library, Learning Center	11,278,830.75	(933,613.88)	10,345,216.87	8%
William Paterson University of New Jersey	Series 2017 B	New Residence Hall	30,427,779.25	(471,306.11)	29,956,473.14	2%
Sub Total			\$ 318,823,330.02	\$(213,088,278.64)	\$ 105,735,051.38	
Other Programs						
Equipment Leasing Fund	Series 2014 A&B	Acquisition and Installation of Equipment	\$ 101,266,893.00	\$ (86,674,979.88)	\$ 14,591,913.12	86%
Technology Infrastructure Fund	Series 2014	Development of Technology Infrastructure	41,313,667.00	(33,980,713.88)	7,332,953.12	82%
Capital Improvement Fund	Series 2014 A-D	Capital Improvements	191,905,596.00	(173,960,464.56)	17,945,131.44	91%
Facilities Trust Fund	Series 2014	Construct, Reconstruct, Develop & Improve Facilities	219,977,164.00	(159,281,406.78)	60,695,757.22	72%
Capital Improvement Fund	Series 2016 B	Capital Improvements	146,700,261.19	(16,651,162.07)	130,049,099.12	11%
Sub Total			\$ 701,163,581.19	\$(470,548,727.17)	\$ 230,614,854.02	
Grand Total			\$1,331,955,775.69	\$(790,995,314.83)	\$ 540,960,460.86	

This issue has reached a completion rate of 95% or higher and will not appear on future reports.

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY ADOPTING THE OPERATING AND CAPITAL BUDGETS FOR
CALENDAR YEAR 2018**

Adopted: October 17, 2017

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") was created 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 is 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 Educational Facilities Authority (the "Authority") annually prepares operating and capital budgets; and

WHEREAS: Pursuant to Article III, Section 12 of the Authority's By-Laws, the Authority's Finance Committee has the responsibility of recommending an annual budget; and

WHEREAS: The Authority's Finance Committee has reviewed the proposed Operating and Capital Budgets for calendar year 2018 (the "2018 Budget"); and

WHEREAS: The proposed 2018 Budget was provided to the Authority members for their review and consideration; and

WHEREAS: The Authority desires to approve and adopt the 2018 Budget as recommended by the Finance Committee.

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

SECTION 1. The Authority hereby approves and adopts the 2018 Budget as attached hereto as EXHIBIT A.

SECTION 2. This Resolution shall take effect in accordance with the Act.

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

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

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

**New Jersey Educational Facilities Authority
2018 Budget Proposal
Operating Budget**

	2018 Budget	2017 Budget	'18 vs '17 Budger Var	'18 vs '17 % Var
Revenues:				
Annual Administrative Fees	2,686,334	\$ 2,682,573	\$ 3,761.33	0%
Initial Fees	325,000	1,050,000	(725,000)	-69%
Interest Income	50,000	20,000	30,000	150%
Total Revenues	\$ 3,061,334	\$ 3,752,573	\$ (691,239)	-18%
Expenses:				
Salaries	1,571,201	1,624,700	(53,499)	-3%
Employee Benefits	832,737	\$694,551	138,186	20%
Provision for Post Ret. Health Benefits	350,000	214,200	135,800	63%
Office of The Governor	25,000	26,500	(1,500)	-6%
Office of The Attorney General	56,000	56,000	-	0%
Sponsored Programs	9,000	16,800	(7,800)	-46%
Telephone & Data	25,700	26,000	(300)	-1%
Gasoline & Auto Maintenance	1,500	3,000	(1,500)	-50%
Rent	200,000	200,000	-	0%
Utilities	24,000	21,500	2,500	12%
Postage	3,500	5,000	(1,500)	-30%
Office Supplies and Expenses	39,000	43,500	(4,500)	-10%
Travel and Official Receptions	11,000	14,000	(3,000)	-21%
Staff Training and Tuition Reimb.	42,750	13,000	29,750	229%
Insurance	70,000	81,000	(11,000)	-14%
Annual Report and Newsletters	25,250	22,800	2,450	11%
Public Relations	1,000	6,200	(5,200)	-84%
Professional Services	233,000	372,000	(139,000)	-37%
Dues and Subscriptions	64,000	41,200	22,800	55%
Data Processing	1,500	46,000	(44,500)	-97%
Depreciation	38,000	33,000	5,000	15%
Maintenance of Equipment & Software	30,550	44,000	(13,450)	-31%
Contingency	30,000	75,000	(45,000)	-60%
Total Expenses	\$ 3,684,688	\$ 3,679,951	\$ 4,737	0%
Surplus, Revenues Over Expenses	\$ (623,353)	\$ 72,622	\$ (695,975)	-958%

**New Jersey Educational Facilities Authority
Proposed 2018 Capital Budget**

	<u>2018 Proposed</u>	<u>Less: Amt Used</u>	<u>Less: Estim Use</u>	<u>Currently Available</u>
Data Processing Equipment	\$ 73,000	-	-	\$ 73,000
Office Furniture and Equipment	10,000	-	-	10,000
Leasehold Improvements	-	-	-	-
Contingency	-	-	-	-
Total Capital Budget	\$ 83,000	\$ -	\$ -	\$ 83,000

2018 Capital (Details)

	<u>2018 Proposed</u>	<u>Less: Amt Used</u>	<u>Less: Estim Use</u>	<u>Currently Available</u>
Data Processing Equipment				
Finance System Implementation cost (Professional Service)	60,000			60,000
Conference Phones	2,000			2,000
UPS	2,000			2,000
Computer Hardware (Desktops, Monitors, laptop, power)	9,000			9,000
Sub Total, D. P. Equipment	<u>73,000</u>	-	-	<u>73,000</u>
Office Furniture and Equipment				
Furniture	10,000			10,000
Sub Total, Furniture & Equip.	<u>10,000</u>	-	-	<u>\$ 10,000</u>
Leasehold Improvements				
				-
Contingency				
				-
Total Capital Budget	\$ 83,000	\$ -	\$ -	\$ 83,000