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JEREMY A. SPECTOR  
*Executive Director*

**MINUTES OF THE SPECIAL MEETING OF THE  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY  
ON FRIDAY, FEBRUARY 10, 2017**

The meeting was called to order at 9:34 a.m. by Vice Chair Ungar. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on January 30, 2017, to The Star Ledger, The Times 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:**

Katherine Ungar, Vice Chair (via phone)  
Ford M. Scudder, State Treasurer, Treasurer (represented by Steven Petrecca) (via phone)  
Rochelle Hendricks, Secretary of Higher Education (via phone)  
Ridgeley Hutchinson (via phone)  
Louis Rodriguez (via phone)

**AUTHORITY MEMBERS ABSENT:**

Joshua Hodes, Chair

**STAFF PRESENT:**

Jeremy A. Spector, Executive Director  
Sheryl A. Stitt, Deputy Executive Director  
Steven Nelson, Director of Project Management  
Rebecca Clark, Project Management Assistant  
Jacqueline McFadyen, Associate Project Manager  
Jamie O'Donnell, Senior Communications Manager  
Debra Paterson, Senior Compliance Manager  
Sheila Toles, Exec. Assistant/Human Resources Manager  
Lisa Walker, Accountant  
Ellen Yang, Compliance Manager

## **ALSO PRESENT:**

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

## **ITEMS OF DISCUSSION**

### **1. Resolution and Form of Legal Documents for the Sale of NJEFA Revenue Refunding Bonds, Princeton University Issue, 2017 Series B, In an Amount Not to Exceed \$450,000,000**

Mr. Nelson reported that Princeton University had asked the Authority to procure professionals for a refunding designated the 2017 Series B bonds. He reported that the Attorney General's Office had selected McManimon, Scotland & Baumann, LLC to serve as bond counsel. Mr. Nelson reported that the University's existing trustee is The Bank of New York Mellon and that staff was requesting approval to add an underwriting syndicate and verification agent to the financing team. He reported that based on the fee quotes received in the verification agent procurement, staff recommended the selection of The Arbitrage Group.

Mr. Nelson reported that on October 17, 2017, the Authority issued an RFP to its pool of 12 senior managers and that the evaluation team for the selection of a senior manager consisted of the University, the Office of Public Finance and the Authority. He reported that based on the scores, it was recommended that Goldman, Sachs & Co. and J.P. Morgan Securities, LLC be named as co-senior managers and Bank of America Merrill Lynch and Ramirez & Co., Inc. be named co-managers.

The fixed rate transaction has a not to exceed amount of \$450,000,000 and a final maturity no later than July 1, 2057. Mr. Nelson reported that the proceeds of the project would be used to refund the Authority's 2007 Series E and 2007 Series F bonds and possibly advance refund the 2008 Series K bonds for debt service savings. Mr. Nelson reported that in the current market, present value debt service savings from the 2007 refunding alone totaled more than \$45,000,000.

Mr. Nelson invited Matthew Kent, Associate Treasurer and Director of Asset Administration of Princeton University to comment. Mr. Kent thanked the Authority and gave a brief description of the project.

Mr. Petrecca questioned why there were two co-senior managers instead of one. Mr. Kent responded that the transaction was one of the largest refunding deals the University had done so they felt a larger team would produce optimal results. Mr. Nelson advised Mr. Petrecca that he agreed with the University's approach. Mr. Petrecca then asked if there were two co-senior managers, why not have a larger syndicate. Mr. Kent responded that he recalled a group of four being a syndicate and that was the group the University was comfortable with. Mr. Petrecca asked if other top firms were considered and Mr. Nelson advised that the firms selected were top ranked firms and that with those firms working on the transaction, staff was comfortable that the

University would get excellent results. Mr. Petrecca asked that given the Authority's recent history with those firms, did Mr. Nelson completely agree with that statement and Mr. Nelson said he agreed and that his decision was also based on coverage of the University and their experience with those firms. Mr. Petrecca asked if the deal was being done on a net designated basis or a group net basis. Mr. Nelson advised that it had not yet been determined. Mr. Kent responded that group net seemed to be a fairly standard way of approaching those types of deals. He explained that the University had not done a lot of negotiated deals and that a number of the University's deals were done competitively. Mr. Kent advised that the University had discussed the matter with their financial advisor and were honing in on a group net deal but that it had not been finally decided.

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

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

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO  
EXCEED \$450,000,000 NEW JERSEY EDUCATIONAL FACILITIES  
AUTHORITY PRINCETON UNIVERSITY REVENUE REFUNDING  
BONDS, 2017 SERIES B

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

Mr. Petrecca voted yes but advised that he required further discussion on the matter.

The term sheet, procurement memorandum and adopted resolution are appended as Exhibit I.

**2. Resolution and Form of Legal Documents for the Sale of NJEFA Revenue Bonds, Princeton University Issue, 2017 Series C, in an Amount Not to Exceed \$250,000,000**

Mr. Nelson reported the details of the proposed 2017 Series C bonds in an amount not to exceed \$250,000,000 on behalf of Princeton University. He reported that the transaction is being structured as a competitive, new money bond transaction. He reported that as with the previously mentioned Princeton University refunding bond transaction, McManimon, Scotland and Bauman, LLP had been selected as the Authority's bond counsel and The Bank of New York Mellon would serve as trustee.

Mr. Nelson reported that the proceeds of the 2017 Series C bonds will be used for new money projects on the University's campus and would refund outstanding Commercial Paper Notes. He advised that because the bonds are being sold competitively, the underwriting firm that will purchase the bonds would not be selected until the day of pricing.

Mr. Nelson invited Mr. Kent to comment on the importance of the financing. Mr. Kent gave a brief description of the project.

Mr. Cavaliere described the resolution for the Members' consideration.

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

RESOLUTION AUTHORIZING THE ISSUANCE OF NOT TO  
EXCEED \$250,000,000 NEW JERSEY EDUCATIONAL FACILITIES  
AUTHORITY PRINCETON UNIVERSITY REVENUE BONDS, 2017  
SERIES C

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

The term sheet, procurement memorandum and adopted resolution are appended as Exhibit II.

**3. Next Meeting Date**

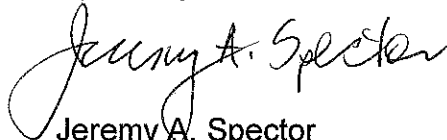
Ms. Ungar advised everyone that the February 28<sup>th</sup> meeting would be canceled and that a formal notice would be distributed at a later date.

Mr. Spector thanked Princeton University for their continued loyalty and confidence in the Authority and stated that staff appreciates working with them. Mr. Kent thanked the Authority on behalf of the University.

Ms. Ungar then requested a motion to adjourn.

Mr. Petrecca moved that the meeting be adjourned at 9:55 a.m.; the motion was seconded by Mr. Rodriguez and passed unanimously.

Respectfully submitted,



Jeremy A. Spector  
Secretary



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**TERM SHEET**

**Borrower:** Princeton University, Princeton, New Jersey

**Issue:** 2017 Series B

**Amount:** Not to Exceed \$450,000,000

**Purpose:** To provide funds to finance a project consisting of: (i) the current refunding and defeasance of all or a portion of the Authority's outstanding 2007 Series E Bonds; (ii) the current refunding and defeasance of all or a portion of the Authority's outstanding 2007 Series F Bonds; (iii) the advance refunding and defeasance of all or a portion of the Authority's outstanding 2008 Series K Bonds; and, (iv) the payment of certain costs incidental to the sale and issuance of the 2017 Series B Bonds, including deposits to certain funds created under the General Bond Resolution and Series Resolution.

**Security:** General Obligation of the University

**Structure:** Negotiated Sale, Fixed Rate

**Term:** No later than July 1, 2057

**True Interest Cost:** Not to Exceed 5.00%

**Expected Bond Ratings:** Aaa (Moody's Investors Service)  
AAA (Standard & Poor's)

**Tentative Sale Date:** March 2017

**Tentative Closing:** April 2017

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

**Professionals on the Transaction:**

<b>Bond Counsel:</b>	McManimon, Scotland & Baumann, LLC
<b>Authority’s Counsel:</b>	Attorney General of the State of New Jersey
<b>University’s Financial Advisor:</b>	The Yuba Group, LLC
<b>Borrower’s Counsel:</b>	Ballard Spahr LLP
<b>Trustee/Escrow Agent:</b>	The Bank of New York Mellon
<b>Trustee/Escrow Agent’s Counsel:</b>	Hawkins Delafield & Wood LLP
<b>Book Running Co-Senior Manager:</b>	Goldman, Sachs & Co.
<b>Co-Senior Manager:</b>	J.P. Morgan Securities LLC
<b>Co-Manager(s):</b>	Bank of America Merrill Lynch Ramirez & Co., Inc.
<b>Underwriter’s Counsel:</b>	McCarter & English LLP
<b>Verification Agent:</b>	The Arbitrage Group, Inc.
<b>Printer:</b>	ImageMaster LLC



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**Date:** February 10, 2017

**To:** Members of the Authority

**Issue:** Princeton University, 2017 Series B

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

### **Bond Counsel**

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

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

On October 17, 2016, the staff of the New Jersey Educational Facilities Authority (the "Authority") distributed a Request for Proposals for Senior Manager, Co-Senior Manager(s) and Co-Manager(s) to provide Underwriting Services 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 Manager/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 five responses from firms seeking appointment as Co-Manager, one which was late and not considered. One firm from the Co-Manager Pool declined to respond.

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

As highlighted in the RFP, the evaluation of the Senior Manager/Co-Senior Manager responses was performed by three evaluators (one staff member from the Authority, one staff member from Treasury, and one staff member from the University).

The responsive firms and their respective scores are as follows:

Firm	Evaluator #1	Evaluator #2	Evaluator #3	All Evaluators	All Evaluators Rankings	Proposed Fee
Bank of America Merrill Lynch	77.15	91.65	90.65	259.45	3	1.46
Citigroup Global Markets, Inc.	69.32	88.82	90.32	248.45	6	1.04
Goldman, Sachs & Co.	90.20	87.20	89.70	267.11	1	2.07
J.P. Morgan Securities LLC	83.54	92.54	87.54	263.62	2	1.99
Morgan Stanley & Co. LLC	70.27	92.27	92.27	254.80	5	1.68
Ramirez & Co., Inc.	62.76	82.26	77.26	222.29	7	2.18
Siebert Cisneros Shank & Co., L.L.C.	52.83	77.33	76.33	206.48	8	2.41
Wells Fargo Bank, N.A.	73.43	93.93	89.93	257.30	4	1.14

**Recommendation: Goldman, Sachs & Co. (Book-Running Co-Senior Manager)  
J.P. Morgan Securities LLC (Co-Senior Manager)**

Co-Managers

As highlighted in the RFP, the evaluation of co-managers was performed by two staff members from the Authority. 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 one or more Co-Managers, if necessary, in accordance with the Authority’s standard procurement policies and procedures.

The responsive firms and their respective scores are as follows:

		Evaluator #1	Evaluator #2	Score
1	Bank of America Merrill Lynch	9.00	9.08	9.04
2	Ramirez & Co, Inc.	8.85	8.70	8.78
3	Wells Fargo Bank, N.A.	8.30	9.15	8.73
4	Siebert Cisneros Shank & Co., L.L.C.	8.70	8.20	8.45
5	Citigroup Global Markets, Inc.	8.30	8.30	8.30
6	Morgan Stanley & Co. LLC	8.30	8.30	8.30
7	Raymond James & Associates, Inc.	7.30	7.30	7.30
8	PNC Capital Markets LLC	6.60	7.30	6.95
9	Loop Capital Markets LLC	6.60	6.60	6.60
10	Janney Montgomery Scott LLC	6.00	7.00	6.50
11	M&T Securities, Inc.	5.00	5.00	5.00
12	Drexel Hamilton LLC	5.00	5.00	5.00

**Recommendation: Bank of America Merrill Lynch & Ramirez & Co., Inc.**



**Trustee**

On October 21, 2016, the Authority requested a fee proposal from the University’s existing Trustee in accordance with the general bond resolution structure which maintains the same trustee for every series of bonds thereafter. On November 1, 2016, the Authority received a fee proposal from The Bank of New York Mellon that is in line with fee quotes the Authority has received in response to other recent trustee RFPs. It is the Authority’s recommendation to select The Bank of New York Mellon to serve as Trustee for this transaction.

**Verification Agent**

On October 21, 2016, 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 four responses. The responsive firms and their respective fees are as follows:

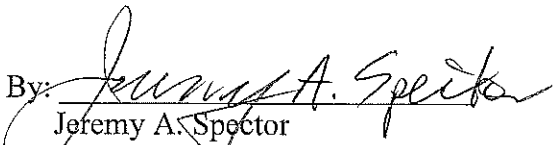
<b>Proposed Fees</b>	<b>All</b>
Grant Thornton LLP	\$4,000
Causey Demgen & Moore P.C.	\$2,900
Mercadien, P.C.	\$3,000
The Arbitrage Group, Inc.	\$2,600

The Arbitrage Group, Inc. provided the lowest fee quote of \$2,600 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 3<sup>rd</sup> day of February 2017.

By:   
Jeremy A. Spector  
Executive Director

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

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**2017 SERIES B  
SERIES RESOLUTION**

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**AUTHORIZING THE ISSUANCE OF NOT TO EXCEED**

**\$450,000,000**

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
PRINCETON UNIVERSITY REVENUE REFUNDING BONDS, 2017 SERIES B**

**ADOPTED FEBRUARY 10, 2017**

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## **2017 SERIES B SERIES RESOLUTION**

### **A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY PRINCETON UNIVERSITY REVENUE REFUNDING BONDS, 2017 SERIES B**

**WHEREAS**, the New Jersey Educational Facilities Authority (the "Authority"), by its Princeton University Revenue Bond Resolution, duly adopted on February 16, 1999 as amended and supplemented (the "Resolution"), has authorized the issuance of bonds, from time to time, in one or more series, for the purpose of providing funds for a loan to The Trustees of Princeton University (the "University");

**WHEREAS**, the Resolution provides that the bonds of the Authority shall be authorized and issued pursuant to a series resolution or series resolutions;

**WHEREAS**, the Authority has heretofore issued \$325,000,000 principal amount of its Princeton University Revenue Bonds, 2007 Series E (the "2007 Series E Bonds"), pursuant to the Resolution and a Series Resolution adopted April 25, 2007 for the purpose of funding certain capital projects of the University as more fully described in the Loan Agreement dated as of June 1, 2007 by and between the Authority and the University relating to the 2007 Series E Bonds;

**WHEREAS**, the Authority has heretofore issued \$67,620,000 principal amount of its Princeton University Revenue Refunding Bonds, 2007 Series F (the "2007 Series F Bonds"), pursuant to the Resolution and a Series Resolution adopted April 25, 2007 for the purpose of refunding certain of the Authority's outstanding Princeton University Revenue Bonds as more fully described and defined therein as "Bonds to be Refunded" in the Loan Agreement dated as of June 1, 2007 by and between the Authority and the University relating to the 2007 Series F Bonds;

**WHEREAS**, the Authority has heretofore issued \$208,805,000 principal amount of its Princeton University Revenue Refunding Bonds, 2008 Series K (the "2008 Series K Bonds"), pursuant to the Resolution and a Series Resolution adopted October 2, 2008 for the purpose of refunding certain of the (i) Authority's outstanding Princeton University Revenue Bonds as more fully described and defined therein as "Bonds to be Refunded" in the Loan Agreement dated as of November 1, 2008 by and between the Authority and the University (the "2008 Series K Loan Agreement") and (ii) University's Commercial Paper Notes as more fully described and defined in the 2008 Series K Loan Agreement as "Notes to be Refunded";

**WHEREAS**, the Resolution authorizes the issuance of refunding bonds to refund any one or more Series, or maturity or maturities within a Series, of Outstanding Bonds and Additional Parity Bonds for the purpose of providing funds to finance or refinance the costs of certain other facilities for the University;

**WHEREAS**, the Authority has, at the request of the University, determined that it is necessary and in keeping with its authorized purposes to issue a series of bonds to be designated "New Jersey Educational Facilities Authority Princeton University Revenue Refunding Bonds, 2017 Series B" (the "2017 Series B Bonds") for the purpose of financing all or a portion of: (i)

the current refunding and defeasance of all or a portion of the Outstanding 2007 Series E Bonds (the "2007 Series E Bonds to be Refunded"); (ii) the current refunding and defeasance of all or a portion of the Outstanding 2007 Series F Bonds (the "2007 Series F Bonds to be Refunded"; (iii) the advance refunding and defeasance of all or a portion of the Outstanding 2008 Series K Bonds (the "2008 Series K Bonds to be Refunded"; together with the 2007 Series E Bonds to be Refunded and the 2007 Series F Bonds to be Refunded, the "Bonds to be Refunded"; such refunding of the Bonds to be Refunded to be defined as the "Refunding Project"); and (iv) the payment of certain costs incidental to the sale and issuance of the 2017 Series B Bonds, including deposits to certain funds created under the Resolution and this 2017 Series B Series Resolution; and

**WHEREAS**, the Authority deems it necessary and in keeping with its purposes to issue the 2017 Series B Bonds herein authorized for the purposes of (i) paying the costs of the Refunding Project, and (ii) paying certain costs incidental to the sale and issuance of the 2017 Series B Bonds, including deposits to certain funds created under the Resolution and this 2017 Series B Series Resolution.

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

## ARTICLE I

### DEFINITIONS AND AUTHORITY

**Section 1.01. Definitions.** As used in this 2017 Series B Series Resolution, unless a different meaning clearly appears from the context, all words and terms defined in Section 1.01 of the Resolution shall have the same meanings, respectively, in this 2017 Series B Series Resolution and in the 2017 Series B Bonds authorized hereby as are given to such words and terms by Section 1.01 of the Resolution. In addition, as used in the Resolution and in this 2017 Series B Series Resolution, unless a different meaning clearly appears from the context, the following words and terms shall mean:

“Agreement” or “Loan Agreement” means the Loan Agreement dated as of April 1, 2017 (or such other dated date as may be determined based on the date of issuance of the 2017 Series B Bonds), by and between the Authority and the University relating to the Refunding Project;

“Annual Administrative Fee” means the annual fee for the general administrative services of the Authority in an amount equal to the lesser of (i) 1/10 of 1% of the Outstanding principal amount of the 2017 Series B Bonds or (ii) \$50,000;

“Applicable Series Resolution” means this 2017 Series B Series Resolution and, unless a different meaning clearly appears from the context, other series resolutions authorizing Additional Parity Bonds;

“Authority Tax Certificate” means the Arbitrage and Tax Certificate, including the exhibits thereto, dated the date of issuance and delivery of the 2017 Series B Bonds, furnished by the Authority and based upon the University Tax Certificate;

“Authorized Officer” means the Chair, Vice Chair, Treasurer, Assistant Treasurer, Executive Director, Deputy Executive Director, Director of Project Management, Director of Compliance Management, Secretary 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”;

“Certificate of Determination” means a certificate of any Authorized Officer making certain findings and determinations as authorized and/or delegated pursuant to the terms of this 2017 Series B Series Resolution;

“Construction Fund” means the fund created and established by this 2017 Series B Series Resolution;

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of April 1, 2017 (or such other dated date as may be determined based on the date of issuance of the 2017 Series B Bonds) by and between the University and The Bank of New York Mellon, as Dissemination Agent, as the same may from time to time be amended or supplemented;

“Costs of Issuance” means, as applicable, any costs relating to the issuance or the carrying of the 2017 Series B Bonds payable from the proceeds thereof, including, but not limited to, (i) underwriters’ discount (whether realized directly or derived through the purchase of the 2017 Series B Bonds at a discount below the price at which they are expected to be sold to the public); (ii) counsel fees (including bond counsel, University counsel, trustee’s counsel and any other specialized counsel fees incurred in connection with the borrowing); (iii) financial advisor fees incurred in connection with the borrowing; (iv) rating agency fees; (v) trustee fees incurred in connection with the borrowing; (vi) paying agent and certifying and authenticating agent fees related to the issuance of the 2017 Series B Bonds; (vii) accountant fees related to the issuance of the 2017 Series B Bonds; (viii) printing costs (of the 2017 Series B Bonds and of preliminary and final offering materials); (ix) fees of any securities depository; (x) verification agent fees, if any; (xi) costs incurred in connection with the required public approval process, if any (e.g., publication costs for public notices in connection with the issuance of the 2017 Series B Bonds, including, without limitation, the notice of public hearing); and (xii) Authority fees;

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the 2017 Series B Bonds;

“Escrow Agent” means The Bank of New York Mellon, Woodland Park, New Jersey, in its capacity as Escrow Agent for the Bonds to be Refunded;

“Escrow Deposit Agreement” means the Escrow Deposit Agreement relating to the Bonds to be Refunded, dated as of such date as may be determined based on the date of issuance of the 2017 Series B Bonds, by and between the Authority and the Escrow Agent;

“Outstanding Parity Bonds” means the Authority’s Princeton University Revenue Bonds, 2003 Series D, 2007 Series E, 2007 Series F, 2008 Series J, 2008 Series K, 2010 Series B, 2011 Series B, 2014 Series A, 2015 Series A, 2015 Series D, 2016 Series A, 2016 Series B and 2017 Series C previously or concurrently issued pursuant to the Resolution and the Applicable Series Resolution;

“Participating Underwriter” shall have the meaning ascribed thereto in the recitals to the Continuing Disclosure Agreement;

“Refunded Facilities” means the facilities financed or refinanced with the Bonds to be Refunded;

“Refunding Project” shall have the meaning ascribed thereto in the recitals to this 2017 Series B Series Resolution;

“Sinking Fund Installment” means the amount of money sufficient to redeem the 2017 Series B Bonds in the amounts, at the times and in the manner set forth in Section 2.05(b) hereof;

“2017 Series B Bonds” means the bonds designated “New Jersey Educational Facilities Authority Princeton University Revenue Refunding Bonds, 2017 Series B” (or such other series designation as may be determined based upon the date of issuance of the 2017 Series B Bonds), to be issued pursuant to the Resolution and this 2017 Series B Series Resolution to finance the



costs associated with the Refunding Project and certain costs incidental to the issuance and sale of the 2017 Series B Bonds, including deposits to certain funds created under the Resolution and this 2017 Series B Series Resolution;

“2017 Series B Series Resolution” means this resolution authorizing the issuance of the 2017 Series B Bonds; and

“University Tax Certificate” means the Arbitrage and Tax Certificate, including the exhibits thereto, dated the date of issuance and delivery of the 2017 Series B Bonds, furnished by the University.

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

**Section 1.02. Authority for this 2017 Series B Series Resolution.** This 2017 Series B Series Resolution is adopted pursuant to and in accordance with the provisions of the Act and Article II and Article VIII of the Resolution.

**ARTICLE II**  
**AUTHORIZATION AND DETAILS OF**  
**REFUNDING PROJECT AND 2017 SERIES B BONDS**

**Section 2.01. Project Authorizations.** Any Authorized Officer is hereby authorized to execute and seal all documents necessary to enable the Authority to finance the Refunding Project and the payment of certain costs incidental to the sale and issuance of the 2017 Series B Bonds.

**Section 2.02. 2017 Series B Bonds Authorized.** The Authority hereby authorizes the issuance of the 2017 Series B Bonds, as either a single issue or separate issues for federal income tax purposes, for the purpose of making a loan to the University to pay the costs of the Refunding Project and to provide for the payment of certain Costs of Issuance and the deposit to certain funds created under the Resolution and this 2017 Series B Series Resolution.

**Section 2.03. Dates and Maturities.** The 2017 Series B Bonds shall be initially dated, shall mature in such principal amounts and on such dates, shall bear interest payable on such dates, shall be subject to such terms, conditions and provisions as an Authorized Officer shall approve prior to their issuance with the advice of the Authority's Bond Counsel, McManimon, Scotland & Baumann, LLC ("Bond Counsel"), and the Attorney General of the State of New Jersey (the "State") (such approval to be conclusively evidenced by such Authorized Officer's execution thereof), provided that (a) the aggregate principal amount of the 2017 Series B Bonds shall not exceed \$450,000,000; (b) the 2017 Series B Bonds shall mature not later than July 1, 2057; (c) the "true" interest cost on the 2017 Series B Bonds shall not exceed 5.00% per annum; and (d) Bond Counsel delivers an opinion that interest on the 2017 Series B Bonds is not includable in gross income for federal income tax purposes in connection with the issuance of the 2017 Series B Bonds. If, after issuance thereof, as shown by the records of the Trustee, interest on the 2017 Series B Bonds shall be in default, registered 2017 Series B Bonds issued in lieu of 2017 Series B Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the 2017 Series B Bonds surrendered. The 2017 Series B Bonds shall bear interest from the most recent interest payment date next preceding the date of such registered 2017 Series B Bonds to which interest has been paid, unless the date of such registered 2017 Series B Bonds is an interest payment date, in which case interest shall be payable from such date, or unless the date of such registered 2017 Series B Bonds is prior to the first interest payment date of the registered 2017 Series B Bonds, in which case interest shall be payable from the initial dated date or unless the date of such 2017 Series B Bonds is between a record date and the next succeeding interest payment date, in which case from such interest payment date, payable on such dates and at such rate or rates per annum as shall hereafter be determined by an Authorized Officer upon the sale thereof. Any Authorized Officer also is authorized to accept terms and conditions relating to the 2017 Series B Bonds required as a condition to issuance thereof as such Authorized Officer deems necessary and appropriate with the advice of Bond Counsel and the Attorney General of the State. Any such terms and conditions modifying the terms of this 2017 Series B Series Resolution shall be set forth in a Certificate of Determination delivered by an Authorized Officer.

**Section 2.04. Denominations, Numbers and Letters.** The 2017 Series B Bonds shall be issuable in fully registered form in denominations of \$5,000 each or any integral multiple

thereof. Unless the Authority shall otherwise direct, each maturity of the 2017 Series B Bonds shall be numbered separately from one upwards preceded by the letter R and a letter or letters designating the year of maturity.

At the direction of an Authorized Officer, "CUSIP" identification numbers will be imprinted on the 2017 Series B Bonds, but such numbers shall not constitute a part of the contract evidenced by the 2017 Series B Bonds, and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the 2017 Series B Bonds. In addition, failure on the part of the Authority to use such CUSIP numbers in any notice to holders of the 2017 Series B Bonds shall not constitute an event of default or any similar violation of the Authority's contract with such holders.

**Section 2.05. Redemption of 2017 Series B Bonds.**

(a) *Optional Redemption.* (i) The 2017 Series B Bonds shall be subject to redemption prior to maturity at the option of the Authority upon the consent of the University or by operation of the Redemption Fund, as a whole or in part at any time (if less than all of the 2017 Series B Bonds Outstanding of any maturity shall be called for redemption, such 2017 Series B Bonds to be so redeemed shall be selected by the Trustee by lot or in any customary manner of selection as determined by the Trustee), on the dates and at the redemption price (expressed as a percentage of the principal amount to be redeemed), plus interest accrued to the redemption date, as set forth in the Certificate of Determination; provided, however, that any such redemption price shall not exceed 103%.

(ii) Redemption of any of the 2017 Series B Bonds shall otherwise be effected in accordance with Article III of the Resolution.

(b) *Mandatory Sinking Fund Redemption.* The 2017 Series B Bonds, if so determined by an Authorized Officer, shall be subject to mandatory redemption by lot, prior to maturity, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date, from moneys deposited in the Sinking Fund Account established for the 2017 Series B Bonds, within the Debt Service Fund established under this 2017 Series B Series Resolution. The principal amount of the 2017 Series B Bonds otherwise required to be redeemed may be reduced by the principal amount of such 2017 Series B Bonds theretofore delivered to the Trustee by the Authority in lieu of cash payments under the Agreement or purchased by the Trustee out of moneys in the Sinking Fund Account in the Debt Service Fund established under this 2017 Series B Series Resolution that have not theretofore been applied as a credit against any Sinking Fund Installment.

**Section 2.06. Notice of Redemption.** When 2017 Series B Bonds are to be redeemed as provided herein, the Trustee shall give notice of such redemption by mailing a copy of such notice as provided in the Resolution, and such mailing shall be a condition precedent to such redemption. Failure of any holder of any 2017 Series B Bonds to receive such notice or any defect therein shall not affect the validity of the proceedings for the redemption of 2017 Series B Bonds. Any notice of redemption of any 2017 Series B Bonds pursuant to Section 2.05(a) hereof 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 2017 Series B Bonds or portions thereof which are to be redeemed on that date.

**Section 2.07. Appointment of Trustee, Bond Registrar and Paying Agent.** The Trustee, Bond Registrar and Paying Agent for the 2017 Series B Bonds shall be The Bank of New York Mellon, Woodland Park, New Jersey. Such appointment shall be evidenced by a certificate signed by an Authorized Officer and filed in the office of the Authority and delivered to the Trustee.

**Section 2.08. Additional Duties of Trustee.** The Trustee shall perform such other duties imposed upon it by this 2017 Series B Series Resolution or any assignments to the Trustee of the Agreement. The Authority may assign the Agreement to the Trustee, and the Trustee may hold such document, for the benefit of the holders of the 2017 Series B Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds.

**Section 2.09 Places of Payment.** The principal or Redemption Price of the 2017 Series B Bonds shall be payable upon surrender at the principal corporate trust office of the Trustee. Interest on the 2017 Series B Bonds will be paid by check mailed by the Trustee to the holders thereof at their addresses as they appear on the registration books of the Authority, except that in the case of such holder of \$1,000,000 or more in aggregate principal amount of 2017 Series B Bonds, upon the written request of such holder to the Trustee, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds. Any such request shall remain in effect until revoked or revised by such holder by an instrument in writing delivered to the Trustee. However, so long as the 2017 Series B Bonds are held in book-entry form pursuant to Section 2.13 hereof, the provisions of Section 2.13 shall govern the payment of the principal or Redemption Price of and interest on the 2017 Series B Bonds. For purposes of this Section 2.09, interest is payable to the holder thereof who is such holder at the close of business on the record date for such interest, which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding an interest payment date.

**Section 2.10. Authentication.** The 2017 Series B Bonds shall bear thereon a certificate of authentication, in substantially the form set forth in Section 2.14 hereof, manually executed by the Trustee or by any authenticating agent of the Trustee approved by the Authority. Only such 2017 Series B Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution, and no 2017 Series B Bonds shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee or by any authenticating agent of the Trustee approved by the Authority. Such certificate of the Trustee shall be conclusive evidence that the 2017 Series B Bond so authenticated has been duly authenticated and delivered under the Resolution and that the holder thereof is entitled to the benefits of the Resolution and this 2017 Series B Series Resolution.

**Section 2.11. Transfer of 2017 Series B Bonds.** Each 2017 Series B Bond shall be transferable only upon the books of the Authority, which shall be kept for that purpose at the principal corporate trust office of the Trustee, as Bond Registrar, by the holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Trustee duly executed by the holder or his duly

authorized attorney and the payment of a charge sufficient to reimburse the Authority or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such transfer. Upon the transfer of any 2017 Series B Bond, the Authority shall issue in the name of the transferee a new 2017 Series B Bond or Bonds in the same aggregate principal amount and maturity as the surrendered 2017 Series B Bond or Bonds.

**Section 2.12. Regulations with Respect to Transfers.** In all cases in which the privilege of transferring 2017 Series B Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver 2017 Series B Bonds in accordance with the provisions of the Resolution and this 2017 Series B Series Resolution. All 2017 Series B Bonds surrendered in any such transfer shall forthwith be canceled by the Trustee. Neither the Authority nor the Trustee shall be obliged to make any such transfer of 2017 Series B Bonds during (a) the period between the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding an interest payment date on the 2017 Series B Bonds and said interest payment date, (b) the period between the forty-fifth (45th) day (whether or not a business day) next preceding the date of selection of 2017 Series B Bonds to be redeemed and said date of selection, or (c) the period between the date of selection of 2017 Series B Bonds to be redeemed and the mailing of any notice of redemption.

**Section 2.13. Book-Entry Bonds.**

(a) Except as provided in subsection (c) of this Section 2.13, the registered owner of all of the 2017 Series B Bonds shall be DTC, and the 2017 Series B Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of semiannual interest for any 2017 Series B Bond registered as of each record date in the name of Cede & Co. shall be made by wire transfer of same day funds to the account of Cede & Co. on the interest payment date for the 2017 Series B Bonds at the address indicated on the record date for Cede & Co. in the registration books of the Authority kept by the Trustee.

(b) The 2017 Series B Bonds shall be initially issued in the form of separate, single, authenticated, fully-registered bonds in the amount of each separate stated maturity of the 2017 Series B Bonds. Upon initial issuance, the ownership of such 2017 Series B Bonds shall be registered in the registration books of the Authority kept by the Trustee in the name of Cede & Co., as nominee for DTC. The Trustee and the Authority may treat DTC (or its nominee) as the sole and exclusive owner of the 2017 Series B Bonds registered in its name for the purposes of payment of the principal or Redemption Price of or interest on the 2017 Series B Bonds, selecting the 2017 Series B Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the Resolution, registering the transfer of 2017 Series B Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Trustee nor the Authority shall be affected by any notice to the contrary. Neither the Trustee nor the Authority shall have any responsibility or obligation to any DTC participant, any person claiming a beneficial ownership interest in the 2017 Series B Bonds under or through DTC or any DTC participant, or any other person who is not shown on the registration books of the Trustee as being a Bondholder with respect to the accuracy of any records maintained by DTC or any DTC participant; the payment by DTC or any DTC participant of any amount in respect of the principal or Redemption Price of or interest on the 2017 Series B Bonds; any notice that is permitted or required to be given to Bondholders

under the Resolution; the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the 2017 Series B Bonds; or any consent given or other action taken by DTC as Bondholder. The Paying Agent shall pay all principal of and redemption premium, if any, and interest on the 2017 Series B Bonds only to or “upon the order of” (as that term is used in the Uniform Commercial Code as adopted in the State) Cede & Co., as nominee for DTC, and all such payments shall be valid and effective to satisfy fully and discharge the Authority’s obligations with respect to the principal of and redemption premium, if any, and interest on the 2017 Series B Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the words “Cede & Co.” in this 2017 Series B Series Resolution shall refer to such new nominee of DTC.

(c) In the event the Authority determines that it is in the best interest of the beneficial owners of the 2017 Series B Bonds that they be able to obtain definitive 2017 Series B Bonds, the Authority may notify DTC and the Trustee, whereupon DTC will notify DTC participants, of the availability through DTC of definitive 2017 Series B Bonds. In such event, the Authority shall issue and the Trustee shall transfer and exchange definitive 2017 Series B Bonds as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the 2017 Series B Bonds at any time by giving reasonable notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Authority and the Trustee shall be obligated to deliver definitive 2017 Series B Bonds as described in the Resolution and this 2017 Series B Series Resolution. In the event definitive 2017 Series B Bonds are issued, the provisions of the Resolution shall apply to, among other things, the transfer and exchange of such definitive 2017 Series B Bonds. Whenever DTC requests the Authority and the Trustee to do so, the Authority and the Trustee will cooperate with DTC in taking appropriate action after reasonable notice (a) to make available one or more separate definitive 2017 Series B Bonds to any DTC participant having 2017 Series B Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of definitive 2017 Series B Bonds.

(d) Notwithstanding any other provision of the Resolution or this 2017 Series B Series Resolution to the contrary, so long as any 2017 Series B Bond is registered in the name of Cede & Co., as nominee for DTC, all payments with respect to the principal of and redemption premium, if any, and interest on such 2017 Series B Bond and all notices with respect to such 2017 Series B Bond shall be made and given to Cede & Co., as nominee for DTC.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to the Resolution by the Authority or the Trustee with respect to any consent or other action to be taken by Bondholders, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

**Section 2.14. Form of 2017 Series B Bonds.** Subject to the provisions of the Resolution and this 2017 Series B Series Resolution, the form of the 2017 Series B Bonds and the certificate of authentication thereon shall be of substantially the following form and tenor:

(Form of 2017 Series B Bond)

UNITED STATES OF AMERICA

STATE OF NEW JERSEY

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
PRINCETON UNIVERSITY REVENUE REFUNDING BONDS  
2017 SERIES B

Interest Rate	Maturity Date	Dated Date	CUSIP
_____%	July 1, ____	_____, 2017	_____

REGISTERED OWNER: \*\*\*\*\*CEDE & CO.\*\*\*\*\*

PRINCIPAL SUM:

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 called the "Authority"), acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, or its registered assigns, on the Maturity Date stated above, upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee hereinafter mentioned, in lawful money of the United States of America, the Principal Sum stated above and interest thereon until the Principal Sum is paid from the most recent interest payment date next preceding the date of authentication hereof, unless the date of authentication hereof is an interest payment date, in which case from the date of authentication hereof, or unless the date of authentication hereof is prior to the first interest payment, in which case from \_\_\_\_\_, 2017, or unless the date of authentication hereof is between a record date for such interest, which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding an interest payment date, and the next succeeding interest payment date, in which case from such interest payment date, at the Interest Rate stated above, payable initially on {January 1, 2018} and semiannually thereafter on the first day of July and January of each year. Payment of the interest on this Bond shall be paid by check mailed to the registered owner hereof at the address of such registered owner as it shall appear on the registration books of the Authority, which shall be kept at the principal corporate trust office of the Bond Registrar hereinafter mentioned, at the close of business on the record date for such interest, which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding such interest payment date, except that in the case of such registered owner of \$1,000,000 or more in aggregate principal amount of 2017 Series B Bonds, upon the written request of such registered owner to the Trustee, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds to such registered owner. Any such request shall remain in effect until revoked or revised by such holder by an instrument in writing delivered to the Trustee. However, so long as the 2017 Series



B Bonds (as hereinafter defined) are held in book-entry form pursuant to the Resolution (as hereinafter defined), the provisions of the Resolution governing such book-entry form shall govern repayment of the principal of and redemption premium, if any, and interest on the 2017 Series B Bonds. The principal of this Bond is payable upon surrender at the principal corporate trust office of The Bank of New York Mellon, Woodland Park, New Jersey (the "Trustee" and "Bond Registrar").

This Bond is one of a duly authorized issue of bonds of the Authority designated "New Jersey Educational Facilities Authority Princeton University Revenue Refunding Bonds, 2017 Series B" (hereinafter called the "2017 Series B Bonds"), which has been duly issued by the Authority under and pursuant to the laws of the State of New Jersey, particularly the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A, Education Law, of the New Jersey Statutes, as amended and supplemented) (hereinafter called the "Act"), and pursuant to the Princeton University Revenue Bond Resolution, adopted by the Authority on February 16, 1999 (the "General Resolution"), as amended and supplemented, and the 2017 Series B Series Resolution, adopted by the Authority on February 10, 2017 (such resolutions being sometimes hereinafter collectively called the "Resolution"). This Bond and the issue of which it is a part is a special and limited obligation of the Authority payable from and secured by a pledge of and lien on the Revenues (as defined in the General Resolution) equally and ratably with the Outstanding Parity Bonds, all other 2017 Series B Bonds of this issue and any other Additional Bonds to be issued on a parity herewith as permitted by the Resolution. Revenues are defined in the General Resolution to include all payments received by the Authority pursuant to loan agreements between the Authority and The Trustees of Princeton University (the "University") to finance any facility permitted by the Resolution or any Applicable Series Resolution. All capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Resolution.

This Bond is one of a total authorized issue of \$ \_\_\_\_\_, all of like date and tenor except as to number, interest rate, maturity date, denomination and redemption provisions, issued to obtain funds to finance (i) the Refunding Project and (ii) the payment of certain costs incidental to the sale and issuance of the 2017 Series B Bonds through a loan to the University and for other purposes provided by the Resolution, to which Resolution reference is hereby made for a description of the funds, revenues and charges pledged thereunder, the nature and extent of the security thereby created, and the rights, limitations of rights, obligations, duties and immunities of the Authority, the Trustee and the registered owners of the 2017 Series B Bonds. Certified copies of the Resolution are on file in the principal corporate trust office of the Trustee and in the office of the Authority.

As provided in the Resolution, Bonds of the Authority may be issued from time to time pursuant to one or more series resolutions in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Resolution. The aggregate principal amount of Bonds that may be issued is not limited except as provided in the Resolution, and all Bonds issued and to be issued as permitted by the Resolution are and will be equally secured by the pledge and covenants made therein except as otherwise expressly provided or permitted in the Resolution.

The Resolution provides that Additional Parity Bonds may be issued thereunder to provide additional funds for certain purposes including to finance the costs of certain other facilities for the University and that refunding bonds may be issued to refund Outstanding Bonds under the Resolution. All Additional Parity Bonds and refunding bonds shall be issued pursuant to series resolutions and shall be secured by an equal charge and lien on, and shall be payable equally from, the Revenues. The 2017 Series B Bonds have been issued as provided in Sections 2.04 and 2.05 of the General Resolution.

The 2017 Series B Bonds maturing on or before July 1, 20{27} are not subject to optional redemption prior to maturity. The 2017 Series B Bonds maturing on or after July 1, 20{28} are subject to redemption prior to maturity on or after July 1, 20{27} at the option of the Authority upon the consent of the University or by operation of the Redemption Fund, as a whole or in part at any time (if less than all of the 2017 Series B Bonds outstanding of any maturity shall be called for redemption, such 2017 Series B Bonds to be so redeemed shall be selected by the Trustee by lot or in any customary manner of selection as determined by the Trustee), at a redemption price equal to {100}% of the principal amount to be redeemed, plus interest accrued to the redemption date.

{The 2017 Series B Bonds maturing on July 1, 20\_\_ shall be retired by Sinking Fund Installments as hereinafter described, which shall be accumulated in the Sinking Fund Account, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The Sinking Fund Installments shall be sufficient to redeem the principal amount of the 2017 Series B Bonds on July 1 in each of the years and in the principal amounts as follows:

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

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\*Final maturity.

The 2017 Series B Bonds maturing on July 1, 20\_\_ shall be retired by Sinking Fund Installments as hereinafter described, which shall be accumulated in the Sinking Fund Account, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The Sinking Fund Installments shall be sufficient to redeem the principal amount of the 2017 Series B Bonds on July 1 in each of the years and in the principal amounts as follows:

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

\*Final maturity.}

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

In the event this 2017 Series B Bond shall be called for redemption, notice of such redemption shall be mailed, postage prepaid, not less than thirty (30) days prior to the redemption date, to the registered owners of any 2017 Series B Bonds to be redeemed at their last address appearing on the registration books of the Authority kept by the Bond Registrar, and such mailing shall be a condition precedent to such redemption. Failure of any registered owner of any 2017 Series B Bond to receive such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of the 2017 Series B Bonds. Notice of redemption having been mailed as aforesaid, the 2017 Series B Bonds so called for redemption, on the date specified in such notice, shall become due and payable at the applicable Redemption Price herein provided, and from and after the date so fixed for redemption, interest on the 2017 Series B Bonds so called for redemption shall cease to accrue and be payable.

In case an event of default (as defined in the Resolution) shall occur, the principal of this 2017 Series B Bond may be declared due and payable in the manner and with the effect provided in the Resolution.

The 2017 Series B Bonds are special and limited obligations of the Authority payable from the Revenues, and neither the State of New Jersey nor any political subdivision thereof, other than the Authority, shall be obligated to pay the principal of or interest on the 2017 Series B Bonds except from the Revenues, and neither the faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof is pledged to the payment of the principal of or interest on the 2017 Series B Bonds. The Authority has no taxing power.

No recourse shall be had for the payment of the principal of or interest on this 2017 Series B Bond against any member, employee or other officer of the Authority or against any person executing this 2017 Series B Bond, all of such liability, if any, being hereby expressly waived and released by every registered owner of this 2017 Series B Bond by the acceptance hereof and as a part of the consideration hereof, as provided in the Resolution.

The Resolution contains provisions permitting the Authority, with the consent of the registered owners of not less than 66-2/3% in aggregate principal amount of the Outstanding Parity Bonds, the 2017 Series B Bonds and any Additional Parity Bonds outstanding, evidenced as provided in the Resolution, to adopt supplemental resolutions modifying any of the provisions of the Resolution, any supplemental resolution or the 2017 Series B Bonds or releasing the Authority from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained; provided, however, that no such supplemental resolution shall: (i) change any terms of redemption of the 2017 Series B Bonds or the due date of principal of or interest on the 2017 Series B Bonds or make any reduction in the principal or Redemption Price of or interest on any 2017 Series B Bond, without the consent of the registered owner of each 2017 Series B Bond so affected; or (ii) reduce the aforesaid percentage of bonds the consent of

the registered owners of which is required for any such supplemental resolution, without the consent of the registered owners of all of said bonds then outstanding.

The 2017 Series B Bonds are issuable in the form of fully registered bonds, without coupons, in denominations of \$5,000 each or any integral multiple thereof. This 2017 Series B Bond is transferable as provided in the Resolution, only upon the books of the Authority kept for that purpose at the above-mentioned office of the Bond Registrar, by the registered owner hereof in person or by his duly authorized attorney, upon surrender of this 2017 Series B Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or by his duly authorized attorney, and thereupon a new registered 2017 Series B Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution and upon payment of the charges therein prescribed. The Authority, the Bond Registrar and any paying agent may deem and treat the person in whose name this 2017 Series B Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

It is hereby certified, recited and declared by the Authority that all acts, conditions and things required by the Constitution and statutes of the State of New Jersey and the Resolution to exist, to happen and to be performed precedent to and in the issuance of the 2017 Series B Bonds, of which this 2017 Series B Bond is a part, in order to make them the legal, valid and binding, special and limited obligations of the Authority in accordance with their terms, exist, have happened and have been performed in regular and due time, form and manner as required by law, and the issuance of the 2017 Series B Bonds, together with all other indebtedness of the Authority, does not exceed or violate any constitutional, statutory or other limitation relating to the amount of bonded indebtedness prescribed by law for the Authority.

This 2017 Series B Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this 2017 Series B Bond shall have been authenticated by the execution by the Trustee, or by any authenticating agent of the Trustee approved by the Authority, of the Certificate of Authentication hereon.

**{THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK}**

**IN WITNESS WHEREOF**, the New Jersey Educational Facilities Authority has caused this 2017 Series B Bond to be executed in its name by the manual or facsimile signature of its Chair, Vice Chair or Executive Director and its official common seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary, all as of the Dated Date.

**NEW JERSEY EDUCATIONAL  
FACILITIES AUTHORITY**

{SEAL}

**By:** \_\_\_\_\_  
**Executive Director**

**ATTEST:**

\_\_\_\_\_  
**Assistant Secretary**

**CERTIFICATE OF AUTHENTICATION**

This 2017 Series B Bond is one of the 2017 Series B Bonds described in the within-mentioned Resolution.

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

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

Date of Authentication: \_\_\_\_\_

**ASSIGNMENT**

FOR VALUE RECEIVED, \_\_\_\_\_  
hereby sells, assigns and transfers unto \_\_\_\_\_  
the within 2017 Series B Bond issued by the New Jersey Educational Facilities Authority, and all  
rights thereunder, hereby irrevocably appointing  
\_\_\_\_\_ attorney to transfer said 2017 Series B Bond on  
the bond register, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Notice: The Assignor's signature to  
this assignment must correspond with  
the name as it appears upon the face of  
the within 2017 Series B Bond in every  
particular, without alteration or any  
change whatsoever.

{End of Form of 2017 Series B Bond}

**Section 2.15. Sale of 2017 Series B Bonds.** Goldman, Sachs & Co. and J.P. Morgan Securities LLC are hereby appointed the co-senior managing underwriters (the “Co-Senior Managers”) to purchase the 2017 Series B 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 between the Authority and Goldman, Sachs & Co., on behalf of itself, J.P. Morgan Securities LLC and any other members of an underwriting syndicate headed by such firms (collectively, the “Underwriter”), in substantially the form presented to this meeting with such changes as shall be approved by any Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State (such approval to be evidenced conclusively by such Authorized Officer’s execution thereof), for the purchase of the 2017 Series B Bonds at the price or prices to be agreed upon; provided, however, that the Underwriter’s discount for the 2017 Series B Bonds shall not exceed \$2.25 per \$1,000 of principal amount. A copy of the Purchase Contract as executed shall be filed with the records of the Authority.

The Executive Director, the Deputy Executive Director or any such officer designated “acting” or “interim” is hereby authorized to appoint one or more co-managing underwriters, if necessary, in connection with the financing in accordance with the Authority’s standard procurement policies and procedures to purchase the 2017 Series B Bonds as members of an underwriting syndicate headed by the Co-Senior Managers.

The Authority hereby finds and determines that the issuance of the 2017 Series B 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 2017 Series B Bonds is not in the best interest of the Authority and the University.

The preparation, publication and distribution of a Preliminary Official Statement (in substantially the form presented to the Authority at the time of adoption hereof, with such changes, omissions, insertions and revisions as any Authorized Officer shall deem necessary or advisable, with the advice of Bond Counsel and the Attorney General of the State) are hereby approved, ratified and confirmed, the preparation, publication and distribution of a final Official Statement for the 2017 Series B Bonds (in substantially the form of the Preliminary Official Statement, with such changes, omissions, insertions and revisions as any Authorized Officer shall deem necessary or advisable, with the advice of Bond Counsel and the Attorney General of the State) are hereby approved, and any Authorized Officer is hereby authorized to sign and deliver to the Underwriter of the 2017 Series B Bonds the Official Statement in final form acceptable to such Authorized Officer. Any Authorized Officer is hereby authorized, with the advice of Bond Counsel and the Attorney General of the State, to deem the Preliminary Official Statement final within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, and to provide written evidence relating thereto in form acceptable to Bond Counsel. Any Authorized Officer is hereby authorized and directed to deliver the 2017 Series B Bonds to the Underwriter and to approve, execute and deliver all documents and instruments required in connection therewith, with such changes, omissions, insertions and revisions as shall be deemed necessary or advisable by the officer executing the same.

The 2017 Series B Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chair, Vice Chair or Executive Director (or such other Authorized

Officer authorized by resolution of the Authority to execute Authority bonds) 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 Secretary, any Assistant Secretary or any other Authorized Officer or in such other manner as may be permitted by law.

**Section 2.16. Continuing Disclosure.** Pursuant to Section 27 of the Agreement, the University has undertaken all responsibility for compliance with all continuing disclosure requirements, and the Authority shall have no liability to the holders of the 2017 Series B Bonds or any other person with respect to such disclosure matters. The Trustee shall comply with and carry out all of the obligations imposed on the Trustee under the Continuing Disclosure Agreement and Section 27 of the Agreement. The form of the Continuing Disclosure Agreement presented at this meeting (a copy of which shall be filed with the records of the Authority) is hereby approved. Notwithstanding any other provision of the Resolution and this 2017 Series B Series Resolution, failure of the University to comply with the Continuing Disclosure Agreement shall not be considered an “event of default” under Section 7.01 of the Resolution; however, the Trustee may (and at the request of any Participating Underwriter or the holders of at least twenty-five percent (25%) in aggregate principal amount of 2017 Series B Bonds Outstanding, the Trustee shall, subject to the provisions of Section 6.02 of the Resolution) or any holder of the 2017 Series B Bonds may take such actions as may be deemed necessary or appropriate, including seeking mandate or specific performance by court order, to cause the University to comply with its obligations under Section 27 of the Agreement or to cause the Trustee to comply with its obligations under this Section 2.16.

**Section 2.17. Appointment of Verification Agent.** The Arbitrage Group, Inc. is hereby appointed to act as verification agent in connection with the Refunding Project.



## ARTICLE III

### APPLICATION AND DISBURSEMENT OF 2017 SERIES B BOND PROCEEDS, CERTAIN MONEYS AND REVENUES

**Section 3.01 Confirmation of Establishment of Funds.** The Authority hereby ratifies and confirms the establishment of the following funds and separate accounts within funds under the Resolution, which funds and accounts shall be held, maintained and applied by the Trustee in accordance with Article IV of the Resolution, except as so provided in this 2017 Series B Series Resolution, for the 2017 Series B Bonds:

- Revenue Fund;
- Debt Service Fund;
  - Interest Account (for the 2017 Series B Bonds);
  - Principal Account (for the 2017 Series B Bonds);
  - Sinking Fund Account (for the 2017 Series B Bonds);
- Rebate Fund; and
- Redemption Fund.

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 3.02. Establishment of Construction Fund.** Pursuant to Section 4.01 of the Resolution, the Construction Fund for the 2017 Series B Bonds is hereby created and established to be held by the Trustee and maintained and applied by the Authority.

**Section 3.03. Application of 2017 Series B Bond Proceeds and Allocation Thereof.** Upon receipt of the proceeds of the 2017 Series B Bonds, including accrued interest thereon, the Authority shall make payments from such moneys as follows: (a) a sum equal to the interest on the 2017 Series B Bonds, if any, accruing from their dated date to their date of delivery (if such dated date is not the date of delivery) will be paid to the Trustee for deposit in the Interest Account (for the 2017 Series B Bonds) of the Debt Service Fund, (b) an amount of the proceeds of the 2017 Series B Bonds set forth in a certificate of an Authorized Officer of the Authority shall be deposited in various sub-accounts of the Escrow Fund established under the Escrow Deposit Agreement and, together with certain other funds held under the Resolution, if available, applied to the purchase of investment securities or held uninvested in cash as set forth in the Escrow Deposit Agreement, and (c) the balance of the proceeds shall be deposited in the Construction Fund for payment of certain costs of the Refunding Project relating to certain Costs of Issuance.

**Section 3.04. Application of Certain Moneys.** Upon receipt by the Authority of any moneys for the purpose of paying costs of the Refunding Project, pursuant to the Agreement, the Authority shall deposit all such moneys so received in the Construction Fund for the Refunding Project.

**Section 3.05. Application of Moneys in Construction Fund.** Moneys on deposit in the Construction Fund shall be applied as provided in Section 4.03 of the Resolution.

**Section 3.06. Deposit of Revenues and Allocation Thereof.** There is established and created by this 2017 Series B Series Resolution an account within the Revenue Fund to be designated the “2017 Series B Revenue Account.” Notwithstanding anything in the Resolution to the contrary, moneys in the 2017 Series B Revenue Account of the Revenue Fund shall be paid to the Trustee on or prior to the fifth 5<sup>th</sup> day after deposit thereof as follows and in the following order of priority:

First: To the Interest Account of the Debt Service Fund, the amount necessary to equal the unpaid interest to become due on the 2017 Series B Bonds Outstanding on the next succeeding semiannual interest payment date.

Second: To the Principal Account of the Debt Service Fund, the amount, if any, necessary to make the amount on deposit in the Principal Account equal to the principal amount becoming due on the 2017 Series B Bonds Outstanding on the next succeeding July 1.

Third: To the Sinking Fund Account of the Debt Service Fund, the amount, if any, necessary to make the amount on deposit in the Sinking Fund Account equal to the sinking fund installment, if any, payable on the 2017 Series B Bonds Outstanding on the next succeeding July 1.

Fourth: To the Authority, the amounts as are payable to the Authority for (i) any expenditures of the Authority for insurance, fees and expenses of auditing and fees and expenses of the Trustee, all as required by the Resolution and not otherwise paid or caused to be paid or provided for by the University; (ii) all other expenditures reasonably and necessarily incurred by the Authority by reason of its financing of the Refunding Project in accordance with the Loan Agreement, including expenses incurred by the Authority to compel full and punctual performance of all provisions of the Loan Agreement in accordance with the terms thereof; and (iii) the Annual Administrative Fee unless otherwise paid, but only upon receipt by the Trustee from the Authority of a certificate signed by an Authorized Officer stating in reasonable detail the amounts payable to the Authority.

**Section 3.07. Investment of Moneys in Construction Fund.** For purposes of the 2017 Series B Bonds only, notwithstanding anything contained in Section 4.08 of the Resolution to the contrary, in addition to any investment permitted in Section 4.08 of the Resolution with respect to the Construction Fund, moneys deposited in the Construction Fund may also be invested in (a) the New Jersey Cash Management Fund; (b) investment agreements with banks that, at the time such agreement is executed, are rated by Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”) or Moody’s Investors Service, Inc. (“Moody’s”) in one of the three highest rating categories assigned by S&P or Moody’s (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) or investment agreements with non-bank financial institutions, which (i) all of the unsecured direct long-term debt of either the non-banking financial institution or the related guarantor of such

non-bank financial institution that is rated by S&P or Moody's at the time such agreement is executed is rated in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature; or (ii) if such non-bank financial institutions have no outstanding long-term debt that is rated, all of the short-term debt of either the non-banking financial institution or the related guarantor of such non-bank financial institution that is rated by S&P or Moody's in the highest rating category (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short term indebtedness by S&P or Moody's; (c) commercial paper having, at the time of investment or contractual commitment to invest therein, a rating of A-1 or better from S&P or P-1 from Moody's; (d) money market mutual funds having a rating in the highest investment category granted thereby from S&P or Moody's, including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Resolution, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Resolution may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee; or (e) demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and certificates of deposit or bankers acceptances issued by any bank, trust company or national banking association (including the Trustee and any of its affiliates), provided that such investments must be (i) fully insured by the Federal Deposit Insurance Corporation, or (ii) secured, to the extent not insured by the Federal Deposit Insurance Corporation, by Government Obligations held by the Trustee or an appropriate third party approved by the Trustee, having a market value determined weekly, at least equal to the principal amount thereof (or portion thereof not insured as aforesaid), or (iii) issued by an institution whose unsecured, long term senior debt obligations are, at the time of such issuance, rated by S&P and Moody's in either of their respective two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise).

## ARTICLE IV

### MISCELLANEOUS

**Section 4.01. Loan Agreement, Escrow Deposit Agreement and Investment of Funds.** The form of the Loan Agreement, by and between the Authority and the University, in the form submitted to the Authority on this date shall be, and the same is, in all respects, hereby authorized, approved and confirmed, and an Authorized Officer is authorized to execute and deliver the Loan Agreement to the University. The Loan Agreement shall be substantially in the form presented to the Authority with all necessary and appropriate variations, omissions and insertions as approved, permitted or required by an Authorized Officer or as advised by Bond Counsel and the Attorney General of the State, and the execution and delivery thereof shall be conclusive evidence of such approval.

The form of the Escrow Deposit Agreement, by and between the Authority and The Bank of New York Mellon, Woodland Park, New Jersey, hereby appointed Escrow Agent for the Bonds to be Refunded, in the form submitted to the Authority on this date, shall be, and the same is in all respects, hereby authorized, approved and confirmed, and any Authorized Officer is authorized to execute and deliver the Escrow Deposit Agreement to the Escrow Agent when the same shall have been prepared for execution. The Escrow Deposit Agreement shall be substantially in the form presented to the Authority with all necessary and appropriate variations, omissions and insertions as approved, permitted or required by any Authorized Officer or as advised by Bond Counsel and the Attorney General of the State, and the execution and delivery thereof by any such Authorized Officer shall be conclusive evidence of such approval.

Any Authorized Officer is hereby authorized to purchase United States Treasury Obligations, State and Local Government Series, in connection with the Refunding Project, or to select a firm to act as its broker or to direct the Authority's bidding agent to solicit bids to purchase open market U.S. Treasury Obligations (as defined in the Escrow Deposit Agreement) in connection with the Refunding Project, 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, an 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 Trustee pursuant to the Escrow Deposit Agreement, to enter into such Float Forward Agreement or agreements with the successful bidder or bidders therefor. Pursuant to the terms of any Float Forward Agreement, the provider, in consideration of an upfront payment to the Trustee, shall have the right to sell U.S. Treasury Obligations to the Trustee 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 as 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 United States Treasury Obligations, State and Local Government Series and open market U.S. Treasury Obligations, to the extent permitted by law. The Underwriter or the Trustee is 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 United States Treasury Obligations, State and Local Government Series via SLGSafe pursuant to the regulations promulgated therefor set forth in 31 CFR Part 344.

**Section 4.02. Investment of Proceeds of 2017 Series B Bonds.** The Authority will make no use of the proceeds of the 2017 Series B Bonds that would cause the 2017 Series B Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended (the “Code”); and the Authority hereby imposes on itself, on the Trustee, and on all officers having custody or control of the proceeds of the 2017 Series B Bonds, throughout the term of the 2017 Series B Bonds, the obligation to comply with the applicable requirements of Section 148(a) of the Code and the Treasury Regulations promulgated thereunder, and all other applicable regulations, so that none of the 2017 Series B Bonds will be or become an arbitrage bond; provided, that the Trustee, in following the directions of the Authority, shall have no responsibility to determine whether such investment is in violation of such regulations.

**Section 4.03. Covenant as to Program Investments.** In accordance with the requirements applicable to the “program investments” under Treasury Regulations §1.148-1(b), the Authority covenants that it shall require that neither the University nor any person or related persons (within the meaning of Treasury Regulations §1.150-1(b)) shall purchase bonds of the Authority that finance the program in an amount related to the amount of the loan.

**Section 4.04. Tax Covenants Relating to Internal Revenue Code of 1986.** In order to maintain the exclusion from gross income for federal income tax purposes of interest on the 2017 Series B Bonds, the Authority shall comply with the provisions of the Code applicable to the 2017 Series B Bonds, including, without limitation, the provisions of the Code relating to the computation of the yield on investments of the gross proceeds (as such term is used in the Authority Tax Certificate) of the 2017 Series B Bonds, reporting of earnings on the gross proceeds of the 2017 Series B Bonds, and rebate of excess earnings to the Department of the Treasury of the United States of America. In furtherance of the foregoing, the Authority shall comply with the Authority Tax Certificate, to be delivered by Bond Counsel at the time the 2017 Series B Bonds are issued, as to compliance with the Code with respect to the 2017 Series B Bonds, as such Authority Tax Certificate may be amended from time to time, as a source of guidance for achieving compliance with the Code. All of the representations and warranties of the Authority contained in the Authority Tax Certificate and of the University contained in the University Tax Certificate are incorporated herein by reference with the same force and effect as if set forth in full herein.

The Authority may pay requisitions from 2017 Series B Bond proceeds or investment earnings thereon with respect to the Costs of Issuance of the 2017 Series B Bonds only to the extent that the aggregate requisitions paid with such proceeds with respect to the Costs of Issuance do not cause the amount paid for Costs of Issuance with the proceeds of the 2017 Series

B Bonds or the investment earnings thereon to exceed two percent (2%) of the “proceeds” of the 2017 Series B Bonds (within the meaning of Section 147(g) of the Code).

The Authority shall not take or permit any action or fail to take any action that would adversely affect the status of the 2017 Series B Bonds as “qualified 501(c)(3) bonds” under Section 145(a) of the Code or otherwise cause the interest on the 2017 Series B Bonds to lose the exclusion from gross income for federal income tax purposes under Section 103 of the Code.

Notwithstanding any other provision of the Resolution and this 2017 Series B Series Resolution to the contrary, the covenants contained in this Section 4.04 shall survive the payment of the 2017 Series B Bonds and the interest thereon, including any payment or discharge thereof pursuant to Section 11.03 of the Resolution, as long as necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the 2017 Series B Bonds.

**Section 4.05. Authorization to Invest 2017 Series B Bond Proceeds.** 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 2017 Series B Bonds as provided in Section 4.08 of the Resolution and Section 3.07 of this 2017 Series B Series Resolution, in the event that such Authorized Officer determines, in consultation with and with the consent of the University, that it is advantageous to the University for the Authority to invest any proceeds of the 2017 Series B Bonds as so provided in Section 4.08 of the Resolution and Section 3.07 of this 2017 Series B Series Resolution.

**Section 4.06. Incidental Action.** 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 to (i) effectuate the delivery of the Purchase Contract, the Preliminary Official Statement, the execution and delivery of the Official Statement, the Loan Agreement, the Escrow Deposit Agreement and the issuance and sale of the 2017 Series B Bonds, (ii) effectuate the Refunding Project, (iii) implement the DTC book-entry only system for the 2017 Series B Bonds, (iv) maintain the tax-exempt status of the interest on the 2017 Series B Bonds (including the preparation and filing of any information reports or other documents with respect to the 2017 Series B Bonds as may at any time be required under Section 149 of the Code and any regulations thereunder), and (v) purchase certain investment securities permitted under the Resolution and this 2017 Series B Series Resolution in order to effectuate the defeasance of the Bonds to be Refunded.

**Section 4.07. Conflict.** All resolutions or parts of resolutions or other proceedings in conflict herewith are repealed insofar as such conflict exists.

**Section 4.08. Effective Date.** This 2017 Series B Series Resolution shall take effect as provided for under the Act.

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

**AYE:** Katherine Ungar  
Ridgeley Hutchinson  
Louis Rodriguez  
Rochelle Hendricks  
Ford M. Scudder (represented by Steven Petrecca)

**NAY:** None

**ABSTAIN:** None

**ABSENT:** Joshua Hodes

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



103 COLLEGE ROAD EAST • PRINCETON, NEW JERSEY 08540  
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**TERM SHEET**

**Borrower:** Princeton University, Princeton, New Jersey

**Issue:** 2017 Series C

**Amount:** Not to Exceed \$250,000,000

**Purpose:** To provide funds to finance a project consisting of: (i) all or a portion of the costs of the acquisition, construction, renovation and installation of various capital assets consisting of the: (a) renovation and repair of various buildings and other facilities of Princeton University (“the University”), including computer infrastructure wiring, utility systems, roads and grounds; (b) purchase of capital equipment for academic departments and administrative and supporting units; and (c) undertaking of several new construction projects, which may include demolition of existing buildings owned by the University and acquisition of land; (ii) the refinancing of all or a portion of the University’s outstanding Princeton University Taxable Commercial Paper Notes; (iii) the refunding of all or a portion of the Authority’s outstanding Princeton University Commercial Paper Notes, Series 2014 A; (iv) the refunding all or a portion of the Authority’s outstanding Princeton University Commercial Paper Notes, Series 2016 A; and, (v) the payment of certain costs incidental to the sale and issuance of the 2017 Series C Bonds, including deposits to certain funds created under the General Bond Resolution and Series Resolution.

**Security:** General Obligation of the University

**Structure:** Competitive Sale, Fixed Rate

**Term:** No later than July 1, 2057

**True Interest Cost:** Not to Exceed 5.00%

**Expected Bond Ratings:** Aaa (Moody’s Investors Service)  
AAA (Standard & Poor’s)



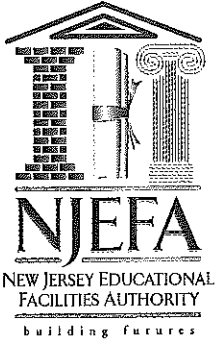
**Tentative  
Sale Date:** March 2017

**Tentative  
Closing:** April 2017

The Authority Members will be asked to adopt the 2017 Series C Series Resolution pertaining to the 2017 Series C 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:**

<b>Bond Counsel:</b>	McManimon, Scotland & Baumann, LLC
<b>Authority's Counsel:</b>	Attorney General of the State of New Jersey
<b>University's Financial Advisor:</b>	The Yuba Group, LLC
<b>Borrower's Counsel:</b>	Ballard Spahr LLP
<b>Trustee:</b>	The Bank of New York Mellon
<b>Trustee's Counsel:</b>	Hawkins Delafield & Wood LLP
<b>Printer:</b>	ImageMaster LLC



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

**Date:** February 10, 2017

**To:** Members of the Authority

**Issue:** Princeton University, 2017 Series C

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

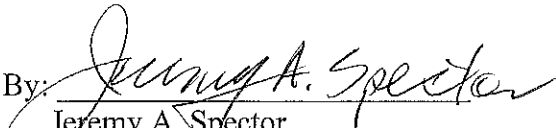
**Bond Counsel**

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.

**Trustee**

On October 21, 2016, the Authority requested a fee proposal from the University's existing Trustee in accordance with the general bond resolution structure which maintains the same trustee for every series of bonds thereafter. On November 1, 2016, the Authority received a fee proposal from The Bank of New York Mellon that is in line with fee quotes the Authority has received in response to other recent trustee RFPs. It is the Authority's recommendation to select The Bank of New York Mellon to serve as Trustee for this transaction.

The Authority's staff involvement in the procurement processes related to the above referenced professionals was completed as of the 3<sup>rd</sup> day of February 2017.

By:   
Jeremy A. Spector  
Executive Director

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

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**2017 SERIES C  
SERIES RESOLUTION**

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**AUTHORIZING THE ISSUANCE OF NOT TO EXCEED  
\$250,000,000  
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
PRINCETON UNIVERSITY REVENUE BONDS, 2017 SERIES C  
ADOPTED FEBRUARY 10, 2017**

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## **2017 SERIES C SERIES RESOLUTION**

### **A SERIES RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY PRINCETON UNIVERSITY REVENUE BONDS, 2017 SERIES C**

**WHEREAS**, the New Jersey Educational Facilities Authority (the "Authority"), by its Princeton University Revenue Bond Resolution, duly adopted on February 16, 1999 as amended and supplemented (the "Resolution"), has authorized the issuance of bonds, from time to time, in one or more series, for the purpose of providing funds for a loan to The Trustees of Princeton University (the "University");

**WHEREAS**, the Resolution provides that the bonds of the Authority shall be authorized and issued pursuant to a series resolution or series resolutions;

**WHEREAS**, the Authority has, at the request of the University, determined that it is necessary and in keeping with its authorized purposes to issue a series of bonds to be designated "New Jersey Educational Facilities Authority Princeton University Revenue Bonds, 2017 Series C" (the "2017 Series C Bonds") for the purpose of: (i) financing all or a portion of the costs of the acquisition, construction, renovation and installation of various capital assets consisting of the: (a) renovation and repair of various University buildings and other facilities, including computer infrastructure wiring, utility systems, roads and grounds; (b) purchase of capital equipment for academic departments and administrative and supporting units; and (c) undertaking of several new construction projects, which may include demolition of existing buildings owned by the University and acquisition of land; (ii) refinancing of all or a portion of the University's outstanding Taxable Commercial Paper Notes (the "Taxable Commercial Paper Notes"); (iii) refunding of all or a portion of the Authority's outstanding Princeton University Commercial Paper Notes, Series 2014 A (the "2014 Notes"); (iv) refunding all or a portion of the Authority's outstanding Princeton University Commercial Paper Notes, Series 2016 A ((i) through (iv) are collectively referred to as the "2017 Series C Project"); and (v) the payment of certain costs incidental to the sale and issuance of the 2017 Series C Bonds, including deposits to certain funds created under the Resolution and this 2017 Series C Series Resolution; and

**WHEREAS**, the Authority deems it necessary and in keeping with its purposes to issue the 2017 Series C Bonds herein authorized for the purposes of (i) paying the costs of the 2017 Series C Project, and (ii) paying certain costs incidental to the sale and issuance of the 2017 Series C Bonds, including deposits to certain funds created under the Resolution and this 2017 Series C Series Resolution.

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

## ARTICLE I

### DEFINITIONS AND AUTHORITY

**Section 1.01. Definitions.** As used in this 2017 Series C Series Resolution, unless a different meaning clearly appears from the context, all words and terms defined in Section 1.01 of the Resolution shall have the same meanings, respectively, in this 2017 Series C Series Resolution and in the 2017 Series C Bonds authorized hereby as are given to such words and terms by Section 1.01 of the Resolution. In addition, as used in the Resolution and in this 2017 Series C Series Resolution, unless a different meaning clearly appears from the context, the following words and terms shall mean:

“Agreement” or “Loan Agreement” means the Loan Agreement dated as of April 1, 2017 (or such other dated date as may be determined based on the date of issuance of the 2017 Series C Bonds), by and between the Authority and the University relating to the 2017 Series C Project;

“Annual Administrative Fee” means the annual fee for the general administrative services of the Authority in an amount equal to the lesser of (i) 1/10 of 1% of the Outstanding principal amount of the 2017 Series C Bonds or (ii) \$50,000;

“Applicable Series Resolution” means this 2017 Series C Series Resolution and, unless a different meaning clearly appears from the context, other series resolutions authorizing Additional Parity Bonds;

“Authority Tax Certificate” means the Arbitrage and Tax Certificate, including the exhibits thereto, dated the date of issuance and delivery of the 2017 Series C Bonds, furnished by the Authority and based upon the University Tax Certificate;

“Authorized Officer” means the Chair, Vice Chair, Treasurer, Assistant Treasurer, Executive Director, Deputy Executive Director, Director of Project Management, Director of Compliance Management, Secretary 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”;

“Certificate of Determination” means a certificate of any Authorized Officer making certain findings and determinations as authorized and/or delegated pursuant to the terms of this 2017 Series C Series Resolution;

“Construction Fund” means the fund created and established by this 2017 Series C Series Resolution;

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement dated as of April 1, 2017 (or such other dated date as may be determined based on the date of issuance of the 2017 Series C Bonds) by and between the University and The Bank of New York Mellon, as Dissemination Agent, as the same may from time to time be amended or supplemented;

“Costs of Issuance” means, as applicable, any costs relating to the issuance or the carrying of the 2017 Series C Bonds payable from the proceeds thereof, including, but not limited to, (i) underwriters’ discount (whether realized directly or derived through the purchase of the 2017 Series C Bonds at a discount below the price at which they are expected to be sold to the public); (ii) counsel fees (including bond counsel, University counsel, trustee’s counsel and any other specialized counsel fees incurred in connection with the borrowing); (iii) financial advisor fees incurred in connection with the borrowing; (iv) rating agency fees; (v) trustee fees incurred in connection with the borrowing; (vi) paying agent and certifying and authenticating agent fees related to the issuance of the 2017 Series C Bonds; (vii) accountant fees related to the issuance of the 2017 Series C Bonds; (viii) printing costs (of the 2017 Series C Bonds and of preliminary and final offering materials); (ix) fees of any securities depository; (x) costs incurred in connection with the required public approval process, if any (e.g., publication costs for public notices in connection with the issuance of the 2017 Series C Bonds, including, without limitation, the notice of sale and the notice of public hearing); and (xi) Authority fees;

“DTC” means The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of the State of New York, in its capacity as securities depository for the 2017 Series C Bonds;

“Official Bid Form” means the Official Bid Form for the 2017 Series C Bonds attached to the Official Notice of Sale;

“Official Notice of Sale” means the Official Notice of Sale for the 2017 Series C Bonds distributed by the Authority;

“Outstanding Parity Bonds” means the Authority’s Princeton University Revenue Bonds, 2003 Series D, 2007 Series E, 2007 Series F, 2008 Series J, 2008 Series K, 2010 Series B, 2011 Series B, 2014 Series A, 2015 Series A, 2015 Series D, 2016 Series A, 2016 Series B and 2017 Series B previously or concurrently issued pursuant to the Resolution and the Applicable Series Resolution;

“Participating Underwriter” shall have the meaning ascribed thereto in the recitals to the Continuing Disclosure Agreement;

“Sinking Fund Installment” means the amount of money sufficient to redeem the 2017 Series C Bonds in the amounts, at the times and in the manner set forth in Section 2.05(b) hereof;

“2017 Series C Bonds” means the bonds designated “New Jersey Educational Facilities Authority Princeton University Revenue Bonds, 2017 Series C” (or such other series designation as may be determined based upon the date of issuance of the 2017 Series C Bonds), to be issued pursuant to the Resolution and this 2017 Series C Series Resolution to finance the costs associated with the 2017 Series C Project and certain costs incidental to the issuance and sale of the 2017 Series C Bonds, including deposits to certain funds created under the Resolution and this 2017 Series C Series Resolution;

“2017 Series C Project” shall have the meaning ascribed thereto in the recitals to this 2017 Series C Series Resolution;



“2017 Series C Project Facilities” means the facilities financed or refinanced with the proceeds of the 2017 Series C Bonds;

“2017 Series C Series Resolution” means this resolution authorizing the issuance of the 2017 Series C Bonds; and

“University Tax Certificate” means the Arbitrage and Tax Certificate, including the exhibits thereto, dated the date of issuance and delivery of the 2017 Series C Bonds, furnished by the University.

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

**Section 1.02. Authority for this 2017 Series C Series Resolution.** This 2017 Series C Series Resolution is adopted pursuant to and in accordance with the provisions of the Act and Article II and Article VIII of the Resolution.

**ARTICLE II**  
**AUTHORIZATION AND DETAILS OF**  
**2017 SERIES C PROJECT AND 2017 SERIES C BONDS**

**Section 2.01. Project Authorizations.** Any Authorized Officer is hereby authorized to execute and seal all documents necessary to enable the Authority to finance the 2017 Series C Project and the payment of certain costs incidental to the sale and issuance of the 2017 Series C Bonds.

**Section 2.02. 2017 Series C Bonds Authorized.** The Authority hereby authorizes the issuance of the 2017 Series C Bonds, as either a single issue or separate issues for federal income tax purposes, for the purpose of making a loan to the University to pay the costs of the 2017 Series C Project and to provide for the payment of certain Costs of Issuance and the deposit to certain funds created under the Resolution and this 2017 Series C Series Resolution.

**Section 2.03. Dates and Maturities.** The 2017 Series C Bonds shall be initially dated, shall mature in such principal amounts and on such dates, shall bear interest payable on such dates, shall be subject to such terms, conditions and provisions as an Authorized Officer shall approve prior to their issuance with the advice of the Authority's Bond Counsel, McManimon, Scotland & Baumann, LLC ("Bond Counsel"), and the Attorney General of the State of New Jersey (the "State") (such approval to be conclusively evidenced by such Authorized Officer's execution thereof), provided that (a) the aggregate principal amount of the 2017 Series C Bonds shall not exceed \$250,000,000; (b) the 2017 Series C Bonds shall mature not later than July 1, 2057; (c) the "true" interest cost on the 2017 Series C Bonds shall not exceed 5.00% per annum; and (d) Bond Counsel delivers an opinion that interest on the 2017 Series C Bonds is not includable in gross income for federal income tax purposes in connection with the issuance of the 2017 Series C Bonds. If, after issuance thereof, as shown by the records of the Trustee, interest on the 2017 Series C Bonds shall be in default, registered 2017 Series C Bonds issued in lieu of 2017 Series C Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the 2017 Series C Bonds surrendered. The 2017 Series C Bonds shall bear interest from the most recent interest payment date next preceding the date of such registered 2017 Series C Bonds to which interest has been paid, unless the date of such registered 2017 Series C Bonds is an interest payment date, in which case interest shall be payable from such date, or unless the date of such registered 2017 Series C Bonds is prior to the first interest payment date of the registered 2017 Series C Bonds, in which case interest shall be payable from the initial dated date or unless the date of such 2017 Series C Bonds is between a record date and the next succeeding interest payment date, in which case from such interest payment date, payable on such dates and at such rate or rates per annum as shall hereafter be determined by an Authorized Officer upon the sale thereof. Any Authorized Officer also is authorized to accept terms and conditions relating to the 2017 Series C Bonds required as a condition to issuance thereof as such Authorized Officer deems necessary and appropriate with the advice of Bond Counsel and the Attorney General of the State. Any such terms and conditions modifying the terms of this 2017 Series C Series Resolution shall be set forth in a Certificate of Determination delivered by an Authorized Officer.

**Section 2.04. Denominations, Numbers and Letters.** The 2017 Series C Bonds shall be issuable in fully registered form in denominations of \$5,000 each or any integral multiple

thereof. Unless the Authority shall otherwise direct, each maturity of the 2017 Series C Bonds shall be numbered separately from one upwards preceded by the letter R and a letter or letters designating the year of maturity.

At the direction of an Authorized Officer, "CUSIP" identification numbers will be imprinted on the 2017 Series C Bonds, but such numbers shall not constitute a part of the contract evidenced by the 2017 Series C Bonds, and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the 2017 Series C Bonds. In addition, failure on the part of the Authority to use such CUSIP numbers in any notice to holders of the 2017 Series C Bonds shall not constitute an event of default or any similar violation of the Authority's contract with such holders.

**Section 2.05. Redemption of 2017 Series C Bonds.**

(a) *Optional Redemption.* (i) The 2017 Series C Bonds shall be subject to redemption prior to maturity at the option of the Authority upon the consent of the University or by operation of the Redemption Fund, as a whole or in part at any time (if less than all of the 2017 Series C Bonds Outstanding of any maturity shall be called for redemption, such 2017 Series C Bonds to be so redeemed shall be selected by the Trustee by lot or in any customary manner of selection as determined by the Trustee), on the dates and at the redemption price (expressed as a percentage of the principal amount to be redeemed), plus interest accrued to the redemption date, as set forth in the Certificate of Determination; provided, however, that any such redemption price shall not exceed 103%.

(ii) Redemption of any of the 2017 Series C Bonds shall otherwise be effected in accordance with Article III of the Resolution.

(b) *Mandatory Sinking Fund Redemption.* At the option of the successful bidder for the 2017 Series C Bonds, consecutively maturing serial 2017 Series C Bonds bearing the same interest rate may be converted to term 2017 Series C Bonds maturing in the final year of such particular consecutive series. Such term 2017 Series C Bonds shall be subject to mandatory redemption by lot, prior to maturity, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date, from moneys deposited in the Sinking Fund Account established for the 2017 Series C Bonds, within the Debt Service Fund established under this 2017 Series C Series Resolution. The principal amount of the 2017 Series C Bonds otherwise required to be redeemed may be reduced by the principal amount of such 2017 Series C Bonds theretofore delivered to the Trustee by the Authority in lieu of cash payments under the Agreement or purchased by the Trustee out of moneys in the Sinking Fund Account in the Debt Service Fund established under this 2017 Series C Series Resolution that have not theretofore been applied as a credit against any Sinking Fund Installment.

**Section 2.06. Notice of Redemption.** When 2017 Series C Bonds are to be redeemed as provided herein, the Trustee shall give notice of such redemption by mailing a copy of such notice as provided in the Resolution, and such mailing shall be a condition precedent to such redemption. Failure of any holder of any 2017 Series C Bonds to receive such notice or any defect therein shall not affect the validity of the proceedings for the redemption of 2017 Series C Bonds. Any notice of redemption of any 2017 Series C Bonds pursuant to Section 2.05(a) hereof

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 2017 Series C Bonds or portions thereof which are to be redeemed on that date.

**Section 2.07. Appointment of Trustee, Bond Registrar and Paying Agent.** The Trustee, Bond Registrar and Paying Agent for the 2017 Series C Bonds shall be The Bank of New York Mellon, Woodland Park, New Jersey. Such appointment shall be evidenced by a certificate signed by an Authorized Officer and filed in the office of the Authority and delivered to the Trustee.

**Section 2.08. Additional Duties of Trustee.** The Trustee shall perform such other duties imposed upon it by this 2017 Series C Series Resolution or any assignments to the Trustee of the Agreement. The Authority may assign the Agreement to the Trustee, and the Trustee may hold such document, for the benefit of the holders of the 2017 Series C Bonds, the Outstanding Parity Bonds and any Additional Parity Bonds.

**Section 2.09 Places of Payment.** The principal or Redemption Price of the 2017 Series C Bonds shall be payable upon surrender at the principal corporate trust office of the Trustee. Interest on the 2017 Series C Bonds will be paid by check mailed by the Trustee to the holders thereof at their addresses as they appear on the registration books of the Authority, except that in the case of such holder of \$1,000,000 or more in aggregate principal amount of 2017 Series C Bonds, upon the written request of such holder to the Trustee, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds. Any such request shall remain in effect until revoked or revised by such holder by an instrument in writing delivered to the Trustee. However, so long as the 2017 Series C Bonds are held in book-entry form pursuant to Section 2.13 hereof, the provisions of Section 2.13 shall govern the payment of the principal or Redemption Price of and interest on the 2017 Series C Bonds. For purposes of this Section 2.09, interest is payable to the holder thereof who is such holder at the close of business on the record date for such interest, which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding an interest payment date.

**Section 2.10. Authentication.** The 2017 Series C Bonds shall bear thereon a certificate of authentication, in substantially the form set forth in Section 2.14 hereof, manually executed by the Trustee or by any authenticating agent of the Trustee approved by the Authority. Only such 2017 Series C Bonds as shall bear thereon such certificate of authentication shall be entitled to any right or benefit under the Resolution, and no 2017 Series C Bonds shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee or by any authenticating agent of the Trustee approved by the Authority. Such certificate of the Trustee shall be conclusive evidence that the 2017 Series C Bond so authenticated has been duly authenticated and delivered under the Resolution and that the holder thereof is entitled to the benefits of the Resolution and this 2017 Series C Series Resolution.

**Section 2.11. Transfer of 2017 Series C Bonds.** Each 2017 Series C Bond shall be transferable only upon the books of the Authority, which shall be kept for that purpose at the principal corporate trust office of the Trustee, as Bond Registrar, by the holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written

instrument of transfer satisfactory to the Trustee duly executed by the holder or his duly authorized attorney and the payment of a charge sufficient to reimburse the Authority or the Trustee for any tax, fee or other governmental charge required to be paid with respect to such transfer. Upon the transfer of any 2017 Series C Bond, the Authority shall issue in the name of the transferee a new 2017 Series C Bond or Bonds in the same aggregate principal amount and maturity as the surrendered 2017 Series C Bond or Bonds.

**Section 2.12. Regulations with Respect to Transfers.** In all cases in which the privilege of transferring 2017 Series C Bonds is exercised, the Authority shall execute and the Trustee shall authenticate and deliver 2017 Series C Bonds in accordance with the provisions of the Resolution and this 2017 Series C Series Resolution. All 2017 Series C Bonds surrendered in any such transfer shall forthwith be canceled by the Trustee. Neither the Authority nor the Trustee shall be obliged to make any such transfer of 2017 Series C Bonds during (a) the period between the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding an interest payment date on the 2017 Series C Bonds and said interest payment date, (b) the period between the forty-fifth (45th) day (whether or not a business day) next preceding the date of selection of 2017 Series C Bonds to be redeemed and said date of selection, or (c) the period between the date of selection of 2017 Series C Bonds to be redeemed and the mailing of any notice of redemption.

**Section 2.13. Book-Entry Bonds.**

(a) Except as provided in subsection (c) of this Section 2.13, the registered owner of all of the 2017 Series C Bonds shall be DTC, and the 2017 Series C Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of semiannual interest for any 2017 Series C Bond registered as of each record date in the name of Cede & Co. shall be made by wire transfer of same day funds to the account of Cede & Co. on the interest payment date for the 2017 Series C Bonds at the address indicated on the record date for Cede & Co. in the registration books of the Authority kept by the Trustee.

(b) The 2017 Series C Bonds shall be initially issued in the form of separate, single, authenticated, fully-registered bonds in the amount of each separate stated maturity of the 2017 Series C Bonds. Upon initial issuance, the ownership of such 2017 Series C Bonds shall be registered in the registration books of the Authority kept by the Trustee in the name of Cede & Co., as nominee for DTC. The Trustee and the Authority may treat DTC (or its nominee) as the sole and exclusive owner of the 2017 Series C Bonds registered in its name for the purposes of payment of the principal or Redemption Price of or interest on the 2017 Series C Bonds, selecting the 2017 Series C Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders under the Resolution, registering the transfer of 2017 Series C Bonds, obtaining any consent or other action to be taken by Bondholders and for all other purposes whatsoever; and neither the Trustee nor the Authority shall be affected by any notice to the contrary. Neither the Trustee nor the Authority shall have any responsibility or obligation to any DTC participant, any person claiming a beneficial ownership interest in the 2017 Series C Bonds under or through DTC or any DTC participant, or any other person who is not shown on the registration books of the Trustee as being a Bondholder with respect to the accuracy of any records maintained by DTC or any DTC participant; the payment by DTC or any DTC participant of any amount in respect of the principal or Redemption Price of or interest on

the 2017 Series C Bonds; any notice that is permitted or required to be given to Bondholders under the Resolution; the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the 2017 Series C Bonds; or any consent given or other action taken by DTC as Bondholder. The Paying Agent shall pay all principal of and redemption premium, if any, and interest on the 2017 Series C Bonds only to or “upon the order of” (as that term is used in the Uniform Commercial Code as adopted in the State) Cede & Co., as nominee for DTC, and all such payments shall be valid and effective to satisfy fully and discharge the Authority’s obligations with respect to the principal of and redemption premium, if any, and interest on the 2017 Series C Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the words “Cede & Co.” in this 2017 Series C Series Resolution shall refer to such new nominee of DTC.

(c) In the event the Authority determines that it is in the best interest of the beneficial owners of the 2017 Series C Bonds that they be able to obtain definitive 2017 Series C Bonds, the Authority may notify DTC and the Trustee, whereupon DTC will notify DTC participants, of the availability through DTC of definitive 2017 Series C Bonds. In such event, the Authority shall issue and the Trustee shall transfer and exchange definitive 2017 Series C Bonds as requested by DTC and any other Bondholders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the 2017 Series C Bonds at any time by giving reasonable notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Authority and the Trustee shall be obligated to deliver definitive 2017 Series C Bonds as described in the Resolution and this 2017 Series C Series Resolution. In the event definitive 2017 Series C Bonds are issued, the provisions of the Resolution shall apply to, among other things, the transfer and exchange of such definitive 2017 Series C Bonds. Whenever DTC requests the Authority and the Trustee to do so, the Authority and the Trustee will cooperate with DTC in taking appropriate action after reasonable notice (a) to make available one or more separate definitive 2017 Series C Bonds to any DTC participant having 2017 Series C Bonds credited to its DTC account or (b) to arrange for another securities depository to maintain custody of definitive 2017 Series C Bonds.

(d) Notwithstanding any other provision of the Resolution or this 2017 Series C Series Resolution to the contrary, so long as any 2017 Series C Bond is registered in the name of Cede & Co., as nominee for DTC, all payments with respect to the principal of and redemption premium, if any, and interest on such 2017 Series C Bond and all notices with respect to such 2017 Series C Bond shall be made and given to Cede & Co., as nominee for DTC.

(e) In connection with any notice or other communication to be provided to Bondholders pursuant to the Resolution by the Authority or the Trustee with respect to any consent or other action to be taken by Bondholders, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

**Section 2.14. Form of 2017 Series C Bonds.** Subject to the provisions of the Resolution and this 2017 Series C Series Resolution, the form of the 2017 Series C Bonds and the certificate of authentication thereon shall be of substantially the following form and tenor:

(Form of 2017 Series C Bond)

UNITED STATES OF AMERICA

STATE OF NEW JERSEY

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY  
PRINCETON UNIVERSITY REVENUE BONDS  
2017 SERIES C

Interest Rate	Maturity Date	Dated Date	CUSIP
_____%	July 1, ____	_____, 2017	_____

REGISTERED OWNER: \*\*\*\*\*CEDE & CO.\*\*\*\*\*

PRINCIPAL SUM:

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 called the "Authority"), acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, or its registered assigns, on the Maturity Date stated above, upon presentation and surrender of this Bond at the principal corporate trust office of the Trustee hereinafter mentioned, in lawful money of the United States of America, the Principal Sum stated above and interest thereon until the Principal Sum is paid from the most recent interest payment date next preceding the date of authentication hereof, unless the date of authentication hereof is an interest payment date, in which case from the date of authentication hereof, or unless the date of authentication hereof is prior to the first interest payment, in which case from \_\_\_\_\_, 2017, or unless the date of authentication hereof is between a record date for such interest, which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding an interest payment date, and the next succeeding interest payment date, in which case from such interest payment date, at the Interest Rate stated above, payable initially on {January 1, 2018} and semiannually thereafter on the first day of July and January of each year. Payment of the interest on this Bond shall be paid by check mailed to the registered owner hereof at the address of such registered owner as it shall appear on the registration books of the Authority, which shall be kept at the principal corporate trust office of the Bond Registrar hereinafter mentioned, at the close of business on the record date for such interest, which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding such interest payment date, except that in the case of such registered owner of \$1,000,000 or more in aggregate principal amount of 2017 Series C Bonds, upon the written request of such registered owner to the Trustee, specifying the account or accounts to which such payment shall be made, payment of interest shall be made by wire transfer of immediately available funds to such registered owner. Any such request shall remain in effect until revoked or revised by such holder by an instrument in writing delivered to the Trustee. However, so long as the 2017 Series



C Bonds (as hereinafter defined) are held in book-entry form pursuant to the Resolution (as hereinafter defined), the provisions of the Resolution governing such book-entry form shall govern repayment of the principal of and redemption premium, if any, and interest on the 2017 Series C Bonds. The principal of this Bond is payable upon surrender at the principal corporate trust office of The Bank of New York Mellon, Woodland Park, New Jersey (the "Trustee" and "Bond Registrar").

This Bond is one of a duly authorized issue of bonds of the Authority designated "New Jersey Educational Facilities Authority Princeton University Revenue Bonds, 2017 Series C" (hereinafter called the "2017 Series C Bonds"), which has been duly issued by the Authority under and pursuant to the laws of the State of New Jersey, particularly the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A, Education Law, of the New Jersey Statutes, as amended and supplemented) (hereinafter called the "Act"), and pursuant to the Princeton University Revenue Bond Resolution, adopted by the Authority on February 16, 1999 (the "General Resolution"), as amended and supplemented, and the 2017 Series C Series Resolution, adopted by the Authority on February 10, 2017 (such resolutions being sometimes hereinafter collectively called the "Resolution"). This Bond and the issue of which it is a part is a special and limited obligation of the Authority payable from and secured by a pledge of and lien on the Revenues (as defined in the General Resolution) equally and ratably with the Outstanding Parity Bonds, all other 2017 Series C Bonds of this issue and any other Additional Bonds to be issued on a parity herewith as permitted by the Resolution. Revenues are defined in the General Resolution to include all payments received by the Authority pursuant to loan agreements between the Authority and The Trustees of Princeton University (the "University") to finance any facility permitted by the Resolution or any Applicable Series Resolution. All capitalized terms used but not defined herein shall have the respective meanings assigned to such terms in the Resolution.

This Bond is one of a total authorized issue of \$ \_\_\_\_\_, all of like date and tenor except as to number, interest rate, maturity date, denomination and redemption provisions, issued to obtain funds to finance (i) the 2017 Series C Project and (ii) the payment of certain costs incidental to the sale and issuance of the 2017 Series C Bonds through a loan to the University and for other purposes provided by the Resolution, to which Resolution reference is hereby made for a description of the funds, revenues and charges pledged thereunder, the nature and extent of the security thereby created, and the rights, limitations of rights, obligations, duties and immunities of the Authority, the Trustee and the registered owners of the 2017 Series C Bonds. Certified copies of the Resolution are on file in the principal corporate trust office of the Trustee and in the office of the Authority.

As provided in the Resolution, Bonds of the Authority may be issued from time to time pursuant to one or more series resolutions in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Resolution. The aggregate principal amount of Bonds that may be issued is not limited except as provided in the Resolution, and all Bonds issued and to be issued as permitted by the Resolution are and will be equally secured by the pledge and covenants made therein except as otherwise expressly provided or permitted in the Resolution.

The Resolution provides that Additional Parity Bonds may be issued thereunder to provide additional funds for certain purposes including to finance the costs of certain other facilities for the University and that refunding bonds may be issued to refund Outstanding Bonds under the Resolution. All Additional Parity Bonds and refunding bonds shall be issued pursuant to series resolutions and shall be secured by an equal charge and lien on, and shall be payable equally from, the Revenues. The 2017 Series C Bonds have been issued as provided in Section 2.05 of the General Resolution.

The 2017 Series C Bonds maturing on or before July 1, 20{27} are not subject to optional redemption prior to maturity. The 2017 Series C Bonds maturing on or after July 1, 20{28} are subject to redemption prior to maturity on or after July 1, 20{27} at the option of the Authority upon the consent of the University or by operation of the Redemption Fund, as a whole or in part at any time (if less than all of the 2017 Series C Bonds outstanding of any maturity shall be called for redemption, such 2017 Series C Bonds to be so redeemed shall be selected by the Trustee by lot or in any customary manner of selection as determined by the Trustee), at a redemption price equal to {100}% of the principal amount to be redeemed, plus interest accrued to the redemption date.

{The 2017 Series C Bonds maturing on July 1, 20\_\_ shall be retired by Sinking Fund Installments as hereinafter described, which shall be accumulated in the Sinking Fund Account, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The Sinking Fund Installments shall be sufficient to redeem the principal amount of the 2017 Series C Bonds on July 1 in each of the years and in the principal amounts as follows:

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

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\*Final maturity.

The 2017 Series C Bonds maturing on July 1, 20\_\_ shall be retired by Sinking Fund Installments as hereinafter described, which shall be accumulated in the Sinking Fund Account, at a redemption price equal to 100% of the principal amount to be redeemed, plus interest accrued to the redemption date. The Sinking Fund Installments shall be sufficient to redeem the principal amount of the 2017 Series C Bonds on July 1 in each of the years and in the principal amounts as follows:

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

\*Final maturity.}

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

In the event this 2017 Series C Bond shall be called for redemption, notice of such redemption shall be mailed, postage prepaid, not less than thirty (30) days prior to the redemption date, to the registered owners of any 2017 Series C Bonds to be redeemed at their last address appearing on the registration books of the Authority kept by the Bond Registrar, and such mailing shall be a condition precedent to such redemption. Failure of any registered owner of any 2017 Series C Bond to receive such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of the 2017 Series C Bonds. Notice of redemption having been mailed as aforesaid, the 2017 Series C Bonds so called for redemption, on the date specified in such notice, shall become due and payable at the applicable Redemption Price herein provided, and from and after the date so fixed for redemption, interest on the 2017 Series C Bonds so called for redemption shall cease to accrue and be payable.

In case an event of default (as defined in the Resolution) shall occur, the principal of this 2017 Series C Bond may be declared due and payable in the manner and with the effect provided in the Resolution.

The 2017 Series C Bonds are special and limited obligations of the Authority payable from the Revenues, and neither the State of New Jersey nor any political subdivision thereof, other than the Authority, shall be obligated to pay the principal of or interest on the 2017 Series C Bonds except from the Revenues, and neither the faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof is pledged to the payment of the principal of or interest on the 2017 Series C Bonds. The Authority has no taxing power.

No recourse shall be had for the payment of the principal of or interest on this 2017 Series C Bond against any member, employee or other officer of the Authority or against any person executing this 2017 Series C Bond, all of such liability, if any, being hereby expressly waived and released by every registered owner of this 2017 Series C Bond by the acceptance hereof and as a part of the consideration hereof, as provided in the Resolution.

The Resolution contains provisions permitting the Authority, with the consent of the registered owners of not less than 66-2/3% in aggregate principal amount of the Outstanding Parity Bonds, the 2017 Series C Bonds and any Additional Parity Bonds outstanding, evidenced as provided in the Resolution, to adopt supplemental resolutions modifying any of the provisions of the Resolution, any supplemental resolution or the 2017 Series C Bonds or releasing the Authority from any of the obligations, covenants, agreements, limitations, conditions or restrictions therein contained; provided, however, that no such supplemental resolution shall: (i) change any terms of redemption of the 2017 Series C Bonds or the due date of principal of or interest on the 2017 Series C Bonds or make any reduction in the principal or Redemption Price of or interest on any 2017 Series C Bond, without the consent of the registered owner of each 2017 Series C Bond so affected; or (ii) reduce the aforesaid percentage of bonds the consent of

the registered owners of which is required for any such supplemental resolution, without the consent of the registered owners of all of said bonds then outstanding.

The 2017 Series C Bonds are issuable in the form of fully registered bonds, without coupons, in denominations of \$5,000 each or any integral multiple thereof. This 2017 Series C Bond is transferable as provided in the Resolution, only upon the books of the Authority kept for that purpose at the above-mentioned office of the Bond Registrar, by the registered owner hereof in person or by his duly authorized attorney, upon surrender of this 2017 Series C Bond together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered owner or by his duly authorized attorney, and thereupon a new registered 2017 Series C Bond or Bonds in the same aggregate principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution and upon payment of the charges therein prescribed. The Authority, the Bond Registrar and any paying agent may deem and treat the person in whose name this 2017 Series C Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or Redemption Price hereof and interest due hereon and for all other purposes.

It is hereby certified, recited and declared by the Authority that all acts, conditions and things required by the Constitution and statutes of the State of New Jersey and the Resolution to exist, to happen and to be performed precedent to and in the issuance of the 2017 Series C Bonds, of which this 2017 Series C Bond is a part, in order to make them the legal, valid and binding, special and limited obligations of the Authority in accordance with their terms, exist, have happened and have been performed in regular and due time, form and manner as required by law, and the issuance of the 2017 Series C Bonds, together with all other indebtedness of the Authority, does not exceed or violate any constitutional, statutory or other limitation relating to the amount of bonded indebtedness prescribed by law for the Authority.

This 2017 Series C Bond shall not be entitled to any benefit under the Resolution or be valid or become obligatory for any purpose until this 2017 Series C Bond shall have been authenticated by the execution by the Trustee, or by any authenticating agent of the Trustee approved by the Authority, of the Certificate of Authentication hereon.

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**IN WITNESS WHEREOF**, the New Jersey Educational Facilities Authority has caused this 2017 Series C Bond to be executed in its name by the manual or facsimile signature of its Chair, Vice Chair or Executive Director and its official common seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Secretary or an Assistant Secretary, all as of the Dated Date.

**NEW JERSEY EDUCATIONAL  
FACILITIES AUTHORITY**

{SEAL}

**By:** \_\_\_\_\_  
**Executive Director**

**ATTEST:**

\_\_\_\_\_  
**Assistant Secretary**

**CERTIFICATE OF AUTHENTICATION**

This 2017 Series C Bond is one of the 2017 Series C Bonds described in the within-mentioned Resolution.

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

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

Date of Authentication: \_\_\_\_\_

**ASSIGNMENT**

FOR VALUE RECEIVED, \_\_\_\_\_  
hereby sells, assigns and transfers unto \_\_\_\_\_  
the within 2017 Series C Bond issued by the New Jersey Educational Facilities Authority, and all  
rights thereunder, hereby irrevocably appointing  
\_\_\_\_\_ attorney to transfer said 2017 Series C Bond on  
the bond register, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Notice: The Assignor's signature to this assignment must correspond with the name as it appears upon the face of the within 2017 Series C Bond in every particular, without alteration or any change whatsoever.

{End of Form of 2017 Series C Bond}

**Section 2.15. Sale of 2017 Series C Bonds.** The power to fix the date and place for the sale of all or any part of the 2017 Series C Bonds, including the power to postpone and reschedule the sale, and other details relating thereto in such manner as he or she shall deem to be in the best interests of the Authority is hereby delegated to any Authorized Officer. A Certificate of Determination of an Authorized Officer awarding the 2017 Series C Bonds shall be final and conclusive as to the purchaser or purchasers thereof, the rates of interest per annum to be borne thereby, the purchase price thereof and any other terms and details relating to the sale and issuance of the 2017 Series C Bonds.

The preparation, publication and distribution of a Preliminary Official Statement and an Official Notice of Sale (in substantially the forms presented to the Authority at the time of adoption hereof, with such changes, omissions, insertions and revisions as any Authorized Officer shall deem necessary or advisable, with the advice of Bond Counsel and the Attorney General of the State) are hereby approved, ratified and confirmed, the preparation, publication and distribution of a final Official Statement for the 2017 Series C Bonds (in substantially the form of the Preliminary Official Statement, with such changes, omissions, insertions and revisions as any Authorized Officer shall deem necessary or advisable, with the advice of Bond Counsel and the Attorney General of the State) are hereby approved, and any Authorized Officer is hereby authorized to sign and deliver to the purchaser or purchasers of the 2017 Series C Bonds the Official Statement in final form acceptable to such Authorized Officer. Any Authorized Officer is hereby authorized, with the advice of Bond Counsel and the Attorney General of the State, to deem the Preliminary Official Statement final within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, and to provide written evidence relating thereto in form acceptable to Bond Counsel. Any Authorized Officer is hereby authorized and directed to deliver the 2017 Series C Bonds to the purchaser or purchasers thereof and to approve, execute and deliver all documents and instruments required in connection therewith, with such changes, omissions, insertions and revisions as shall be deemed necessary or advisable by the officer executing the same.

The 2017 Series C Bonds shall be executed in the name of the Authority by the manual or facsimile signature of its Chair, Vice Chair or Executive Director (or such other Authorized Officer authorized by resolution of the Authority to execute Authority bonds) 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 Secretary, any Assistant Secretary or any other Authorized Officer or in such other manner as may be permitted by law.

**Section 2.16. Continuing Disclosure.** Pursuant to Section 27 of the Agreement, the University has undertaken all responsibility for compliance with all continuing disclosure requirements, and the Authority shall have no liability to the holders of the 2017 Series C Bonds or any other person with respect to such disclosure matters. The Trustee shall comply with and carry out all of the obligations imposed on the Trustee under the Continuing Disclosure Agreement and Section 27 of the Agreement. The form of the Continuing Disclosure Agreement presented at this meeting (a copy of which shall be filed with the records of the Authority) is hereby approved. Notwithstanding any other provision of the Resolution and this 2017 Series C Series Resolution, failure of the University to comply with the Continuing Disclosure Agreement shall not be considered an "event of default" under Section 7.01 of the Resolution; however, the Trustee may (and at the request of any Participating Underwriter or the holders of at least

twenty-five percent (25%) in aggregate principal amount of 2017 Series C Bonds Outstanding, the Trustee shall, subject to the provisions of Section 6.02 of the Resolution) or any holder of the 2017 Series C Bonds may take such actions as may be deemed necessary or appropriate, including seeking mandate or specific performance by court order, to cause the University to comply with its obligations under Section 27 of the Agreement or to cause the Trustee to comply with its obligations under this Section 2.16.

**Section 2.17. Additional Proceedings.** As additional proceedings of the Authority in connection with the sale and delivery of the 2017 Series C Bonds hereby authorized, there is hereby delegated to an Authorized Officer, the power to take the following actions and make the following determinations as to the 2017 Series C Bonds by a Certificate of Determination of an Authorized Officer:

(a) To receive the Official Bid Form pursuant to the Official Notice of Sale and, if such Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State, so determines, to reject any or all submitted Official Bid Forms, so far as permitted by law, to waive any irregularities or informalities in the Official Bid Form for the 2017 Series C Bonds, to postpone the date of the sale of the 2017 Series C Bonds and to exercise any and all rights of the Authority under the Official Notice of Sale. If the Authorized Officer rejects all submitted Official Bid Forms, the Authorized Officer shall also be and is hereby authorized to hold another 2017 Series C Bond sale in accordance with the provisions of this 2017 Series C Series Resolution and, in connection with such additional 2017 Series C Bond sale, to distribute a Notice of Sale, an Official Bid Form and a Preliminary Official Statement in substantially the forms presented to this meeting with such changes and insertions to and omissions from such document forms as may be appropriate upon the advice of Bond Counsel and the Attorney General of the State.

(b) To arrange for the submission of bids electronically utilizing the services of such provider of electronic bidding services and on such terms and conditions as such Authorized Officer, with the advice of Bond Counsel and the Attorney General of the State, shall determine, or, if such Authorized Officer so determines, with the advice of Bond Counsel and the Attorney General of the State, to discontinue any such arrangements prior to the sale of the 2017 Series C Bonds and to require that all bids be submitted by hand delivery.

(c) To award the 2017 Series C Bonds to the successful bidder in accordance with the Official Notice of Sale.

(d) To return the deposits of all unsuccessful bidders delivered to the Authority.



## ARTICLE III

### APPLICATION AND DISBURSEMENT OF 2017 SERIES C BOND PROCEEDS, CERTAIN MONEYS AND REVENUES

**Section 3.01 Confirmation of Establishment of Funds.** The Authority hereby ratifies and confirms the establishment of the following funds and separate accounts within funds under the Resolution, which funds and accounts shall be held, maintained and applied by the Trustee in accordance with Article IV of the Resolution, except as so provided in this 2017 Series C Series Resolution, for the 2017 Series C Bonds:

Revenue Fund;  
Debt Service Fund;  
    Interest Account (for the 2017 Series C Bonds);  
    Principal Account (for the 2017 Series C Bonds);  
    Sinking Fund Account (for the 2017 Series C Bonds);  
Rebate Fund; and  
Redemption Fund.

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 3.02. Establishment of Construction Fund.** Pursuant to Section 4.01 of the Resolution, the Construction Fund for the 2017 Series C Bonds is hereby created and established to be held by the Trustee and maintained and applied by the Authority.

**Section 3.03. Application of 2017 Series C Bond Proceeds and Allocation Thereof.** Upon receipt of the proceeds of the 2017 Series C Bonds, including accrued interest thereon, the Authority shall make payments from such moneys as follows: (a) a sum equal to the interest on the 2017 Series C Bonds, if any, accruing from their dated date to their date of delivery (if such dated date is not the date of delivery) will be paid to the Trustee for deposit in the Interest Account (for the 2017 Series C Bonds) of the Debt Service Fund, and (b) the balance of the proceeds shall be deposited in the Construction Fund for payment of the costs of the 2017 Series C Project and certain Costs of Issuance.

**Section 3.04. Application of Certain Moneys.** Upon receipt by the Authority of any moneys for the purpose of paying costs of the 2017 Series C Project, pursuant to the Agreement, the Authority shall deposit all such moneys so received in the Construction Fund for the 2017 Series C Project.

**Section 3.05. Application of Moneys in Construction Fund.** Moneys on deposit in the Construction Fund shall be applied as provided in Section 4.03 of the Resolution.

**Section 3.06. Deposit of Revenues and Allocation Thereof.** There is established and created by this 2017 Series C Series Resolution an account within the Revenue Fund to be designated the "2017 Series C Revenue Account." Notwithstanding anything in the Resolution to the contrary, moneys in the 2017 Series C Revenue Account of the Revenue Fund shall be

paid to the Trustee on or prior to the fifth 5<sup>th</sup> day after deposit thereof as follows and in the following order of priority:

First: To the Interest Account of the Debt Service Fund, the amount necessary to equal the unpaid interest to become due on the 2017 Series C Bonds Outstanding on the next succeeding semiannual interest payment date.

Second: To the Principal Account of the Debt Service Fund, the amount, if any, necessary to make the amount on deposit in the Principal Account equal to the principal amount becoming due on the 2017 Series C Bonds Outstanding on the next succeeding July 1.

Third: To the Sinking Fund Account of the Debt Service Fund, the amount, if any, necessary to make the amount on deposit in the Sinking Fund Account equal to the sinking fund installment, if any, payable on the 2017 Series C Bonds Outstanding on the next succeeding July 1.

Fourth: To the Authority, the amounts as are payable to the Authority for (i) any expenditures of the Authority for insurance, fees and expenses of auditing and fees and expenses of the Trustee, all as required by the Resolution and not otherwise paid or caused to be paid or provided for by the University; (ii) all other expenditures reasonably and necessarily incurred by the Authority by reason of its financing of the 2017 Series C Project in accordance with the Loan Agreement, including expenses incurred by the Authority to compel full and punctual performance of all provisions of the Loan Agreement in accordance with the terms thereof; and (iii) the Annual Administrative Fee unless otherwise paid, but only upon receipt by the Trustee from the Authority of a certificate signed by an Authorized Officer stating in reasonable detail the amounts payable to the Authority.

**Section 3.07. Investment of Moneys in Construction Fund.** For purposes of the 2017 Series C Bonds only, notwithstanding anything contained in Section 4.08 of the Resolution to the contrary, in addition to any investment permitted in Section 4.08 of the Resolution with respect to the Construction Fund, moneys deposited in the Construction Fund may also be invested in (a) the New Jersey Cash Management Fund; (b) investment agreements with banks that, at the time such agreement is executed, are rated by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") or Moody's Investors Service, Inc. ("Moody's") in one of the three highest rating categories assigned by S&P or Moody's (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) or investment agreements with non-bank financial institutions, which (i) all of the unsecured direct long-term debt of either the non-banking financial institution or the related guarantor of such non-bank financial institution that is rated by S&P or Moody's at the time such agreement is executed is rated in one of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature; or (ii) if such non-bank financial institutions have no outstanding long-term debt that is rated, all of the short-term debt of either the non-banking financial institution or the related guarantor of such non-bank financial institution that is rated by S&P or Moody's in the highest rating category (without regard to any refinement or gradation of the rating category by numerical

modifier or otherwise) assigned to short term indebtedness by S&P or Moody's; (c) commercial paper having, at the time of investment or contractual commitment to invest therein, a rating of A-1 or better from S&P or P-1 from Moody's; (d) money market mutual funds having a rating in the highest investment category granted thereby from S&P or Moody's, including, without limitation, any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Resolution, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Resolution may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee; or (e) demand deposits, including interest bearing money market accounts, time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, and certificates of deposit or bankers acceptances issued by any bank, trust company or national banking association (including the Trustee and any of its affiliates), provided that such investments must be (i) fully insured by the Federal Deposit Insurance Corporation, or (ii) secured, to the extent not insured by the Federal Deposit Insurance Corporation, by Government Obligations held by the Trustee or an appropriate third party approved by the Trustee, having a market value determined weekly, at least equal to the principal amount thereof (or portion thereof not insured as aforesaid), or (iii) issued by an institution whose unsecured, long term senior debt obligations are, at the time of such issuance, rated by S&P and Moody's in either of their respective two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise).

## ARTICLE IV

### MISCELLANEOUS

**Section 4.01. Loan Agreement.** The form of the Loan Agreement, by and between the Authority and the University, in the form submitted to the Authority on this date shall be, and the same is, in all respects, hereby authorized, approved and confirmed, and an Authorized Officer is authorized to execute and deliver the Loan Agreement to the University. The Loan Agreement shall be substantially in the form presented to the Authority with all necessary and appropriate variations, omissions and insertions as approved, permitted or required by an Authorized Officer or as advised by Bond Counsel and the Attorney General of the State, and the execution and delivery thereof shall be conclusive evidence of such approval.

**Section 4.02. Investment of Proceeds of 2017 Series C Bonds.** The Authority will make no use of the proceeds of the 2017 Series C Bonds that would cause the 2017 Series C Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended (the “Code”); and the Authority hereby imposes on itself, on the Trustee, and on all officers having custody or control of the proceeds of the 2017 Series C Bonds, throughout the term of the 2017 Series C Bonds, the obligation to comply with the applicable requirements of Section 148(a) of the Code and the Treasury Regulations promulgated thereunder, and all other applicable regulations, so that none of the 2017 Series C Bonds will be or become an arbitrage bond; provided, that the Trustee, in following the directions of the Authority, shall have no responsibility to determine whether such investment is in violation of such regulations.

**Section 4.03. Covenant as to Program Investments.** In accordance with the requirements applicable to the “program investments” under Treasury Regulations §1.148-1(b), the Authority covenants that it shall require that neither the University nor any person or related persons (within the meaning of Treasury Regulations §1.150-1(b)) shall purchase bonds of the Authority that finance the program in an amount related to the amount of the loan.

**Section 4.04. Tax Covenants Relating to Internal Revenue Code of 1986.** In order to maintain the exclusion from gross income for federal income tax purposes of interest on the 2017 Series C Bonds, the Authority shall comply with the provisions of the Code applicable to the 2017 Series C Bonds, including, without limitation, the provisions of the Code relating to the computation of the yield on investments of the gross proceeds (as such term is used in the Authority Tax Certificate) of the 2017 Series C Bonds, reporting of earnings on the gross proceeds of the 2017 Series C Bonds, and rebate of excess earnings to the Department of the Treasury of the United States of America. In furtherance of the foregoing, the Authority shall comply with the Authority Tax Certificate, to be delivered by Bond Counsel at the time the 2017 Series C Bonds are issued, as to compliance with the Code with respect to the 2017 Series C Bonds, as such Authority Tax Certificate may be amended from time to time, as a source of guidance for achieving compliance with the Code. All of the representations and warranties of the Authority contained in the Authority Tax Certificate and of the University contained in the University Tax Certificate are incorporated herein by reference with the same force and effect as if set forth in full herein.

The Authority may pay requisitions from 2017 Series C Bond proceeds or investment earnings thereon with respect to the Costs of Issuance of the 2017 Series C Bonds only to the extent that the aggregate requisitions paid with such proceeds with respect to the Costs of Issuance do not cause the amount paid for Costs of Issuance with the proceeds of the 2017 Series C Bonds or the investment earnings thereon to exceed two percent (2%) of the “proceeds” of the 2017 Series C Bonds (within the meaning of Section 147(g) of the Code).

The Authority shall not take or permit any action or fail to take any action that would adversely affect the status of the 2017 Series C Bonds as “qualified 501(c)(3) bonds” under Section 145(a) of the Code or otherwise cause the interest on the 2017 Series C Bonds to lose the exclusion from gross income for federal income tax purposes under Section 103 of the Code.

Notwithstanding any other provision of the Resolution and this 2017 Series C Series Resolution to the contrary, the covenants contained in this Section 4.04 shall survive the payment of the 2017 Series C Bonds and the interest thereon, including any payment or discharge thereof pursuant to Section 11.03 of the Resolution, as long as necessary in order to maintain the exclusion from gross income for federal income tax purposes of interest on the 2017 Series C Bonds.

**Section 4.05. Authorization to Invest 2017 Series C Bond Proceeds.** 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 2017 Series C Bonds as provided in Section 4.08 of the Resolution and Section 3.07 of this 2017 Series C Series Resolution, in the event that such Authorized Officer determines, in consultation with and with the consent of the University, that it is advantageous to the University for the Authority to invest any proceeds of the 2017 Series C Bonds as so provided in Section 4.08 of the Resolution and Section 3.07 of this 2017 Series C Series Resolution.

**Section 4.06. Reimbursement.**

(a) The Authority reasonably expects that the University will seek reimbursement of its expenditures of costs of the 2017 Series C Project that were paid with funds of the University prior to the issuance of the 2017 Series C Bonds from proceeds of the 2017 Series C Bonds.

(b) This 2017 Series C Series Resolution is intended to be and hereby is a declaration of the Authority’s official intent to reimburse the expenditures for costs of the 2017 Series C Project paid with funds of the University which are not proceeds of tax-exempt bonds prior to the issuance of the 2017 Series C Bonds, with the proceeds of the 2017 Series C Bonds in accordance with Treasury Regulations Section 1.150-2.

(c) The maximum principal amount of 2017 Series C Bonds expected to be issued to finance costs of the 2017 Series C Project, including amounts to be used to reimburse the expenditure of costs of the 2017 Series C Project that are paid prior to the issuance of the 2017 Series C Bonds, is an aggregate amount not-to-exceed \$250,000,000, including, without limitation, certain Costs of Issuance.

**Section 4.07. Incidental Action.** 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 to (i) effectuate the delivery of the Preliminary Official Statement, the execution and delivery of the Official Statement and the Loan Agreement and the issuance and sale of the 2017 Series C Bonds, (ii) effectuate the 2017 Series C Project, (iii) implement the DTC book-entry only system for the 2017 Series C Bonds, and (iv) maintain the tax-exempt status of the interest on the 2017 Series C Bonds (including the preparation and filing of any information reports or other documents with respect to the 2017 Series C Bonds as may at any time be required under Section 149 of the Code and any regulations thereunder).

**Section 4.08. Conflict.** All resolutions or parts of resolutions or other proceedings in conflict herewith are repealed insofar as such conflict exists.

**Section 4.09. Effective Date.** This 2017 Series C Series Resolution shall take effect as provided for under the Act.

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

**AYE:** Katherine Ungar  
Ridgeley Hutchinson  
Louis Rodriguez  
Rochelle Hendricks  
Ford M. Scudder (represented by Steven Petrecca)

**NAY:** None

**ABSTAIN:** None

**ABSENT:** Joshua Hodes

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