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JEREMY A. SPECTOR
Executive Director

**MINUTES OF THE MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON TUESDAY, MAY 23, 2017
ANNUAL MEETING**

The meeting was called to order at 10:06 a.m. by Chairman Hodes. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on June 13, 2016, to The Star Ledger, The Times of Trenton, the Secretary of State and by posting the notice at the offices of the Authority in Princeton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Educational Facilities Authority in order to hold a session from which the public is excluded.

AUTHORITY MEMBERS PRESENT:

Joshua Hodes, Chair
Katherine Ungar, Vice Chair
Ford M. Scudder, State Treasurer, Treasurer (represented by David Moore)
Ridgeley Hutchinson
Louis Rodriguez
Rochelle Hendricks, Secretary of Higher Education (represented by Gregg Edwards)

AUTHORITY MEMBERS ABSENT:

None

STAFF PRESENT:

Jeremy A. Spector, Executive Director
Sheryl A. Stitt, Deputy Executive Director
Steven Nelson, Director of Project Management
Brian Sootkoos, Director of Finance/Controller
Zachary Barby, Communications/Special Projects Assistant
Rebecca Clark, Project Management Assistant
Carl MacDonald, Project Manager

Jacqueline McFadyen, Associate Project Manager
Kristen Middleton, Assistant Controller
Jamie O'Donnell, Senior Communications Manager
Debra Paterson, Senior Compliance Manager
Sheila Toles, Exec. Assistant/Human Resources Manager
Gary Vencius, Accounting Manager
Lisa Walker, Accountant
Ellen Yang, Compliance Manager

ALSO PRESENT:

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

ITEMS OF DISCUSSION

1. Approval of the Minutes of the Meeting of March 28, 2017

The minutes of the meeting of March 28, 2017 were hand delivered to Governor Chris Christie under the date of March 31, 2017. Ms. Ungar moved that the minutes of the meeting be approved as presented; the motion was seconded by Mr. Rodriguez and passed. Mr. Edwards abstained from the vote.

2. Election of Officers for the Period Ending May 22, 2018

Mr. Hodes requested the Members' nominations for Chair and officers for the period ending May 22, 2018.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY ELECTING OFFICERS FOR THE ANNUAL TERM AS
SPECIFIED IN THE AUTHORITY'S BY-LAWS

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

The nominations and elected officers are indicated on the adopted resolution appended as Exhibit I.

3. Adoption of Resolution Appointing Members to the Authority's Evaluation Committee

Mr. Spector reported that the Authority's By-Laws provide that the Evaluation Committee consists of three Members of the Authority who are elected at the annual meeting and that Members of the Evaluation Committee must meet the same standards of independence as Audit Committee Members, which is set forth in

Executive Order No. 122. He reported that based on their availability, willingness to serve and meeting the criteria, the resolution recommended the appointment of the State Treasurer (or his designee), Ridgeley Hutchinson and Louis Rodriguez to serve on the Evaluation Committee and requested the Members' approval.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPOINTING MEMBERS TO THE EVALUATION
COMMITTEE

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

The adopted resolution is appended as Exhibit II.

Mr. Hutchinson joined the meeting following the Evaluation Committee appointment.

4. Adoption of Resolution Appointing Members to the Authority's Audit Committee

Mr. Spector reported that the Authority's By-laws provide that the Audit Committee shall consist of three Members, the State Treasurer, the Authority's Treasurer and a Member of the Authority with significant financial experience. He reported that based on availability, willingness to serve and background, the proposed resolution elects Katherine Ungar as a Member with significant financial experience in accordance with Executive Order 122.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPOINTING MEMBERS TO THE AUDIT COMMITTEE

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

The adopted resolution is appended as Exhibit III.

5. Adoption of Resolution Acknowledging and Accepting the State Treasurer's Designation of a Representative to the Audit Committee

Mr. Hodes explained that the State Treasurer and the Authority's Treasurer are the same person and that the Authority's By-laws require the State Treasurer to nominate and designate someone to the Audit Committee.

Mr. Spector reported that in the preceding resolution, the Members of the Authority had elected the State Treasurer and Katherine Ungar to serve on the Authority's Audit Committee and since the State Treasurer is also the Authority's Treasurer and is an ex-officio Member of the Authority, pursuant to the By-Laws, the State

Treasurer was nominating and designating David Moore to be the third Member of the Audit Committee.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY ACKNOWLEDGING AND ACCEPTING THE STATE
TREASURER'S DESIGNATION OF A REPRESENTATIVE TO THE
AUDIT COMMITTEE

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

The adopted resolution is appended as Exhibit IV.

6. Adoption of Resolution Adopting Annual Notice of Meetings

In compliance with the Open Public Meetings Law, Chair Hodes requested the Members' approval of the annual notice of meetings for the period June 27, 2017 through May 22, 2018. The meetings are scheduled to begin at 10:00 a.m. at the Authority offices. He advised that in the event there are changes in time, date or location, the Members would receive a formal notice and that the notices would also be published in the *Star Ledger* and *The Times of Trenton*.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY FOR THE ADOPTION OF THE ANNUAL NOTICE OF
MEETINGS

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

The adopted resolution is appended as Exhibit V.

7. Executive Director's Report

Mr. Spector gave the Members an update on staff activity and accomplishments since the March meeting. He also reported on staff's progress on internal and external initiatives to meet the Authority's business objectives for 2017, including the Authority's value-added services, improvement in internal operations and staff management, as well as communications and marketing initiatives.

The Executive Director's report is appended as Exhibit VI.

8. Project Management Report on Pending and Closed Projects

Mr. Nelson reported that there are several projects for which various colleges and universities have requested Authority financing. Mr. Nelson briefly described the projects and reported that the projects are under review and at various stages of

development. Mr. Nelson reported on projects that have closed since the March meeting.

A summary of the projects to be financed, together with estimated financing amounts and proposed sale dates as well as bond sale summaries for closed projects, are appended as Exhibit VII.

Following the report on Pending and Closed Projects, Chair Hodes and Vice Chair Ungar advised that they were recusing themselves from the Seton Hall University authorizing resolution request. Ms. Ungar stated that her reason for recusal is that part of the funding would be used to build Seton Hall's new medical school and they are partnering with the Hackensack Medical Center. She is an employee of Atlantic Health Systems, which is a direct competitor. Mr. Hodes stated his reason for recusal was that the Government relations firm in which he is a partner, has represented Hackensack Medical Center for a number of years. Chair Hodes then turned the meeting over to the Authority's Treasurer and State Treasurer's designee, David Moore to preside over the next agenda item related to Seton Hall University.

9. **Adoption of Resolution and Form of Legal Documents for the Sale of NJEFA Revenue Refunding Bonds, Seton Hall University Issue, 2017 Series D (Tax-Exempt) and Revenue Bonds, Seton Hall University Issue, 2017 Series E (Federally Taxable)**

A report was given on the Seton Hall University transaction. The University had asked the Authority to procure professionals for financings for the 2017 Series D and 2017 Series E bonds. The Attorney General's Office selected McManimon, Scotland & Baumann to serve as bond counsel. A competitive process had been undertaken in accordance with the Authority's policies and procedures and staff recommended that US Bank, N.A. be selected as trustee and that AMTEC be selected as the verification agent on the financing.

On March 3, 2017, the Authority issued an RFP to its pool of financial advisors. The evaluation team for the selection of financial advisor consisted of staff Members from the University and the Authority who reviewed eight responses. Based on the scores across the evaluators, it was recommended that Phoenix Advisors be named financial advisor for the transaction.

An evaluation team consisting of the University, the Office of Public Finance and the Authority scored proposals from the Authority's underwriting pool to select a firm to serve as senior manager. Based on the scores, it was recommended that Bank of America Merrill Lynch serve as senior manager for the transaction.

The financing will be used to refund the Authority's Series 2008 D bonds and will provide new money for the University to renovate and provide equipment for two buildings.

Robert McLaughlin, Associate Vice President for Finance of Seton Hall University gave a brief description of the project.

Nicholas Concilio, Esq. of McManimon, Scotland & Baumann, LLC, bond counsel, described the resolution for the Members' consideration.

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

RESOLUTION AUTHORIZING THE ISSUANCE OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE REFUNDING BONDS, SETON HALL UNIVERSITY ISSUE, 2017 SERIES D (TAX-EXEMPT) AND REVENUE BONDS, SETON HALL UNIVERSITY ISSUE, 2017 SERIES E (FEDERALLY TAXABLE)

The motion was seconded by Mr. Hutchinson and passed. Mr. Hodes and Ms. Ungar recused themselves from the discussion.

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

Following the Seton Hall University transaction, NJEFA Treasurer Moore returned the conduct of the meeting to Chairman Hodes to preside.

Mr. Hutchinson left the meeting following the Seton Hall University vote.

10. **Adoption of Resolution Authorizing Actions to be Taken Relating to the Refunding of NJEFA Revenue Refunding Bonds, Rowan University Issue, Series 2007 B with Proceeds of Bonds to be Issued by the Gloucester County Improvement Authority**

Mr. Nelson reported that Rowan University had requested approval to execute and deliver an escrow deposit agreement in connection with Rowan University's current refunding of the Series 2007 B bonds that had been issued through the Authority. Mr. Nelson advised that the refunding bonds would be issued through the Gloucester County Improvement Authority.

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

Chairman Hodes stated that he and Mr. Spector had spoken at length about the issue and while the Authority was disappointed that the University was not issuing through the Authority, going forward staff would work closely to encourage the University to work with the Authority.

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

RESOLUTION AUTHORIZING ACTIONS TO BE TAKEN RELATING TO THE REFUNDING OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE REFUNDING BONDS, ROWAN UNIVERSITY ISSUE, SERIES 2007 B WITH PROCEEDS OF BONDS TO BE ISSUED BY THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY

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

The adopted resolution is appended as Exhibit IX.

11. **Adoption of Resolution Authorizing All Necessary Approvals, Consents and Documents for Montclair State University to Implement Agreements Relating to the Use of Yogi Berra Stadium**

Ms. Paterson reported that the Yogi Berra Stadium is located on the campus of Montclair State University, and the land where the Stadium is located, is owned by the Authority and subject to a lease and agreement. She reported that at the December 2016 Authority meeting, the Members adopted a resolution authorizing the termination of a sublease agreement between the University and Floyd Hall Enterprises. Ms. Paterson explained that the University had now approved agreements with University Sports & Entertainment, LLC and Friends of Yogi, Inc. for the use of the Stadium and that in order for the University to enter into the new agreements, the lease and agreement between the Authority and the University would need to be amended to consent to and authorize the University to enter into the agreements.

Ms. Paterson explained that the resolution would authorize making the necessary amendments to the lease and agreement and would authorize the Authorized Officers to sign the necessary documents and take any necessary actions.

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

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

RESOLUTION AUTHORIZING ALL NECESSARY APPROVALS,
CONSENTS AND DOCUMENTS FOR MONTCLAIR STATE
UNIVERSITY TO IMPLEMENT AGREEMENTS RELATING TO
THE USE OF YOGI BERRA STADIUM

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

The adopted resolution is appended as Exhibit X.

12. **Adoption of Resolution Consenting to Ramapo College of New Jersey Entering into a Memorandum of Agreement with Eastern Economic Association for Use of Office Space in the Anisfield School of Business**

Ms. Paterson reported that Ramapo College of New Jersey had requested approval to enter into a Memorandum of Agreement with the Eastern Economic Association, a New York not-for-profit corporation, for the use of approximately 120.5 square feet of office space in the Anisfield School of Business. She reported that the Association would use the office space for administrative offices and other operational/academic needs for a period not to exceed five years.

Ms. Paterson explained that because the Anisfield building is subject to lease and agreements between the Authority and the College, the Authority's prior consent would be needed and that the resolution would approve and consent to the College entering into a Memorandum of Agreement with Eastern Economic Association and would authorize Authorized Officers to sign the necessary documents.

Michael Tripodi, General Counsel for Ramapo College of New Jersey, and James Fearon, Esq., bond counsel for the Authority, were on the phone to answer any questions.

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

RESOLUTION CONSENTING TO RAMAPO COLLEGE OF NEW JERSEY
ENTERING INTO A MEMORANDUM OF AGREEMENT WITH EASTERN
ECONOMIC ASSOCIATION FOR USE OF OFFICE SPACE IN THE
ANISFIELD SCHOOL OF BUSINESS

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

The adopted resolution is appended as Exhibit XI.

**13. Report of the Authority's Audit Committee and Adoption of Resolution
Accepting the Financial Statements and Auditors' Report for Year End 2016**

Ms. Ungar reported that the Audit Committee consisting of herself, Steven Petrecca and David Moore met on May 9, 2017 with CliftonLarsonAllen's partner Nancy Gunza and manager Andrew Lee to discuss the annual audit. Ms. Ungar then invited Ms. Gunza to provide an overview of the audit to the Members. Ms. Gunza reported that the results were an unmodified opinion and reported that CLA had identified no items of material weakness or significant deficiencies as it relates to internal control. She reported that in regard to bond compliance there were no areas of non-compliance. Ms. Gunza stated that it was a pleasure working with staff.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY ACCEPTING AND ADOPTING THE FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS' REPORT FOR
2016

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

Mr. Spector thanked the finance staff for their hard work is preparing for the Authority's Annual Audit.

The report and adopted resolution is appended as Exhibit XII.

14. Adoption of Resolution Authorizing the First Renewal of the Contract with the Authority's Insurance Broker

Ms. Sootkoos reported that at the May 20, 2014 meeting, the Authority entered into an agreement with Willis of New Jersey, Inc. as the Authority's Insurance Broker for a term of three years from July 1, 2014 through June 30, 2017 with two optional one-year renewals. He reported that the Authority currently wished to exercise its option under the agreement to have Willis serve as the Insurance Broker to the Authority for the first optional renewal period from July 1, 2017 to June 30, 2018.

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

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

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

The adopted resolution is appended as Exhibit XIII.

15. Adoption of Resolution Authorizing the Procurement of Insurance Coverage

Mr. Sootkoos reported that the Authority's insurance would be up for renewal on July 1, 2017. He reported that the Authority's Insurance Broker, Willis Towers Watson had recommended which insurance carriers should be selected for the current annual renewal and that staff had determined that it was in the Authority's best interest to accept the Brokers' recommendation for procurement of insurance coverage for the period beginning July 1, 2017 through July 1, 2018. Mr. Sootkoos invited Robert English, Senior Vice President of Willis Towers Watson to describe the term sheets and to answer any questions from the Members.

Mr. English explained his insurance procurement process and described proposed the term sheets. He reported that he had met with Mr. Spector, Ms. Stitt and Ms. Middleton earlier in the year to bring them up to date and to discuss the Authority's insurance needs.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY AUTHORIZING PROCUREMENT
OF INSURANCE COVERAGE

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

The adopted resolution and renewal term sheets are appended as Exhibit XIV.

16. Report on Operating and Construction Fund Statements and Disbursements

Mr. Sootkoos reviewed the Results of Operations and Budget Variance Analysis and reported on the status of construction funds and related investments for March 31, 2017 and April 30, 2017.

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

The reports are appended as Exhibit XV.

17. Adoption of Resolution Extending the Engagement of the Authority's Arbitrage Compliance Service Providers

Mr. Sootkoos reported that the Authority's service contract for arbitrage compliance services would be up for renewal on June 30, 2017. He reported that on November 18, 2014, the Members of the Authority approved the engagement of the firms of BLX Group; Hawkins, Delafield & Wood; and Omnicap/Nixon Peabody to provide arbitrage compliance services for a three-year period commencing July 1, 2014 and ending June 30, 2017 with the option to extend the engagement for two additional one-year periods by mutual consent.

Mr. Sootkoos reported that based on the excellent performance of the firms and based upon the proposed annual fees, which remain unchanged, the Authority staff recommended that the engagement of the firms be extended for an additional one-year period at the current rates commencing July 1, 2017 and ending June 30, 2018.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY EXTENDING THE ENGAGEMENT OF
THE AUTHORITY'S ARBITRAGE COMPLIANCE SERVICE
PROVIDERS

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

The adopted resolution is appended as Exhibit XVI.

18. Executive Session

Ms. Ungar moved the adoption of a resolution of the Authority permitting an Executive Session for discussion of legal and/or personnel matters; the motion was seconded by Mr. Rodriguez and passed unanimously.

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY TO CONDUCT AN EXECUTIVE SESSION

Mr. Edwards moved that the public session be reconvened; the motion was seconded by Ms. Ungar and passed unanimously.

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY TO END THE EXECUTIVE SESSION AND RECONVENE
THE OPEN SESSION

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY APPROVING PERSONNEL ACTION
DISCUSSED IN EXECUTIVE SESSION

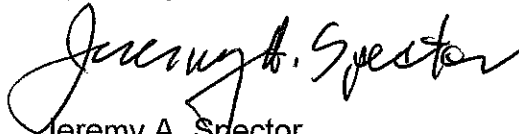
The motion was seconded by Mr. Moore and passed unanimously.

19. Next Meeting Date

Mr. Hodes reminded everyone that the next meeting would be on Tuesday, June 27, 2017 at 10:00 a.m. at the Authority offices and requested a motion to adjourn.

Mr. Edwards moved that the meeting be adjourned at 11:15 a.m.; the motion was seconded by Mr. Rodriguez and passed unanimously.

Respectfully submitted,


Jeremy A. Spector
Secretary

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ELECTING OFFICERS FOR THE ANNUAL TERM AS SPECIFIED IN THE
AUTHORITY'S BY-LAWS**

Adopted: May 23, 2017

WHEREAS, the By-Laws of the Authority provide for the annual election by the Authority of a Chair, Vice-Chair, Treasurer, Secretary, Assistant Secretaries and other Officers; and

WHEREAS, the nominations for the Officers were as follows:

Ms. Ungar	Nominated	Joshua Hodes as Chair
Mr. Rodriguez	Nominated	Katherine Ungar as Vice-Chair
Mr. Rodriguez	Nominated	Treasurer, State of New Jersey as Treasurer
Ms. Ungar	Nominated	Jeremy A. Spector as Secretary
Mr. Moore	Nominated	Brian Sootkoos as Assistant Treasurer
Ms. Ungar	Nominated	Sheryl A. Stitt as Assistant Secretary
Ms. Ungar	Nominated	Steven P. Nelson as Assistant Secretary
Ms. Ungar	Nominated	Ellen Yang as Assistant Secretary

NOW, THEREFORE, BE IT RESOLVED, that the Authority elects the following individuals to serve in the capacities of Chair, Vice-Chair, Treasurer, Secretary, Assistant Treasurer and Assistant Secretaries for the annual term as specified in the Authority's By-Laws:

Joshua Hodes	- Chair	Brian Sootkoos	- Assistant Treasurer
Katherine Ungar	- Vice-Chair	Sheryl A. Stitt	- Assistant Secretary
Treasurer, State of New Jersey	- Treasurer	Steven P. Nelson	- Assistant Secretary
Jeremy A. Spector	- Secretary	Ellen Yang	- Assistant Secretary

SECTION 1. In the event that the Election of Officers is not held prior to May 22, 2018, the Officers shall continue to serve in such capacity until their successors are elected.

SECTION 2. This resolution shall take effect in accordance with the Act.

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

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

NAY: None

ABSTAIN: None

ABSENT: None

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPOINTING MEMBERS TO THE EVALUATION
COMMITTEE**

Adopted: May 23, 2017

WHEREAS, The Evaluation Committee has been established pursuant to Article III, Section 12 of the By-Laws (the "By-Laws") of the New Jersey Educational Facilities Authority (the "Authority"); and

WHEREAS, The By-Laws provide that the Evaluation Committee shall consist of three members of the Authority elected at the annual meeting of the members of the Authority or as soon as practicable thereafter; and

WHEREAS, Pursuant to Article III, Section 12 of the By-Laws, members of the Audit Committee may also serve on the Evaluation Committee; and

WHEREAS, The State Treasurer, Ridgeley Hutchinson, and Louis A. Rodriguez are members of the Authority each of whom is willing to serve on the Evaluation Committee and each of whom meets the criteria of Executive Order No. 122;

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

Section 1. The members of the Authority hereby elect the State Treasurer, Ridgeley Hutchinson, and Louis A. Rodriguez to serve on the Evaluation Committee in accordance with Article III, Section 12 of the By-Laws and Executive Order No. 122.

Section 2. This Resolution supersedes all prior resolutions to the extent inconsistent herewith and with the By-Laws and shall take effect in accordance with the provisions of the Act.

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

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

NAY: None

ABSTAIN: None

ABSENT: None

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY APPOINTING MEMBERS TO THE AUDIT COMMITTEE**

Adopted: May 23, 2017

WHEREAS, The Audit Committee has been established pursuant to Article III, Section 12 of the By-Laws (the “By-Laws”) of the New Jersey Educational Facilities Authority (the “Authority”); and

WHEREAS, The By-Laws provide that the Audit Committee shall consist of: (i) the Treasurer of the State of New Jersey (the “State Treasurer”); (ii) the Treasurer of the Authority (the “Authority Treasurer”), but only if said Authority Treasurer is a member of the Authority, and if the Authority Treasurer is not a member of the Authority, then the Chair; and (iii) a member of the Authority with significant financial experience, elected at the Annual Meeting of the members of the Authority or as soon thereafter as practicable; and

WHEREAS, Pursuant to Article III, Section 12 of the By-Laws, Katherine M. Ungar is a member of the Audit Committee by virtue of her significant financial experience; and

WHEREAS, Pursuant to Article III, Section 12 of the By-Laws, the State Treasurer is a member of the Audit Committee *ex officio*; and

WHEREAS, Since the Authority Treasurer, in his capacity as the State Treasurer, is also a member of the Authority *ex officio*, pursuant to Article III, Section 12 of the By-Laws, the State Treasurer shall nominate a third member, as the State Treasurer’s designee, to the Audit Committee.

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

Section 1. The members of the Authority hereby elect the State Treasurer and Katherine M. Ungar to serve on the Audit Committee in accordance with Article III, Section 12 of the By-Laws and Executive Order No. 122.

Section 2. This Resolution supersedes all prior resolutions to the extent inconsistent herewith and with the By-Laws and shall take effect in accordance with the provisions of the Act.

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

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

NAY: None

ABSTAIN: None

ABSENT: None

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY ACKNOWLEDGING AND ACCEPTING THE STATE
TREASURER'S DESIGNATION OF A REPRESENTATIVE TO THE
AUDIT COMMITTEE**

Adopted: May 23, 2017

- WHEREAS,** The Audit Committee has been established pursuant to Article III, Section 12 of the By-Laws (the "By-Laws") of the New Jersey Educational Facilities Authority (the "Authority"); and
- WHEREAS,** The By-Laws provide that the Audit Committee shall consist of: (i) the Treasurer of the State of New Jersey (the "State Treasurer"); (ii) the Treasurer of the Authority (the "Authority Treasurer"), but only if said Authority Treasurer is a member of the Authority, and if the Authority Treasurer is not a member of the Authority, then the Chair; and (iii) a member of the Authority with significant financial experience, elected at the Annual Meeting of the members of the Authority or as soon thereafter as practicable; and
- WHEREAS,** At the Authority's Annual Meeting on May 23, 2017, the members elected the State Treasurer, or his designee to the Authority's Board as the Authority Treasurer, and Katherine M. Ungar, as a public member of the Authority with significant financial experience, to serve on the Audit Committee; and
- WHEREAS,** Since the Authority Treasurer, in his capacity as the State Treasurer, is also a member of the Authority *ex officio*, pursuant to the By-Laws, the State Treasurer has nominated and designated David Moore to represent him as the third member of the Audit Committee; and
- WHEREAS,** The Members of the Authority wish to acknowledge and accept the State Treasurer's designation of David Moore to represent him as the third member of the Audit Committee.

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

- Section 1.** The Members of the Authority hereby acknowledge and accept the State Treasurer's designation of David Moore to represent him as the third member of the Audit Committee.
- Section 2.** This Resolution supersedes all prior resolutions to the extent inconsistent herewith and with the By-Laws and shall take effect in accordance with the provisions of the Act.

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

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

NAY: None

ABSTAIN: None

ABSENT: None

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
FOR THE ADOPTION OF ANNUAL NOTICE OF MEETINGS**

Adopted: May 23, 2017

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") desires to adopt an annual notice of meetings consistent with the requirements of the "Open Public Meetings Law", N.J.S.A. 10:4-1 et seq.; and

WHEREAS: The adoption of regular meetings will enable the Authority to comply with the provisions of N.J.S.A. 10:4-18 which outlines requirements for dissemination of the notice of schedule adoption to the general public for inspection; and

WHEREAS: The Authority has determined that all notices for any regular, special or emergency meeting of the Authority be published in The Star Ledger and The Times of Trenton.

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

SECTION 1. The Authority hereby adopts the following schedule of meetings for the period June 27, 2017 through May 22, 2018.

SECTION 2. The Authority announces that it will, in accordance with the "Open Public Meetings Law," N.J.S.A. 10:4-1 et seq., hold regular meetings open to the public for the period June 27, 2017 through May 22, 2018, on the following specific dates:

June 27, 2017	January 23, 2018
July 25, 2017	February 27, 2018
September 26, 2017	March 27, 2018
October 24, 2017	April 24, 2018
November 14, 2017	May 22, 2018

Unless otherwise provided, meetings will be held at 10:00 am at the offices of the New Jersey Educational Facilities Authority, 103 College Road East, Princeton, New Jersey.

SECTION 3. In accordance with the By-Laws, the Authority may conduct a special meeting of the members consistent with the provisions of N.J.S.A. 10:4-9.

SECTION 4. This Resolution shall take effect in accordance with the Act.

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

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

NAY: None

ABSTAIN: None

ABSENT: None

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

Executive Director's Report – May 23, 2017 Meeting

Public Session -

- Since our last meeting in March, Authority Staff has been busy on transactional activity, IT modernization and improving internal operations, web site re-design and updating, design and development of the 2016 Fiftieth Anniversary Annual Report, working with our Auditors to finalize the Authority's Financial Statements for Board review and approval, administering the Secretary's higher education grant programs, as well as attending to various post issuance matters.
- Our Project Management Division, together with Compliance Division, successfully closed 4 transactions and began working on two new financings for Seton Hall University and another Institution. You'll hear more transaction-related details from Steve Nelson later in the meeting.
- You will also hear more about our financial statements from our Auditors, Clifton Larsen Allen.
- Our Compliance and Project Management Divisions assisted Centenary University in a recent refinancing of Authority debt through a U.S. Department of Agriculture Rural Development loan and assisted the New Jersey Institute of Technology in a refunding of a portion of their outstanding Series 2010 H bonds.

Authority staff has also been working hard on many internal and external initiatives to meet our business objectives for 2017. We are making substantial progress across a range of activity to achieve our goals of making the Authority's operations more efficient and improving the quality of the Authority's services

- In the area of **Value-Added Services**:
 - Last June, Members authorized the engagement of PFM Asset Management LLC ("PFMAM") to assist the Authority in the oversight and administration of investment of bond funds on behalf of institutions and to provide an opportunity for better earnings performance. To date, PFMAM is actively managing 19 Authority bond accounts totaling approximately \$200 million in assets on behalf of 5 institutions and the State.
 - Our Finance, Project Management and Compliance Divisions are working with the Attorney General's Office and Treasury's Division of Investments on amendments to the Authority's Investment Policy, which we hope to bring before the Board for approval at the next meeting.

- Project Management is in the process of developing a flexible, low cost Tax-Exempt and Taxable Loan Program intended to accommodate the borrowing needs of institutions beyond the traditional stand-alone financings, including, but not limited to: smaller size loans, equipment loans, rehabilitation loans and short-term financings. We are working on an RFP to procure a financial advisor to assist in the development of programs to meet nearly all of our institutions' capital needs.
- Our Compliance Division has completed all necessary internal work on development of a reliable data base of the Authority's real estate inventory.
- We continue to make substantial progress on improvements to **Internal Operations and Staff Management:**
 - IT Modernization efforts are well underway. Mat Curtis, our IT Manager, has conducted an assessment of our systems and developed a plan to enhance the Authority's IT Infrastructure to make it more secure, accessible, reliable and cost effective.
 - To date, this process has produced savings of approximately \$30,000.
 - Earlier this month, we rolled out TimeWorksPlus, an automated time keeping system which includes a section to provide information in a meaningful way to gauge staff performance.
 - Board members and associates can now access a document library through MyNJPortal where Board materials may be viewed electronically and securely.
 - The Authority will be migrating its IT network to the State's "Next Generation Garden State Network" administered through the State's Office of Information Technology.
 - In doing so, we will also be migrating our current systems, applications and email to Microsoft-365 Cloud Connect which will advance our technology with new features, including file sharing and storage, Voice Over Internet Protocol, managed back-ups and disaster recovery/business continuity. This is a major undertaking that is underway and is picking up steam. Another major component of the OIT Modernization will be the development of a much-needed document management system.
 - Mat is also working with Human Resources and others to help us gain access to other State intranets for Human Resources, Education, Management and Board needs.

- Examples include E-learning through MyNJ Portal for access to an extensive catalog of courses for continuing skills and education development for Authority Staff. All staff are encouraged to maintain and improve their skills on a continual basis.
- All of these IT improvements are driving a need for staff to address physical office space utilization. As we move to digitize as much work product as possible, we are overhauling document management and storage on site and will be developing a new proposal to the Department of Treasury's State Records Committee for an updated Record Retention Schedule.
- In addition, this year began the 8-year renewal period on our office lease. Consistent with the Authority's 2017 budget, staff is working with the Authority's landlord, National Business Parks, on scheduled improvements and upgrades to our physical office space which is planned for August.
- Human Resources has also been working with Compliance, the Attorney General's Office and Treasury to upgrade Human Resources systems, procedures and documentation in a number of areas.
- Part of this effort is to better align certain employee policies and procedures with the State. As an example, in March you approved an amended Travel and Expense Policy and next month we hope to present an amended Sick Leave Policy that more closely tracks provisions of the Administrative Code under which the Department of Treasury is regulated.
- We are also in the process of implementing new employee evaluation forms and procedures that closely mirror the State's forms developed and approved by the New Jersey Civil Service Commission and administered through EPAR on MyNJ Portal.
- Lastly, in the area of **Communications and Marketing Initiatives:**
 - Our Communications team has made significant progress on the development of a new, user and client friendly website for the Authority, which we hope to introduce in "preliminary form" at next month's meeting before we go live sometime in July.
 - The Authority's 2016 Fiftieth Anniversary Annual Report is in production and we intend to present the Report to the Board for approval in June or July.
 - Communications is also in the early planning stages of a Fall workshop for college and university finance staff on timely topics and current challenges related to institutions' debt financings through the Authority.

- These are highlights of some of the activities occurring as we strive to meet the Authority's business objectives of making the Authority a model of efficiency and a full-service "go to" Authority for higher education financings.
- My thanks to all of our staff for their continued hard work and dedication and to the Members for your continued support.
- I'd be happy to answer any questions.

New Jersey Educational Facilities Authority Anticipated Projects as of May 23, 2017

Institution	Project	Transaction Type	Expected Par	Expected Closing
<u>Public Institutions</u> None				
<u>Private Institutions</u> Seton Hall University	Refund 2008D and new money	Negotiated	\$68,000,000	June 2017

New Jersey Educational Facilities Authority Closed Projects as of May 23, 2017

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



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BOND SALE SUMMARY

Borrower: Stevens Institute of Technology, Hoboken, New Jersey

Issue: 2017 Series A

Amount: \$119,905,000

Purpose: To provide funds to: (i) refund all of the Authority's 1998 Series I Bonds and all of the Authority's 2007 Series A Bonds; (ii) finance a Capital Project, consisting of (a) the construction, renovation and equipping of the new research and academic buildings comprising of the Gianforte Academic Center, (b) the construction, renovation and expansion of the existing Babbio Garage (c) the construction, renovation, expansion and equipping of certain additional facilities at the University for research and education, including, but not limited to, projects included in the University's long-range facilities plan, and (d) preconstruction costs related to a proposed combined student residence and university center facility; and (iii) pay certain costs of issuing the 2017 Series A Bonds.

Structure: Negotiated Sale, Fixed Rate

Final Maturity: July 1, 2047

True Interest Cost: 3.98%

Net Present Value Savings: \$7,332,079/ 11.23%

Bond Ratings: A- - S&P Global Ratings

Priced: February 28, 2017

Closed: April 4, 2017

Professionals on the Transaction:

Bond Counsel:	McManimon, Scotland & Baumann, LLC
Authority's Counsel:	Attorney General of the State of New Jersey
Borrower's Financial Advisor:	The Yuba Group LLC
Borrower's Counsel:	McCarter & English LLP
Senior Manager:	Barclays Capital, Inc.
Co-Manager:	Wells Fargo Securities
Underwriter's Counsel:	Ballard Spahr LLP
Trustee/Escrow Agent:	U.S. Bank, National Association
Trustee/Escrow Agent's Counsel:	M. Jeremy Ostow, <i>Esq.</i>
Verification Agent:	Robert Thomas CPA, LLC
Financial Printer:	ImageMaster, LLC



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BOND SALE SUMMARY

Borrower: Ramapo College of New Jersey, Mahwah, New Jersey

Issue: Series 2017 A

Amount: \$99,450,000

Purpose: To provide funds to: (i) refund a portion of the Authority's Series 2006 I Bonds; (ii) finance a portion of the cost of a capital project consisting of the renovation and expansion of the George T. Potter Library, including the Learning Center Addition Project; (iii) fund capitalized interest on a portion of the Series 2017 A Bonds; and (iv) pay certain costs of issuance.

Structure: Negotiated Sale, Fixed Rate

Final Maturity: July 1, 2042

True Interest Cost: 3.57%

Net Present Value Savings: \$4,021,116 / 4.18%

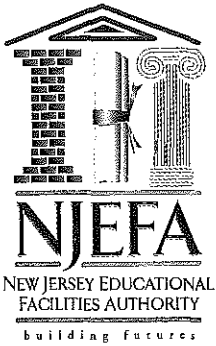
Bond Ratings: A2 - Moody's Investors Service
A - S&P Global Ratings

Priced: February 28, 2017

Closed: April 5, 2017

Professionals on the Transaction:

Bond Counsel:	GluckWalrath LLP
Authority's Counsel:	Attorney General of the State of New Jersey
Borrower's Financial Advisor:	Prager & Co., LLC
Senior Manager:	Morgan Stanley & Co. LLC
Co-Manager:	Bank of America Merrill Lynch Loop Capital Markets LLC The Williams Capital Group, L.P.
Underwriter's Counsel:	Connell Foley LLP
Trustee:	U.S. Bank, National Association
Trustee's Counsel:	M. Jeremy Ostow, <i>Esq.</i>
Prior Trustee – 2006 I Bonds:	The Bank of New York Mellon
Verification Agent:	Causey Demgen & Moore P.C.
Financial Printer:	ImageMaster, LLC



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BOND SALE SUMMARY

Borrower: Princeton University, Princeton, New Jersey

Issue: 2017 Series B

Amount: \$342,240,000

Purpose: To provide funds to finance a project consisting of: (i) the current refunding and defeasance of a portion of the Authority's outstanding 2007 Series E and 2007 Series F Bonds; (ii) the advance refunding and defeasance of a portion of the Authority's outstanding 2008 Series K Bonds; and (iii) 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.

Structure: Negotiated Sale, Fixed Rate

Final Maturity: July 1, 2036

True Interest Cost: 2.91%

Net Present Value Savings: \$52,965,640/ 13.62%

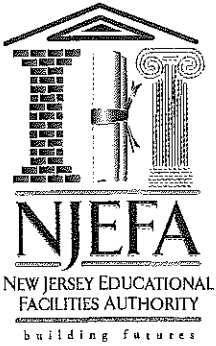
Bond Ratings: Aaa - Moody's Investors Service
AAA - S&P Global Ratings

Priced: March 7, 2017

Closed: April 4, 2017

Professionals on the Transaction:

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



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BOND SALE SUMMARY

Borrower: Princeton University, Princeton, New Jersey

Issue: 2017 Series C

Amount: \$141,095,000

Purpose: To provide funds to: (i) finance all or a portion of the costs of the acquisition, construction, renovation and installation of certain capital assets to be located at or near the University's main campus in Princeton, New Jersey, at its Forrester Campus in Plainsboro, New Jersey, or at its administrative building at 701 Carnegie Center in West Windsor, New Jersey, consisting of (a) the renovation and repair of various University buildings and other facilities, including computer infrastructure wiring, utility systems, roads and grounds, (b) the purchase of capital equipment for academic departments and administrative and supporting units, and (c) the undertaking of several new construction projects, which may include the demolition of existing buildings owned by the University and the acquisition of land; (ii) refinance all or a portion of the University's outstanding Princeton University Taxable Commercial Paper Notes; (iii) refund all or a portion of the Authority's outstanding Princeton University Commercial Paper Notes, Series 2014 A; (iv) refund all or a portion of the Authority's outstanding Princeton University Commercial Paper Notes, Series 2016 A; and, (v) pay 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.

Structure: Competitive Sale, Fixed Rate

Final Maturity: July 1, 2047

True Interest Cost: 3.50%

Bond Ratings: Aaa - Moody's Investors Service
 AAA - S&P Global Ratings

Priced: March 22, 2017

Closed: April 4, 2017

Professionals on the Transaction:

Bond Counsel:	McManimon, Scotland & Baumann, LLC
Authority's Counsel:	Attorney General of the State of New Jersey
Borrower's Financial Advisor:	The Yuba Group LLC
Borrower's Counsel:	Ballard Spahr LLP
Senior Manager:	Morgan Stanley & Co. LLC
Trustee:	The Bank of New York Mellon
Trustee's Counsel:	Hawkins Delafield & Wood LLP
Financial Printer:	ImageMaster, LLC



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Date: May 23, 2017

To: Members of the Authority

Issue: Seton Hall University, 2017 Series D and 2017 Series E

Below please find the procurement procedures that were undertaken with respect to the various professional appointments in connection with Seton Hall University, 2017 Series D and 2017 Series E 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.

Financial Advisor

On March 3, 2017, the New Jersey Educational Facilities Authority (the "Authority") distributed a Request for Proposals for Financial Advisory Services to the nine members of the Authority's Financial Advisor pool. We received eight responses from firms seeking appointment as Financial Advisor. One firm from the Financial Advisor Pool declined to respond.

The evaluation of the Financial Advisor responses was performed by three evaluators (two staff members from the Authority and one staff member from the University). The responsive firms and their respective scores may be found on the following page:

<u>Firm</u>	<u>Evaluator #1</u>	<u>Evaluator #2</u>	<u>Evaluator #3</u>	<u>Average Score</u>	<u>Final Ranking</u>	<u>Fee</u>
Acacia Financial Group, Inc.	7.96	8.51	8.06	8.18	4	\$20,000
Fairmount Capital Advisors, Inc.	8.74	8.47	8.19	8.47	2	\$25,500
FirstSouthwest	8.22	8.12	7.42	7.92	5	\$35,000
GATES Capital Corporation	7.19	7.31	6.54	7.01	8	\$19,500
NW Financial Group, LLC	7.25	7.82	7.45	7.51	7	\$11,500
PFM Financial Advisors LLC	8.60	8.37	8.00	8.32	3	\$30,000
Phoenix Advisors, LLC	8.75	8.80	8.55	8.70	1	\$22,900
PRAG	7.98	7.63	7.23	7.61	6	\$40,000

Recommendation: Phoenix Advisors, LLC

Senior Manager/Co-Senior Manager and Co-Managers

On February 28, 2017, the Authority distributed a Request for Proposals for Senior/Co-Senior Managing and Co-Managing Underwriter 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 ten responses from firms seeking appointment as a Senior Manager/Co-Senior 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 firm from the Co-Manager Pool declined to respond.

Senior Manager/Co-Senior Manager

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

The responsive firms and their respective scores may be found on the following page:

<u>Firm</u>	<u>Evaluator #1</u>	<u>Evaluator #2</u>	<u>Evaluator #3</u>	<u>All Evaluators</u>	<u>Final Ranking</u>	<u>Proposed Fee</u>
Bank of America Merrill Lynch	94.3	96.3	93.8	284.3	1	\$4.23
Citigroup	91.4	94.4	88.9	274.7	2	\$3.88
Janney Montgomery Scott	80.5	83.5	75.5	239.5	9	\$3.43
J.P. Morgan	83.0	86.5	86.0	255.4	5	\$3.76
Morgan Stanley	80.9	90.9	86.4	258.1	4	\$4.10
Ramirez	81.4	84.4	87.4	253.3	6	\$3.77
Raymond James	82.2	79.2	83.7	245.0	7	\$3.50
RBC	81.0	83.5	75.5	240.1	8	\$3.64
Siebert Cisneros Shank	75.1	81.1	73.1	229.4	10	\$4.91
Wells Fargo	87.7	93.2	87.7	268.6	3	\$4.03

Recommendation: Bank of America Merrill Lynch (Senior Manager)

Co-Senior Manager/Co-Managers

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

Trustee, Bond Registrar and Paying Agent

On March 21, 2017 the Authority distributed a Request for Proposals for Trustee Services to the four members of the Authority’s Trustee Pool. We received two responses from firms seeking appointment as Trustee for this transaction. The responsive firms and their respective fees may be found below:

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

US Bank, National Association provided the lowest fee quote of \$1,000 annually and waived the acceptance fee, which is in line with fee quotes the Authority has received in response to recent Trustee RFPs. It is the Authority’s recommendation to select US Bank, National Association to serve as Trustee, Bond Registrar and Paying Agent for this transaction.

Verification Agent

On March 21, 2017 the Authority circulated an RFP to five firms that regularly perform verification agent services. The RFP was also posted on the Authority’s website and the State of New Jersey’s

website. The Authority received five responses. One firm's response was late and not considered. The responsive firms and their respective fees may be found below:

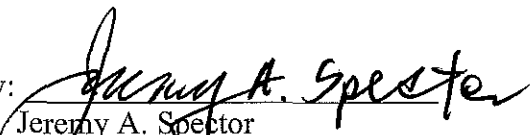
<u>Firm</u>	<u>Fee</u>
AMTEC	\$1,100
The Arbitrage Group (LATE)	\$1,975
Causey Demgen & Moore	\$1,650
Grant Thornton	\$2,000
Robert Thomas	\$1,200

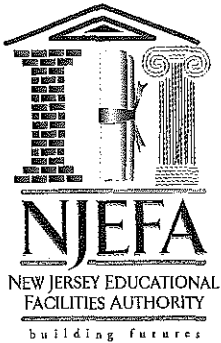
AMTEC provided the lowest fee quote of \$1,100 which is in line with fee quotes the Authority received in response to recent verification agent RFPs. It is the Authority's recommendation to select AMTEC to serve as Verification Agent for this transaction.

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 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 17th day of May 2017.

By: 
Jeremy A. Spector
Executive Director



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TERM SHEET

Borrower: Seton Hall University, South Orange, New Jersey

Issue: 2017 Series D and 2017 Series E

Amount: Not to Exceed \$72,500,000

Purpose: To provide funds to: (i) finance the Capital Project, consisting of the renovation and equipping of an approximately 412,000 sq. ft. building and an approximately 65,000 sq. ft. building to be used for medical and non-medical education, research and clinical administration, offices and uses ancillary thereto; (ii) refund all of the Authority's outstanding 2008 Series D Bonds; (iii) fund capitalized interest for the Taxable Bonds, if necessary; (iv) fund working capital for the Private University; and (v) pay certain costs of issuance of the Bonds.

Security: General Obligation of the University

Structure: Negotiated Sale, Fixed Rate

Term: No later than July 1, 2047

True Interest Cost: Not to Exceed 5.50% (Tax-Exempt)
Not to Exceed 6.00% (Taxable)

Expected Bond Ratings: A3 - Moody's Investors Service
A- - S&P Global Ratings

Tentative Sale Date: June 2017

Tentative Closing: June 2017

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

Professionals on the Transaction:

Bond Counsel:	McManimon, Scotland & Baumann, LLC
Authority's Counsel:	Attorney General of the State of New Jersey
Authority's Financial Advisor:	Phoenix Advisors, LLC
University's Counsel:	Connell Foley LLP
Trustee:	U.S. Bank, National Association
Trustee's Counsel:	M. Jeremy Ostow, Esq.
Escrow Agent:	The Bank of New York Mellon
Escrow Agent's Counsel:	TBD
Senior Manager:	Bank of America Merrill Lynch
Co-Senior Manager:	TBD
Co-Manager(s):	TBD
Underwriter's Counsel:	Chiesa, Shahinian & Giantomasi, PC
Verification Agent:	AMTEC
Printer:	ImageMaster, LLC

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

**RESOLUTION AUTHORIZING THE ISSUANCE OF
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS, SETON HALL UNIVERSITY ISSUE,
2017 SERIES D (TAX-EXEMPT), AND
REVENUE BONDS, SETON HALL UNIVERSITY ISSUE,
2017 SERIES E (FEDERALLY TAXABLE)**

Adopted: May 23, 2017

**RESOLUTION AUTHORIZING THE ISSUANCE OF
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS, SETON HALL UNIVERSITY ISSUE,
2017 SERIES D (TAX-EXEMPT), AND
REVENUE BONDS, SETON HALL UNIVERSITY ISSUE,
2017 SERIES E (FEDERALLY TAXABLE)**

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

WHEREAS, the Authority has heretofore issued its Revenue Refunding Bonds, Seton Hall University Issue, 2008 Series D (the "*Prior Bonds*"), on behalf of Seton Hall University (the "*Private University*"); and

WHEREAS, the Private University has determined to undertake a project consisting of the renovation and equipping of an approximately 412,000 sq. ft. building and an approximately 65,000 sq. ft. building to be used for medical and non-medical education, research and clinical administration, offices and uses ancillary thereto (the "*Capital Project*"); and

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

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

WHEREAS, the Bonds will be issued under and secured by a Trust Indenture dated on or about the date of the issuance of the Bonds (the "*Indenture*") to be entered into by and between the Authority and U.S. Bank National Association, Morristown, New Jersey, as the initial trustee, bond registrar and paying agent (the "*Trustee*"); and

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

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

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

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

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

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

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

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

ARTICLE I

AUTHORIZATION OF BONDS AND APPROVAL OF DOCUMENTS

1.1 Purpose and Issuance of the Bonds.

The Authority hereby declares the Project to be an authorized undertaking of the Authority and authorizes and directs the Chair, Vice Chair, Executive Director, Deputy Executive Director, Treasurer, Director of Project Management, Director of Compliance Management, Secretary, Assistant Treasurer or any Assistant Secretary of the Authority, and any

other person authorized by resolution of the Authority and any of such officers designated as "acting" or "interim" (each an "*Authorized Officer*"), to execute and deliver all documents necessary to enable the Authority, as permitted by the Act, to finance, on behalf of the Private University, the costs of the Project, to fund capitalized interest for the Taxable Bonds (if necessary), to fund working capital for the Private University and to pay certain costs of issuance of the Bonds, in whole or in part.

1.2 Authorization of the Bonds.

(a) The Authority hereby authorizes the issuance of the Bonds, in the aggregate principal amount not-to-exceed \$72,500,000, in one or more series at one or more times, in order to finance, on behalf of the Private University, the costs of the Project, to fund capitalized interest for the Taxable Bonds (if necessary), to fund working capital for the Private University and to pay certain costs of issuance of the Bonds, in whole or in part. The initial Tax-Exempt Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Refunding Bonds, Seton Hall University Issue, 2017 Series D (Tax-Exempt)" or such other designation as an Authorized Officer may determine. The initial Taxable Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Bonds, Seton Hall University Issue, 2017 Series E (Federally Taxable)" or such other designation as an Authorized Officer may determine.

(b) Merrill Lynch, Pierce, Fenner & Smith Incorporated is hereby appointed the senior managing underwriter to purchase the Bonds. Any Authorized Officer is hereby authorized to execute and deliver, on behalf of the Authority, a contract of purchase (the "*Purchase Contract*") by and among the Authority, the Private University and Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and any other members of an underwriting syndicate headed by such firm (collectively, the "*Underwriter*"), in substantially the form presented to this meeting with such changes as shall be approved by an Authorized Officer, with the advice of McManimon, Scotland & Baumann, LLC, bond counsel to the Authority ("*Bond Counsel*"), and the Attorney General of the State (such approval to be evidenced conclusively by such Authorized Officer's execution thereof), for the purchase of the Bonds at the price or prices to be agreed upon; *provided, however*, that the Underwriter's discount for (x) the Tax-Exempt Bonds shall not exceed \$5.00 per \$1,000 of the principal amount thereof and (y) the Taxable Bonds shall not exceed \$6.00 per \$1,000 of the principal amount thereof. A copy of the Purchase Contract, as executed, shall be filed with the records of the Authority.

(c) The Executive Director, the Deputy Executive Director or any such officer designated as "acting" or "interim" is hereby authorized to appoint a co-senior and/or 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 Bonds as members of an underwriting syndicate headed by Merrill Lynch, Pierce, Fenner & Smith Incorporated.

(d) The Bonds shall be issued in fully registered form, shall be in the denominations and shall be numbered as shall be provided in the Indenture. The Bonds shall be dated, bear interest, mature and be executed and authenticated as shall be set forth in the Indenture; *provided, however*, that the final maturity date of the Bonds will be no later than July 1, 2047.

The Tax-Exempt Bonds shall bear interest at one or more fixed rates as described in the Indenture, with a true interest cost not-to-exceed 5.50%, and the Taxable Bonds shall bear interest at one or more fixed rates as described in the Indenture, with a true interest cost not-to-exceed 6.00%. The Bonds shall be subject to redemption as provided in the Indenture; *provided, however,* that the redemption premium, if any, on the Bonds shall not exceed 2.00% and *provided, further,* that the redemption premium on any Taxable Bonds subject to redemption pursuant to a "make-whole" provision may exceed 2.00% if so determined by an Authorized Officer. Unless the Private University directs the Authority to utilize a debt service reserve fund for the Bonds, the Bonds shall be issued without a debt service reserve fund.

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

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

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

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

1.3 Approval of Preliminary Official Statement and Final Official Statement.

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

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

1.4 Approval of Loan Agreement.

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

1.5 Approval of Indenture.

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

1.6 Approval of Escrow Deposit Agreement.

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

1.7 Appointments.

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

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

(c) Phoenix Advisors, LLC is hereby appointed to act as financial advisor to the Authority (the "*Financial Advisor*") in connection with the authorization, sale and issuance of the Bonds.

(d) American Municipal Tax-Exempt Compliance is hereby appointed to act as the verification agent in connection with the refunding of the Prior Bonds pursuant to the terms of the Escrow Deposit Agreement.

1.8 Debt Service Reserve Fund.

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

1.9 Bond Insurance and Surety Authorized.

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

1.10 Continuing Disclosure.

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

1.11 Authorization to Invest Bond Proceeds and Certain Funds.

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

(b) Any Authorized Officer is hereby authorized to utilize the proceeds of the Bonds or other available moneys held pursuant to the Escrow Deposit Agreement either (a) to purchase United States Treasury Obligations, State and Local Government Series ("*SLGS*") or (b) to select a firm to act as its broker or to select a bidding agent to solicit bids pursuant to a competitive solicitation process to purchase open market United States Treasury Obligations ("*U.S. Treasury Obligations*") (which qualify as permissible defeasance obligations pursuant to the Escrow Deposit Agreement), in the event that such Authorized Officer determines that it is necessary or advantageous to the Authority to purchase such open market U.S. Treasury Obligations. In connection with the purchase of open market U.S. Treasury Obligations, any Authorized Officer is further authorized to solicit bids for one or more float forward or escrow reinvestment agreements (a "*Float Forward Agreement*") and to direct the Escrow Agent pursuant to the Escrow Deposit Agreement to enter into any such Float Forward Agreement with the successful bidder or bidders thereof. Pursuant to the terms of any Float Forward Agreement, the provider, in consideration of an upfront payment to the Escrow Agent, shall have the right to sell U.S. Treasury Obligations to the Escrow Agent, at the times and in the amounts set forth in the Float Forward Agreement, at an aggregate purchase price not exceeding the maturity value thereof. Such U.S. Treasury Obligations shall mature on or before the dates when the proceeds thereof are needed to make payments in accordance with the Escrow Deposit Agreement. Each Float Forward Agreement shall be awarded to the bidder offering to pay the highest upfront payment therefor. The form of any Float Forward Agreement shall be approved

by an Authorized Officer, in consultation with Bond Counsel and the Attorney General of the State. Any Authorized Officer is further authorized to execute and deliver any such Float Forward Agreement and/or any certificates or other documents required in connection therewith. Notwithstanding the foregoing, nothing contained herein shall prohibit an Authorized Officer from purchasing both SLGS and open market U.S. Treasury Obligations, to the extent permitted by law. Bond Counsel, the Escrow Agent and the Financial Advisor are hereby authorized to act as agent(s), if so directed by an Authorized Officer, on behalf of the Authority for the subscription of SLGS via SLGSafe pursuant to the regulations promulgated therefor set forth in 31 C.F.R. Part 344.

1.12 Book-Entry System for the Bonds.

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

1.13 Conformance of Documents.

Any Authorized Officer is hereby authorized and directed to approve, as Bond Counsel may advise, such changes to the forms of the Preliminary Official Statement, the Official Statement, the Purchase Contract, the Loan Agreement, the Indenture, the Escrow Deposit Agreement and such other agreements, documents or certificates as may be necessary and appropriate to conform same to the bond insurance requirements of the issuer of a financial guaranty insurance policy insuring payment of principal of and interest on the Bonds, if any, when due, with the advice of Bond Counsel and the Attorney General of the State, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

ARTICLE II

MISCELLANEOUS

2.1 Incidental Action.

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

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

thereunder); (iv) obtain the Policy, if any; and (v) enter into, or cause to be entered into, one or more agreements to invest the proceeds of the Bonds in Qualified Investments.

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

2.2 Prior Resolutions.

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

2.3 Effective Date.

This Resolution shall take effect in accordance with the Act.

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

AYE: Ridgeley Hutchinson
Louis Rodriguez
Ford M. Scudder (represented by David Moore)
Rochelle Hendricks (represented by Gregg Edwards)

NAY: None

ABSTAIN: None

ABSENT: None

Joshua Hodes and Katherine Ungar recused themselves from the vote.

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

NEW ISSUE - BOOK-ENTRY ONLY

See "RATINGS" herein

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel to the Authority (as hereinafter defined), pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), and existing statutes, regulations, administrative pronouncements and judicial decisions, and in reliance on the representations, certifications of fact and statements of reasonable expectation made by the Authority and the University (as hereinafter defined) and assuming continuing compliance by the Authority and the University with certain ongoing covenants set forth in their Tax Certificates (as hereinafter defined), interest on the 2017 Series D Bonds (as hereinafter defined) is not included in gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the alternative minimum tax imposed on individuals and corporations. Bond Counsel is also of the opinion that interest on the 2017 Series D Bonds held by corporate taxpayers is included in "adjusted current earnings" in calculating alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on corporations. Interest on and any gain from the sale of the 2017 Series Bonds are not includable as gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

\$[]*

New Jersey Educational Facilities Authority
\$ __, __, 000* Revenue Refunding Bonds, Seton Hall University Issue,
2017 Series D (Tax-Exempt)
and
\$ __, __, 000* Revenue Bonds, Seton Hall University Issue,
2017 Series E (Federally Taxable)

Dated: Date of Delivery

Due: July 1, as shown on the inside cover

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

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

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

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

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

The 2017 Series Bonds are being issued pursuant to the New Jersey Educational Facilities Authority Law (*N.J.S.A. 18A:72A-1 et seq.*), as amended and supplemented, a Resolution duly adopted by the Authority on May 23, 2017 (the "Resolution") and a Trust Indenture, dated as of June 1, 2017 (the "Indenture"), by and between the Authority and the Trustee.

The 2017 Series D Bonds are being issued for the purpose of providing funds to: (a) refund all or a portion of the Authority's outstanding Revenue Refunding Bonds, Seton Hall University Issue, 2008 Series D (including any applicable swap termination payments) and (b) pay certain costs of issuance of the 2017 Series D Bonds. The 2017 Series E Bonds are being issued for the purpose of providing funds to: (a) finance the renovation and equipping of an approximately 412,000 sq. ft. building and an approximately 65,000 sq. ft. building to be used for medical and non-medical education, research and clinical administration, offices and uses ancillary thereto; (b) fund capitalized interest for the 2017 Series E Bonds through August 1, 2018; (c) fund working capital for the University and (d) pay certain costs of issuing the 2017 Series E Bonds.

* Preliminary, subject to change.

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

See "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Authority and the University will enter into a Loan Agreement, dated as of June 1, 2017 (the "Loan Agreement"), pursuant to which the University will agree, *inter alia*, to pay amounts sufficient to pay principal, redemption premium, if any, and interest on the 2017 Series Bonds, when due. Payments to be made by the University under the Loan Agreement are a general obligation of the University, payable from any legally available funds of the University. See "SECURITY FOR THE 2017 SERIES BONDS – The Loan Agreement".

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

THIS COVER PAGE, INCLUDING THE INSIDE COVER PAGE, CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT INTENDED TO BE A SUMMARY OF ALL FACTORS RELATING TO AN INVESTMENT IN THE 2017 SERIES BONDS. INVESTORS ARE ADVISED TO READ THIS OFFICIAL STATEMENT IN ITS ENTIRETY BEFORE MAKING AN INVESTMENT DECISION.

The 2017 Series Bonds are offered when, as and if issued by the Authority and accepted by the Underwriter, subject to prior sale or withdrawal or modification of the offer without notice, and subject to receipt of an approving legal opinion of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon for the University by its counsel, Connell Foley LLP, Roseland, New Jersey, and for the Underwriter by its counsel, Chiesa Shahinian & Giantomasi PC, West Orange, New Jersey. The 2017 Series Bonds are expected to be available for delivery through the facilities of DTC in New York, New York, on or about June __, 2017.

BofA Merrill Lynch

Dated: June __, 2017

New Jersey Educational Facilities Authority
\$ __, __, __, 000* Revenue Refunding Bonds, Seton Hall University Issue,
2017 Series D (Tax-Exempt)

Maturity Date (July 1)*	Principal Amount*	Interest Rate	Yield	CUSIP†
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\$ __, __, __, 000* Revenue Bonds, Seton Hall University Issue,
2017 Series E (Federally Taxable)

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

† Registered trademark of American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by Standard & Poor's, Capital IQ. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the 2017 Series Bonds and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2017 Series Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2017 Series Bonds.

IN CONNECTION WITH THE OFFERING OF THE 2017 SERIES BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2017 SERIES BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE ORDER AND PLACEMENT OF MATERIALS IN THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, ARE NOT TO BE DEEMED TO BE A DETERMINATION OF RELEVANCE, MATERIALITY OR IMPORTANCE, AND THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES, MUST BE CONSIDERED IN ITS ENTIRETY. THE OFFERING OF THE 2017 SERIES BONDS IS MADE ONLY BY MEANS OF THIS ENTIRE OFFICIAL STATEMENT.

The information contained herein relating to the Authority under the headings, "THE AUTHORITY" and "LITIGATION – The Authority", has been obtained from the Authority (as hereinafter defined). All other information herein has been obtained by the Underwriters (as hereinafter defined) from the University (as hereinafter defined) and other sources deemed by the Underwriters to be reliable, and is not to be construed as a representation of the Authority or the Underwriters. The Authority has not participated in the making of the statements contained within this Official Statement other than the information under the headings, "THE AUTHORITY" and "LITIGATION – The Authority", and does not represent that any such statements are accurate or complete for purposes of investors making an investment decision with respect to the 2017 Series Bonds.

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

The 2017 Series Bonds have not been registered under the Securities Act of 1933, as amended, and the Resolution and the Indenture have not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions contained in such federal laws. In making an investment decision, investors must rely upon their own examination of the 2017 Series Bonds and the security therefor, including an analysis of the risk involved. The 2017 Series Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the 2017 Series Bonds in

accordance with applicable provisions of securities laws of the various jurisdictions in which the 2017 Series Bonds have been registered, qualified or exempted cannot be regarded as a recommendation thereof. Neither such jurisdictions nor any of their agencies have passed upon the merits of the 2017 Series Bonds or the adequacy, accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

References in this Official Statement to statutes, laws, rules, regulations, resolutions, agreements, reports and documents do not purport to be comprehensive or definitive, and all such references are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. This Official Statement is submitted in connection with the sale of the 2017 Series Bonds referred to herein and may not be reproduced or used, in the whole or in part, for any other purpose.

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

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

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

OFFICIAL STATEMENT
Relating To

New Jersey Educational Facilities Authority
\$ __, __, 000* Revenue Refunding Bonds, Seton Hall University Issue,
2017 Series D (Tax-Exempt)
and
\$ __, __, 000* Revenue Bonds, Seton Hall University Issue,
2017 Series E (Federally Taxable)

INTRODUCTORY STATEMENT

General

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish information concerning the New Jersey Educational Facilities Authority (the "Authority") and its \$ __, __, 000* Revenue Refunding Bonds, Seton Hall University Issue, 2017 Series D (Tax-Exempt) (the "2017 Series D Bonds"), and its \$ __, __, 000* Revenue Bonds, Seton Hall University Issue, 2017 Series E (Federally Taxable) (the "2017 Series E Bonds" and, together with the 2017 Series D Bonds, the "2017 Series Bonds"). The 2017 Series Bonds are issued pursuant to: (i) the Act (as defined herein); (ii) a Resolution, duly adopted by the Authority on May 23, 2017 (the "Resolution"); and (iii) a Trust Indenture, dated as of June 1, 2017 (the "Indenture"), by and between the Authority and U.S. Bank National Association, Morristown, New Jersey, as Trustee (the "Trustee"). The 2017 Series Bonds are being issued and will bear interest at the rates set forth on the inside cover page and shall be payable as set forth herein. The 2017 Series Bonds will be subject to redemption prior to maturity as described herein. See "2017 SERIES BONDS – Redemption Optional Redemption, - Extraordinary Optional Redemption, - Mandatory Sinking Fund Redemption and – Make-Whole Redemption" herein. Certain capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Indenture. The information contained in this Official Statement has been prepared under the direction of the Authority for use in connection with the sale and delivery of the 2017 Series Bonds. For definitions of certain capitalized words and terms used in this Official Statement and not otherwise defined herein, see "APPENDIX C – FORMS OF CERTAIN LEGAL DOCUMENTS" and "APPENDIX D – FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

Authority for Issuance

The 2017 Series Bonds will be issued pursuant to the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Laws of 1967, as amended and supplemented (the "Act"). The Act, among other things, empowers the Authority to issue its bonds, notes and other obligations to obtain

* Preliminary, subject to change.

funds to provide loans to finance and refinance an eligible educational facility as such may be required or convenient for the purposes of a public or private participating institution of higher education, such as Seton Hall University, a New Jersey corporation and a privately endowed institution for higher education situated in South Orange, Essex County, New Jersey (the "University"). For information concerning the University, see "APPENDIX A – CERTAIN INFORMATION REGARDING SETON HALL UNIVERSITY" hereto and "APPENDIX B – FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT OF SETON HALL UNIVERSITY" hereto.

Purpose

The 2017 Series Bonds are being issued to provide funds to be loaned to the University pursuant to a Loan Agreement, dated as of June 1, 2017, by and between the University and the Authority (the "Loan Agreement"), which funds will be used to undertake projects consisting of: (i) with respect to the 2017 Series D Bonds, with respect to the 2017 Series D Bonds, (a) refunding of all or a portion of the Authority's outstanding Revenue Refunding Bonds, Seton Hall University Issue, 2008 Series D; currently outstanding in the aggregate principal amount of \$31,965,000 (the "Bonds to be Refunded") (including paying any applicable swap termination payments) and (b) paying certain costs of issuance of the 2017 Series D Bonds (collectively, the "Refunding Project") and (ii) with respect to the 2017 Series E Bonds, (a) financing of the renovation and equipping of an approximately 412,000 sq. ft. building and an approximately 65,000 sq. ft. building to be used for medical and non-medical education, research and clinical administration, offices and uses ancillary thereto; (b) funding capitalized interest for the 2017 Series E Bonds through August 1, 2018; (c) funding working capital for the University and (d) paying certain costs of issuing the 2017 Series E Bonds (collectively, the "Capital Project" and, together with the Refunding Project, the "Projects"). See "PLAN OF FINANCING" and "ESTIMATED SOURCES AND USES OF FUNDS" (including any applicable swap termination payments) herein.

Security and Other Financings

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

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

specific pledge of University tuition or any other revenues of the University is made with respect to the 2017 Series Bonds.

As additional security for the payment of the principal and redemption premium (if any) and interest on the 2017 Series Bonds, and such other payments required by the Loan Agreement, the University covenants and agrees to impose such fees and other charges sufficient at all times to generate revenues, which together with the other legally available moneys of the University, will be sufficient to pay the cost of operating and maintaining the Project (as defined in the Loan Agreement), to pay all payments required by the Loan Agreement and to pay all other obligations of the University as they become due and payable. See "SECURITY FOR THE 2017 SERIES BONDS – The Loan Agreement" herein.

The Authority has previously issued and may from time to time in the future issue other series of its Revenue Bonds to finance or refinance projects of the University, the proceeds of which have or will be loaned to the University pursuant to separate loan agreements or bond agreements, as applicable. The payments due from the University pursuant to each such agreement are or shall be a general obligation of the University, payable from any legally available moneys of the University. See "SECURITY FOR THE 2017 SERIES BONDS - Prior Liens and Pledges and Covenants Relating to Pledges" herein. The University has covenanted in the Loan Agreement that, so long as the 2017 Series Bonds are outstanding, it will not pledge or create or suffer to be created or exist any lien, security interest or restriction on tuition, unless it (i) obtains the written consent of the Authority (which consent shall not be unreasonably withheld) and (ii) grants a parity lien to secure the 2017 Series Bonds.

Under the Loan Agreement and pursuant to the Indenture, the University, with the consent of the Authority, may enter into one or more Swap Agreements (as such term is defined in the Loan Agreement). Pursuant to the Indenture, such Swap Agreements may be secured on parity with the University's payment obligations under the Loan Agreement. See "SECURITY FOR THE 2017 SERIES BONDS – Additional Parity Obligations" herein.

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

The 2017 Series Bonds are being issued in fully-registered form in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and beneficial interests in the book-entry bonds will be made available in authorized denominations to the ultimate purchasers under the book-entry-only system maintained by DTC. Interest on the 2017 Series Bonds, calculated on the basis of a 360-day year of twelve 30-day months, is payable on January 1 and July 1 of each year commencing on January 1, 2018 (each an "Interest Payment Date"). Principal or Redemption Price of the 2017 Series Bonds will be paid, when

due, upon presentation and surrender of the 2017 Series Bonds at the principal corporate trust office of the Trustee.

Additional Parity Obligations

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

THE AUTHORITY

Powers of the Authority

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

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

Authority Organization and Membership

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

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

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

Katherine M. Ungar, Vice Chair; term as a member expires April 30, 2018; Manager of Business Relations for Executive Health Program, Atlantic Health System; Mendham, New Jersey.

The Honorable Ford M. Scudder, Treasurer; Treasurer, State of New Jersey, *ex officio*.

The Honorable Rochelle R. Hendricks, Secretary of Higher Education, *ex officio*.

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

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

Jeremy A. Spector, Executive Director, serves as the Secretary to the Authority.

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

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

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

Outstanding Obligations of the Authority

As of December 31, 2016, the Authority has heretofore authorized and issued its obligations in a total outstanding amount of \$5,497,961,050 to finance and refinance eligible projects at certain of the participating public and private colleges and universities and public libraries located in the State.

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

STATE OF NEW JERSEY HIGHER EDUCATION

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

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

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

The thirty (30) public colleges and universities are comprised of Rutgers, The State University of New Jersey ("Rutgers University"); Rowan University; the New Jersey Institute of Technology; two (2) state colleges and six (6) state universities; and nineteen (19) community colleges. Pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, effective July 1, 2013, all liabilities and debt of the University of Medicine and Dentistry of New

Jersey (“UMDNJ”) and its assets were transferred to Rutgers University, Rowan University and University Hospital, and UMDNJ, as a legal entity, ceased to exist. The forty (40) independent institutions include fifteen (15) senior colleges and universities with a public mission, one (1) independent two-year religious college, thirteen (13) rabbinical schools and theological seminaries and eleven (11) proprietary institutions with degree-granting authority.

PLAN OF FINANCING

The proceeds of the 2017 Series D Bonds will be used to pay costs of the Refunding Project. The proceeds of the 2017 Series E Bonds will be used to pay costs of the Capital Project. See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

On the date of issuance and delivery of the 2017 Series D Bonds, a portion of the proceeds thereof, together with other available Authority funds held by the Trustee, if any, to be used for the refunding and legal defeasance of the Bonds to be Refunded will be deposited in an escrow fund (“Escrow Fund”) to be held by The Bank of New York Mellon, Woodland Park, as escrow agent (the “Escrow Agent”), and established pursuant to an escrow deposit agreement (the “Escrow Agreement”) between the Authority and the Escrow Agent. The funds on deposit in the Escrow Fund will be applied to the purchase of Defeasance Securities (as defined in the Escrow Agreement), the principal of and interest on which, together with any cash on deposit in the Escrow Fund, will be sufficient to pay when due the principal or Redemption Price of and interest on the Bonds to be Refunded when due and on the redemption date thereof. Upon execution and delivery of the Escrow Agreement and the deposit into the Escrow Fund, the Bonds to be Refunded will no longer be deemed Outstanding for purposes of the indenture pursuant to which the Bonds to be Refunded were issued (the “2008 Indenture”) and will cease to be entitled to any lien, benefit or security under the 2008 Indenture, and all covenants, agreements and obligations of the Authority to the Owners of such Bonds to be Refunded shall thereupon be discharged and satisfied. Such Bonds to be Refunded will be secured solely by the applicable cash and Defeasance Securities on deposit in the Escrow Fund. See “VERIFICATION OF MATHEMATICAL CALCULATIONS” herein.

Simultaneously with the issuance and delivery of the 2017 Series D Bonds and the refunding of the Bonds to be Refunded, the University expects to terminate the swap agreement (the “2008 Swap Agreement”) entered into in connection with the Authority’s Revenue Bonds, Seton Hall University Issue, 2005 Series C, which were refunded, in part, by the Bonds to be Refunded. A portion of the proceeds of the 2017 Series D Bonds will be applied to pay the termination payment required to be made by the University pursuant to the terms of the 2008 Swap Agreement. See “ESTIMATED SOURCES AND USES OF FUNDS” herein.

2017 SERIES BONDS

The following summary describes the terms of the 2017 Series Bonds. Any reference herein to the 2017 Series Bonds or to the Indenture or other similar documents shall be deemed to mean the 2017 Series Bonds or the documents related thereto, unless the context or use clearly indicates otherwise.

General

The 2017 Series D Bonds are to be issued in the aggregate principal amount as set forth on the cover page hereof. The 2017 Series E Bonds are to be issued in the aggregate principal amount as set forth on the cover page hereof. The 2017 Series Bonds shall be dated and bear interest from their date of delivery, payable initially on January 1, 2018 and semi-annually thereafter on July 1 and January 1 of each year, at the rates per annum, and shall mature in the amounts, set forth on the inside cover page of this Official Statement.

Interest on the 2017 Series Bonds will be computed on the basis of a 360-day year based on twelve 30-day months. The 2017 Series Bonds will be issued as fully-registered bonds in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of DTC. The 2017 Series Bonds may be purchased by the beneficial owners in denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination").

Principal of and redemption premium, if any, and interest on the 2017 Series Bonds will be paid by the Trustee. Principal of the 2017 Series Bonds is payable upon presentation by the Holders thereof as the 2017 Series Bonds become due and payable. Except as otherwise provided in the Indenture, interest on the 2017 Series Bonds will be payable on each Interest Payment Date by the Trustee by check mailed on the date on which interest is due to the Holders of the 2017 Series Bonds at the close of business on the Record Date in respect of such Interest Payment Date at the registered addresses of such Holders as they appear on the registration books maintained by the Trustee. The Record Date with respect to any Interest Payment Date for the 2017 Series Bonds shall be the fifteenth (15th) day of the calendar month immediately preceding that Interest Payment Date. Notwithstanding the foregoing, so long as records of ownership of the 2017 Series Bonds are maintained through the book-entry-only system, all payments to the Beneficial Owners of such 2017 Series Bonds will be made in accordance with the procedures described under the heading "2017 SERIES BONDS - Book-Entry-Only System."

Book-Entry-Only System

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

DTC and its Participants. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants (the "Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and

other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between DTC Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others, such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (the "Indirect Participants" and, together with the Direct Participants, the "Participants"). DTC has Standard & Poor's rating of AA+. The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

Notices. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2017 Series Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as practicable after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2017 Series Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

Discontinuance of Book-Entry-Only System. In the event (i) DTC determines not to continue to act as securities depository for the 2017 Series Bonds or (ii) the Authority, with the consent of the University and the Trustee, determines in accordance with the terms of the Indenture that (a) DTC is incapable of discharging its duties or (b) it is in the best interests of the holders of the 2017 Series Bonds not to continue the book-entry-only system or that interests of the Beneficial Owners of the 2017 Series Bonds might be adversely affected if the book-entry-

only system is continued, then the Authority will discontinue the book-entry-only system with DTC. Upon the occurrence of the event described in (i) or (ii)(a) above, the Authority will attempt to locate another qualified securities depository. If the Authority fails to identify another qualified securities depository to replace DTC or makes the determination noted in (ii)(b) above, the Trustee will authenticate and deliver the 2017 Series Bonds in accordance with the Indenture.

No Assurance Regarding DTC Practices

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

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

Neither the Authority nor the Trustee will have any responsibility or obligation to the Participants, DTC or the persons for whom they act with respect to (i) the accuracy of any records maintained by DTC or by any Direct or Indirect Participant of DTC, (ii) payments or the providing of notice to Direct Participants, the Indirect Participants or the Beneficial Owners, (iii) the selection by DTC or by any Direct or Indirect Participant of any Beneficial Owner to receive payment in the event of a partial redemption of the 2017 Series Bonds or (iv) any other action taken by DTC or its partnership nominee as owner of the 2017 Series Bonds.

Redemption

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

Optional Redemption

The 2017 Series D Bonds maturing on or after July 1, 20__ are subject to optional redemption on any date on or after July 1, 20__ at the option of the Authority with the written consent of the University, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date of redemption.

Extraordinary Optional Redemption

The 2017 Series Bonds shall be subject to redemption prior to maturity, in whole or in part at the option of the Authority at any time, or from time to time, with written notice to the University, at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date, without premium, in the event that any one or more of the following events shall have occurred: (i) title to, or the temporary use of, all or a material portion of the Project Facilities (as defined in the Loan Agreement) shall have been taken under the exercise of the power of eminent domain by, or sold in lieu thereof to, any governmental authority, or person, firm or corporation acting under governmental authority, which taking or sale prevents or is likely to prevent the carrying on of normal operations of the Project Facilities for a period of at least twelve months; or (ii) the Project Facilities are rendered untenable by any

cause whatsoever including, but not limited to, a hazard against which insurance is required to be maintained in accordance with the Loan Agreement.

Mandatory Sinking Fund Redemption

The 2017 Series D Bonds maturing on July 1, 20[] shall be redeemed through mandatory sinking fund installments in part on July 1 in each of the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date:

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

\$

*

*Final maturity

The 2017 Series E Bonds maturing on July 1, 20[] shall be redeemed through mandatory sinking fund installments in part on July 1 in each of the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date:

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

\$

*

*Final maturity

The 2017 Series Bonds subject to mandatory sinking fund redemption are subject, however, to the provision that the principal amount of any partial redemption of the 2017 Series Bonds pursuant to any optional redemption (the "Prior Non-Mandatory Redemptions") shall at the election of the Authority, with the consent of the University, be credited against and reduce the obligation of the Authority to effect mandatory scheduled sinking fund redemption requirements for the 2017 Series Bonds. Such election shall be exercised by delivery to the Trustee of written notice from the Authority, with the consent of the University, that the Authority elects to credit Prior Non-Mandatory Redemptions which have not been previously credited against mandatory sinking fund redemption requirements for the 2017 Series Bonds, which notice shall designate the mandatory sinking fund redemption installments to be reduced by date and the principal amount of such reductions.

Make-Whole Redemption

The 2017 Series E Bonds are subject to make-whole redemption prior to maturity by written direction of the Authority, in whole or in part, on any Business Day, at the "Make-Whole Redemption Price" (as defined below).

The “Make-Whole Redemption Price” is the greater of (i) 100% of the principal amount of the 2017 Series E Bonds to be redeemed or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the 2017 Series E Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2017 Series E Bonds are to be redeemed, discounted to the date on which the 2017 Series E Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the adjusted “Treasury Rate” (as defined below), plus ___ basis points, plus, in each case, accrued and unpaid interest on the 2017 Series E Bonds to be redeemed on the redemption date.

The “Treasury Rate” will be, as of the redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least five (5) Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the 2017 Series E Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one (1) year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one (1) year will be used.

Selection of 2017 Series Bonds for Redemption

In the case of any redemption in part of the 2017 Series Bonds, the 2017 Series Bonds to be redeemed will be selected by the Trustee, subject to the requirements of the Indenture. Upon any redemption of 2017 Series Bonds in part, there will be no partial redemption of less than \$5,000. If less than all of the 2017 Series Bonds outstanding are called for redemption under any provision of the Indenture permitting partial redemption, the particular maturity or maturities of the 2017 Series Bonds to be redeemed will be selected by the Authority with the consent of the University. If less than all of the 2017 Series Bonds outstanding of any maturity shall be called for redemption, such 2017 Series Bonds shall be selected by the Trustee, in such manner as the Trustee, in its discretion, may deem fair and appropriate consistent with industry standards and the requirements of the Indenture, provided, however (a) that a portion of any 2017 Series Bond to be redeemed under the Indenture shall be in the principal amount of \$5,000 or any multiple thereof; (b) that, in selecting 2017 Series Bonds for redemption, the Trustee shall treat each 2017 Series Bond as representing that number of 2017 Series Bonds that is obtained by dividing the principal amount of such 2017 Series Bond by \$5,000; and (c) that, to the extent practicable, the Trustee will not select any 2017 Series Bond for partial redemption if the amount of such 2017 Series Bond remaining Outstanding would be reduced by such partial redemption to less than the Authorized Denomination. If there shall be called for redemption less than all of a 2017 Series Bond, the Authority shall execute and deliver and the Trustee shall authenticate, upon surrender of such 2017 Series Bond, and at the expense of the University and without charge to the owner thereof, a replacement 2017 Series Bond in the principal amount of the unredeemed balance of the 2017 Series Bond so surrendered.

Notice of Redemption

Notice of any redemption of the 2017 Series Bonds pursuant to the Indenture, either in whole or in part, will be sent by the Trustee by mail, postage prepaid, not less than thirty (30) days (or, in the case of acceleration of the 2017 Series Bonds following an Event of Default under the Indenture, seven (7) days) (See "APPENDIX C – FORM OF CERTAIN LEGAL DOCUMENTS" hereto), but not more than sixty (60) days prior to the proposed redemption date, to all holders of the 2017 Series Bonds to be redeemed at their addresses as they appear on the registration books of the Trustee. Failure to give such notice to any holder or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other 2017 Series Bonds. Each notice will: (i) specify the principal amount of the 2017 Series Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable (which will be the Principal Office of the Trustee) and, if less than all of the 2017 Series Bonds are to be redeemed, the numbers and portions of the 2017 Series Bonds to be redeemed; (ii) state any condition to the redemption; and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the 2017 Series Bonds redeemed will cease to bear interest. CUSIP number identification will accompany all redemption notices.

Negotiable Instruments

The 2017 Series Bonds issued pursuant to the Act are fully negotiable within the meaning of the Uniform Commercial Code of the State, subject only to the provision for registration contained in the 2017 Series Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the 2017 Series Bonds will be applied approximately as follows:

Sources of Funds:	<u>2017 Series D</u>	<u>2017 Series E</u>
Principal Amount of 2017 Series Bonds	\$	\$
Net Original Issue Premium		
Other Available Funds		
Total Sources of Funds	\$	\$
Uses of Funds:		
Deposit to Escrow Fund	\$	\$
Swap Termination Payment		
Deposit to 2017 Construction Fund		
Deposit to Capitalized Interest Account within 2017 Construction Fund		
Costs of Issuance †		
Total Uses of Funds	\$	\$

† Includes fees and expenses of Bond Counsel, the Authority, University counsel, the Underwriters, Municipal Advisor, the Verification Agent, the Trustee, rating agency fees, and other costs associated with the 2017 Series Bonds.

SECURITY FOR THE 2017 SERIES BONDS

Special and Limited Obligations

The 2017 Series Bonds are special and limited obligations of the Authority and are payable from and secured solely by the Pledged Property (defined below) pledged under the Indenture derived by the Authority from the Loan Agreement and the Note (including the payments made thereunder), and by other funds pledged under the Indenture.

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

As defined in the Indenture, “Revenues” are (i) all Basic Loan Payments, (ii) all amounts received by the Authority in respect of any entry of the Project Facilities, or portion thereof, pursuant to the Loan Agreement; (iii) any amount directed to be transferred to or deposited in the Construction Fund and the Debt Service Fund pursuant to the Indenture; (iv) all other moneys when received by the Trustee for deposit into the Construction Fund and the Debt Service Fund including prepayments, insurance proceeds and condemnation proceeds; and (v) all interest, profits or other income derived from the investment of amounts in any fund or account

established pursuant to the Indenture, but not including any administrative fees or expenses or any moneys required to be deposited in the Rebate Fund, the Additional Loan Payments Fund or the Project Fund.

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

The Loan Agreement

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

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

Term of the Loan Agreement. The Loan Agreement shall continue in full force and effect until the date on which the principal of, redemption premium (if any) and interest on the 2017 Series Bonds, and all other obligations under the Loan Agreement shall have been fully paid or provision for the payment thereof shall have been made as provided by the Indenture, at which time the Authority shall release and cancel the Loan Agreement.

Obligations of University Unconditional. For the term of the Loan Agreement, the obligations of the University to make the payments required to be made thereunder and to perform and observe the other agreements on its part contained in the Loan Agreement shall be

absolute and unconditional and shall not be subject to diminution by set-off, counterclaim, abatement or otherwise.

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

Prior Liens and Pledges and Covenants Relating To Pledges

Upon the issuance of the 2017 Series Bonds, in addition to its obligations under the Loan Agreement, the University will be obligated pursuant to applicable loan agreements entered into with the Authority, to repay loans made to the University by the Authority from the proceeds of the Authority's: (i) Revenue Bonds, Seton Hall University Issue, 2011 Series A (which are currently outstanding in the aggregate principal amount of \$10,330,000) (the "2011 Series A Bonds"); (ii) Revenue Bonds, Seton Hall University Issue, 2013 Series D (which are currently outstanding in the aggregate principal amount of \$40,360,000) (the "2013 Series D Bonds"); (iii) Revenue Refunding Bonds, Seton Hall University Issue, 2015 Series C (which are currently outstanding in the aggregate principal amount of \$21,520,000) (the "2015 Series C Bonds"); and (iv) Revenue Bonds, Seton Hall University Issue, 2016 Series C (which are currently outstanding in the aggregate principal amount of \$36,265,000) (the "2016 Series C Bonds", and together with the 2008 Series D Bonds, the 2011 Series A Bonds, the 2013 Series D Bonds and the 2015 Series C Bonds, the "Prior Bonds"). Pursuant to the respective loan agreements, the University has a general obligation to satisfy its repayment obligations with respect to the Prior Bonds.

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

Pursuant to the Loan Agreement, the University has a general obligation to satisfy its repayment obligations with respect to the 2017 Series Bonds. The University has covenanted and agreed in the Loan Agreement that so long as the 2017 Series Bonds are outstanding, the University shall not pledge or create or suffer to be created or exist upon tuition any additional lien, security interest or restriction; provided, however, that the University may seek the Authority's consent to create such pledge of tuition and provided further that if the Authority provides its written consent (which consent shall not be unreasonably withheld) to same, then such pledge of tuition shall secure, on a parity basis, the University's payment obligations under the Loan Agreement and such other obligations for which such consent was requested.

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

Additional Parity Obligations

Under the Loan Agreement and pursuant to the Indenture, the University, with prior notice to the Authority, may enter into one or more Swap Agreements. Pursuant to the Indenture, such Swap Agreements may be secured on parity with the University's payment obligations under the Loan Agreement.

ESTIMATED ANNUAL DEBT SERVICE

Estimated Annual Debt Service Requirements on the 2017 Series Bonds and Other Issues⁽¹⁾⁽²⁾

12 MONTHS ENDING JUNE 30	OTHER ISSUES ⁽³⁾⁽⁴⁾⁽⁵⁾	2017 SERIES D PRINCIPAL	2017 SERIES D INTEREST	2017 SERIES E PRINCIPAL	2017 SERIES E INTEREST ⁽⁶⁾	TOTAL
2018						
2019						
2020						
2021						
2022						
2023						
2024						
2025						
2026						
2027						
2028						
2029						
2030						
2031						
2032						
2033						
2034						
2035						
2036						
2037						
2038						
2039						
2040						
2041						
2042						
2043						
2044						

12 MONTHS ENDING JUNE 30	OTHER ISSUES ⁽³⁾⁽⁴⁾⁽⁵⁾	2017 SERIES D PRINCIPAL	2017 SERIES D INTEREST	2017 SERIES E PRINCIPAL	2017 SERIES E INTEREST ⁽⁶⁾	TOTAL
2045						
2046						

Total

(1) As of June 1, 2017. Fiscal year 2017 reflects full principal and interest payments for the year.

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

(3) Principal and interest payable on July 1 of each year (excluding the Bonds to be Refunded) is included in the preceding year ending June 30 and principal and interest payable in the first 7 calendar days of July of each year with respect to the Bonds to be Refunded is included in the preceding year ending June 30.

(4) Includes the Bonds to be Refunded, the 2011 Series A Bonds, the 2013 Series D Bonds, the 2015 Series C Bonds, the 2016 C Bonds and the University's portion of the 2006 A Capital Improvement Fund Bonds, the 2014 B Capital Improvement Fund Bonds, the 2014 D Capital Improvement Fund Bonds, the 2014 B Equipment Leasing Fund Bonds, the 2016 A Capital Improvement Fund Bonds and the 2016 B Capital Improvement Fund Bonds.

(5) Interest on the Bonds to be Refunded is assumed to accrue at the rates of 2.57% per annum for the unhedged portion of the debt service and 3.43% per annum and 3.435% per annum for the hedged portions of debt service.

(6) A portion of the proceeds of the 2017 Series E Bonds is being applied to fund capitalized interest through August 1, 2018.

LITIGATION

The Authority

There is not now pending or, to the knowledge of the Authority, threatened any proceeding or litigation restraining or enjoining the issuance or delivery of the 2017 Series Bonds or questioning or affecting the validity of the 2017 Series Bonds or the proceedings or authority under which the 2017 Series Bonds are to be issued. There is no litigation pending or, to the knowledge of the Authority, threatened that in any manner questions the right of the Authority to adopt the Resolution, to enter into the Loan Agreement and the Indenture or to secure the 2017 Series Bonds in the manner herein described.

The University

There is not now pending or, to the knowledge of the University, threatened any proceeding or litigation contesting the Project, the Loan Agreement or the 2017 Series Bonds or the ability of the University to perform its obligations under the Loan Agreement, nor is there any litigation now pending or, to the knowledge of the University, threatened which, if adversely determined, would materially adversely affect the financial condition or operations of the University, the transactions described in this Official Statement or the validity of the 2017 Series Bonds or the Loan Agreement.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P") have provided ratings for the 2017 Series Bonds of "[]" and "[]", respectively. These ratings reflect only the views of such organizations, and an explanation of the significance of such ratings may be obtained only from the rating agency furnishing such rating. There is no assurance that such ratings will be maintained for any given period of time or that such ratings will not be revised downward, suspended or withdrawn entirely by such rating agencies if, in their sole judgment, circumstances so warrant. Any such downward revision, suspension or withdrawal of such ratings may have an adverse effect on the market price or marketability of the 2017 Series Bonds.

VERIFICATION OF MATHEMATICAL CALCULATIONS

American Municipal Tax-Exempt Compliance (the "Verification Agent") will deliver to the Authority on or before the date of issuance of the 2017 Series D Bonds, its verification report indicating that it has verified from the information provided to them the mathematical accuracy, as of the date of delivery of the 2017 Series D Bonds, of (i) the computations contained in the provided schedules to determine that the maturing principal amounts of the Defeasance Securities to be deposited into the Escrow Fund, and the interest payments to be made thereon, together with other available amounts on deposit in the Escrow Fund, will be sufficient to pay, when due, the principal or Redemption Price of and interest on the Bonds to be Refunded and (ii) the mathematical computations supporting the conclusion of Bond Counsel that the 2017 Series D Bonds are not "arbitrage bonds" under Section 148 of the Code. The Verification Agent will express no opinion on the assumptions provided to it.

MUNICIPAL ADVISOR

Phoenix Advisors LLC (the “Municipal Advisor”) has acted as municipal advisor to the Authority concerning the 2017 Series Bonds, and will receive compensation contingent upon the sale and delivery of the 2017 Series Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of, or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the Appendices hereto. The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

UNDERWRITING

Pursuant to the terms of a contract of purchase by and among Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the underwriters of the 2017 Series Bonds shown on the cover page hereof (the “Underwriters”), the Authority and the University, (i) the 2017 Series D Bonds are being purchased at an aggregate purchase price of \$[_____] (said purchase price reflects the par amount of the 2017 Series D Bonds, plus net original issue premium of \$[_____] and less an Underwriters’ discount of \$[_____]) and (ii) the 2017 Series E Bonds are being purchased at an aggregate purchase price of \$[_____] (said purchase price reflects the par amount of the 2017 Series Bonds, less an Underwriters’ discount of \$[_____]). The Underwriters will be obligated to purchase all of the 2017 Series Bonds if any 2017 Series Bonds are purchased. The Underwriters intend to offer the 2017 Series Bonds to the public initially at the reoffering yields set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters may offer and sell the 2017 Series Bonds to certain dealers (including dealers depositing the 2017 Series Bonds into investment trusts) at yields higher than the public reoffering yields.

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

CONTINUING DISCLOSURE

Pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), on the date of delivery of the 2017 Series Bonds, the University will enter into an undertaking in the form of a Continuing Disclosure Agreement, with the Trustee as dissemination agent, substantially in the form included as APPENDIX D to this Official

Statement, in which the University will covenant, for the benefit of the holders of the 2017 Series Bonds, to provide or cause a dissemination agent to provide certain financial information and operating data and notice of certain enumerated events to the Municipal Securities Rulemaking Board through its electronic data program, Electronic Municipal Market Access (“EMMA”), or such other program required by Rule 15c2-12.

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

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

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

Although the University’s annual financial information and operating data for the year ended June 30, 2012 were filed in a timely manner with regard to certain outstanding bonds of the University, such information and data was not timely linked to the University’s 2008 Series D Bonds or 2008 Series E Bonds.

The University is now in compliance with all previous undertakings to provide continuing disclosure in compliance with the requirements of Rule 15c2-12.

TAX MATTERS

Section 103(a) of the Internal Revenue Code of 1986, as amended (the “Code”), provides that interest on the 2017 Series D Bonds is not included in gross income for federal income tax purposes only if certain requirements are met. In their Arbitrage and Tax Certificates (the “Tax Certificates”), which will be delivered in connection with the issuance of the 2017 Series D Bonds, the Authority and the University will make certain representations, certifications of fact and statements of reasonable expectation in connection with the issuance of the 2017 Series D Bonds and certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of the interest on the 2017 Series D Bonds from gross income under Section 103(a) of the Code.

In the opinion of McManimon, Scotland & Baumann, LLC (“Bond Counsel”), under existing statutes, regulations, administrative pronouncements and judicial decisions, and in reliance on the representations, certifications of fact and statements of reasonable expectation made by the Authority and the University in their Tax Certificates and assuming compliance by the Authority and the University with their ongoing covenants in the Tax Certificates, interest on the 2017 Series D Bonds is not included in the gross income of the owners thereof for federal

income tax purposes pursuant to the Code and is not an item of tax preference to be included in calculating alternative minimum taxable income under the Code for purposes of the alternative minimum tax imposed with respect to individuals and corporations. Bond Counsel is also of the opinion that interest on the 2017 Series D Bonds held by corporate taxpayers is included in “adjusted current earnings” in calculating alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on corporations.

Certain Federal Tax Consequences Relating to the 2017 Series D Bonds

Although interest on the 2017 Series D Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the 2017 Series D Bonds may otherwise affect the federal income tax liability of the recipient. The nature and extent of these other tax consequences will depend upon the recipient’s particular tax status or other items of income or deduction. Bond Counsel expresses no opinion regarding any such consequences. Purchasers of the 2017 Series D Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions and certain recipients of Social Security benefits, are advised to consult their own tax advisors as to the tax consequences of purchasing or holding the 2017 Series D Bonds.

Bank Qualification

The 2017 Series D Bonds will not be designated as qualified under Section 265 of the Code by the Authority for an exemption from the denial of deduction for interest paid by financial institutions to purchase or to carry tax-exempt obligations.

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

New Jersey Gross Income Tax

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

Future Events

Tax legislation, administrative action taken by tax authorities and court decisions, whether at the federal or State level, may adversely affect the exclusion from gross income of interest on the 2017 Series D Bonds for federal income tax purpose, or the exclusion of interest on and any gain realized on the sale of the 2017 Series Bonds under the existing New Jersey Gross Income Tax Act, and any such legislation, administrative action or court decisions could adversely affect the market price or marketability of the 2017 Series Bonds.

EACH PURCHASER OF THE 2017 SERIES BONDS SHOULD CONSULT HIS OR HER OWN ADVISOR REGARDING ANY CHANGES IN THE STATUS OF PENDING OR PROPOSED FEDERAL OR NEW JERSEY STATE TAX LEGISLATION, ADMINISTRATIVE ACTION TAKEN BY TAX AUTHORITIES OR COURT DECISIONS.

ALL POTENTIAL PURCHASERS OF THE 2017 SERIES BONDS SHOULD CONSULT WITH THEIR TAX ADVISORS IN ORDER TO UNDERSTAND THE IMPLICATIONS OF THE CODE.

OTHER LEGAL MATTERS

Legal matters incident to the authorization and issuance of the 2017 Series Bonds are subject to the approving opinion of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon for the University by its counsel, Connell Foley LLP, Roseland, New Jersey. Certain legal matters will be passed upon for the Underwriters by their counsel, Chiesa Shahinian & Giantomasi PC, West Orange, New Jersey.

LEGALITY FOR INVESTMENT

Pursuant to the Act, all bonds, notes and other obligations issued by the Authority under the provisions of the Act, including the 2017 Series Bonds, are securities in which the State and all political subdivisions of the State, their officers, boards, commissions, departments or other agencies, all banks, bankers, savings banks, trust companies, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, all administrators, executors, guardians, trustees and other fiduciaries, and all other persons whatsoever who now or hereafter may be authorized to invest in bonds or other obligations of the State, may properly and legally invest any funds, including capital belonging to them or within their control. Bonds, notes or other securities or obligations of the Authority are also securities that may properly and legally be deposited with and received by any State or municipal officer or agency of the State for any purpose for which the deposit of bonds or other obligations of the State are authorized by law.

PLEDGE OF STATE NOT TO AFFECT RIGHTS OF BONDHOLDERS

Pursuant to the provisions of the Act, the State has pledged to and agrees with the holders of the 2017 Series Bonds issued pursuant to authority contained in the Act, and with those parties who may enter into contracts with the Authority pursuant to the provisions of the Act, that the State will not limit, alter or restrict the rights vested by the Act in the Authority and the participating colleges (as defined in the Act) to maintain, construct, reconstruct and operate any project (as defined in the Act) or to establish and collect such rents, fees, receipts or other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the Bondholders authorized by the Act, and with the parties who may enter into contracts with the Authority pursuant to the provisions of the Act, or in any way impair the rights or remedies of such Bondholders or such parties until the 2017 Series Bonds, together with interest thereon, are

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

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

The financial statements of the University as of June 30, 2016 and 2015 and for the years then ended, included as APPENDIX B in this Official Statement, have been audited by Grant Thornton LLP, independent certified public accountants, as stated in their report appearing therein.

MISCELLANEOUS

The references herein to the provisions of the Act, the Resolution, the Indenture, the Loan Agreement, the Continuing Disclosure Agreement and the 2017 Series Bonds do not purport to be complete and are made subject to the detailed provisions thereof to which reference is hereby made. Copies of the above referenced documents are available for inspection at the office of the Authority.

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

Appendices A, B, C, D and E attached to this Official Statement are hereby expressly incorporated as a part hereof. The Authority has not participated in the making of statements contained within this Official Statement other than the information under the headings, "THE AUTHORITY" and "LITIGATION – The Authority", and does not represent that any such statements are accurate or complete for purposes of investors making an investment decision with respect to the 2017 Series Bonds. Except as otherwise stated, the Authority makes no representations or warranties whatsoever with respect to the information contained herein. The Official Statement is not to be construed as a contract or agreement between or among the Authority, the University, the Underwriters or the Beneficial Owners of any of the 2017 Series Bonds.

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

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

Information herein regarding DTC has been provided by DTC.

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

SETON HALL UNIVERSITY

**NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY**

By: _____

By: _____

Jeremy A. Spector
Executive Director

Dated: [_____] , 2017

APPENDIX A

**CERTAIN INFORMATION REGARDING
SETON HALL UNIVERSITY**

APPENDIX B

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

APPENDIX C

FORMS OF CERTAIN LEGAL DOCUMENTS

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

\$[]
New Jersey Educational Facilities Authority
\$ __, __, 000 Revenue Refunding Bonds, Seton Hall University Issue,
2017 Series D (Tax-Exempt)
and
\$ __, __, 000 Revenue Bonds, Seton Hall University Issue,
2017 Series E (Federally Taxable)

BOND PURCHASE AGREEMENT

June [], 2017

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

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

Dear Ladies and Gentlemen:

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

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

1. Purchase and Sale of 2017 Series Bonds.

Upon the terms and conditions and upon the basis of the representations, warranties and covenants herein, the Underwriters hereby agree to purchase from the Authority, and the Authority hereby agrees to sell to the Underwriters \$[] aggregate principal amount of the Authority's Revenue Refunding Bonds, Seton Hall University Issue, 2017 Series D (Tax-Exempt) (the "2017 Series D Bonds") and \$[] aggregate principal amount of the Authority's Revenue Bonds, Seton Hall University Issue, 2017 Series E (Federally Taxable) (the "2017 Series E Bonds" and, together with the 2017 Series D Bonds, the "2017 Series Bonds" or

the “Bonds”) at the rates and in the amounts as attached hereto as Exhibit A, to be issued under and pursuant to a resolution duly adopted by the Authority on May 23, 2017 (the “Resolution”), and a Trust Indenture, dated as of June 1, 2017 (the “Indenture”), by and between the Authority and U.S. Bank National Association, Morristown, New Jersey (the “Trustee”). The 2017 Series D Bonds are being purchased at a purchase price equal to \$[] (representing \$[].00 being the principal par amount thereof, plus net original issue premium in the amount of \$[], and less an Underwriters’ discount in the amount equal to \$[]). The 2017 Series E Bonds are being purchased at a purchase price equal to \$[] (representing \$[].00 being the principal par amount thereof, less an Underwriters’ discount in the amount equal to \$[]). The obligations of the Authority to sell, and of the Underwriters to purchase hereunder, are with respect to all (but not less than all) of the 2017 Series Bonds. The purchase price shall be paid in accordance with Section 8 hereof by the Underwriters at the Closing (as hereinafter defined).

2. Purpose of 2017 Series Bonds.

The 2017 Series D Bonds are being issued to provide funds which will be used to undertake a project consisting of: (a) refunding of all of the Authority’s outstanding Revenue Refunding Bonds, Seton Hall University Issue, 2008 Series D (the “Bonds to be Refunded”) (including the payment of any applicable swap termination payments) and (b) paying certain costs of issuance of the 2017 Series D Bonds (collectively, the “Refunding Project”). The 2017 Series E Bonds are being issued for the purpose of providing funds to: (a) finance the renovation and equipping of an approximately 412,000 sq. ft. building and an approximately 65,000 sq. ft. building to be used for medical and non-medical education, research and clinical administration, offices and uses ancillary thereto; (b) fund capitalized interest for the 2017 Series E Bonds through [January 1, 2019]; (c) fund working capital for the University and (d) pay certain costs of issuance of the 2017 Series E Bonds (collectively, the “Capital Project” and, together with the Refunding Project, the “Project”).

The 2017 Series Bonds shall be issued pursuant to the provisions of the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Laws of 1967, as amended and supplemented (the “Act”), the Resolution and the Indenture. The 2017 Series Bonds shall be issued under and secured as provided therein, shall be dated, shall mature, shall be redeemable and shall otherwise be as described in the Resolution and the Indenture. The 2017 Series Bonds will be issued in the denominations provided in the Indenture and shall be fully registered in the form authorized by the Indenture.

Pursuant to Executive Order No. 9 (Codey 2004), dated and effective as of December 6, 2004, it is the policy of the State of New Jersey (the “State”) that in all cases where bond underwriting services are or may be required by the State or any of its departments, agencies or independent authorities, including the Authority, such department, agency or independent authority shall deal directly with the principals of the underwriting firms or their registered lobbyists. The department, agency or independent authority shall not discuss, negotiate or otherwise interact with any third-party consultant, other than principals of underwriting firms and their registered lobbyists, with respect to the possible engagement of the firm to provide

bond underwriting services. Compliance with Executive Order No. 9 (Codey 2004) is a material term and condition of this Bond Purchase Agreement and binding upon the parties hereto.

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

3. Delivery of the 2017 Series Bonds; Public Offering of the 2017 Series Bonds.

The Underwriters hereby agree to make a bona fide public offering of all the 2017 Series Bonds at prices no higher than, or yields no lower than, those shown on the inside cover page of the Official Statement, but the Underwriters reserve the right to lower such initial prices as it shall deem necessary in connection with the marketing of the 2017 Series Bonds. The Underwriters may offer and sell the 2017 Series Bonds to certain dealers (including dealers depositing the 2017 Series Bonds into investment trusts) and others at prices lower than the initial public offering price or prices set forth on the inside cover page of the Official Statement. The Underwriters reserve the right: (i) to over-allot or effect transactions which stabilize or maintain the market price of the 2017 Series Bonds at levels above those which might otherwise prevail in the open market, and (ii) to discontinue such stabilizing, if commenced, at any time without prior notice.

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

The Authority has previously authorized the distribution of the Preliminary Official Statement, dated June [], 2017, relating to the 2017 Series Bonds (the "Preliminary Official Statement"), which the Authority hereby "deems final" as of its date within the meaning of Rule 15c2-12 promulgated under the provisions of the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"). The official statement of the Authority relating to the 2017 Series Bonds shall be dated the date hereof and shall be in substantially the form of the Preliminary Official Statement, with such additions, deletions and modifications thereto as may be approved by the

Representative and an Authorized Officer, with execution of such official statement by an Authorized Officer being conclusive as to approval. The final official statement as executed, together with the cover and inside cover pages, any and all appendices, exhibits, reports and summaries included therein or attached thereto, and any amendments or supplements thereto that may be authorized for use by the Authority with respect to the 2017 Series Bonds, is hereinafter referred to as the "Official Statement." The Authority shall deliver or cause to be delivered to the Underwriters, within seven (7) business days after the date of this Bond Purchase Agreement (but in no event later than two (2) business days prior to the Closing), an electronic copy, subject to customary disclaimers regarding the transmission of electronic copies, of the Official Statement in the currently required designated format stated in the Municipal Securities Rulemaking Board ("MSRB") Rule G-32 and the EMMA Dataport Manual (as hereinafter defined). By acceptance of this Bond Purchase Agreement, the Authority authorizes the use by the Underwriters of the Official Statement in connection with the public offering and sale of the 2017 Series Bonds. Within one (1) business day after the receipt of the Official Statement from the Authority, but in no event later than the date of the Closing, the Representative shall, at its own expense, submit the Official Statement to EMMA (as hereinafter defined). The Representative will comply with the provisions of MSRB Rule G-32 as in effect on the date hereof, including without limitation the submission of Form G-32 and the Official Statement and notify the Authority of the date on which the Official Statement has been filed with EMMA.

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

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

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

4. Establishment of Issue Price.

The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Authority, the University and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. [All actions to be taken by the Authority under this Section 4 to establish the issue price of the Bonds may be taken on

behalf of the Authority by Phoenix Advisors, LLC (the "Municipal Advisor") identified herein and any notice or report to be provided to the Authority may be provided to the Municipal Advisor.]

[Except as otherwise set forth in Exhibit A attached hereto,] the Authority will treat the first price at which 10% of each maturity of the Bonds (the "10% test" [see drafter's note below]) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Representative shall report to the Authority the price or prices at which the Underwriters have sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Representative agrees to promptly report to the Authority the prices at which Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

[Exhibit A and subsection (C) shall apply only if the Representative agrees to apply the hold-the-offering-price rule, as described below.]

The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule [I] attached hereto, except as otherwise set forth therein. Schedule [I] also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- i. the close of the fifth (5th) business day after the sale date; or
- ii. the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the Authority when the Underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Authority acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each of the Underwriters to

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

The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

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

(A) “public” means any person other than an underwriter or a related party,

- (B) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (C) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (D) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

5. Representations, Warranties and Agreements of the Authority.

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

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

(b) The Authority has complied with all provisions of the laws of the State pertaining to the authorization, sale and issuance of the 2017 Series Bonds, including the Act, and no further approvals are necessary to be obtained prior to the issuance of the 2017 Series Bonds and the Authority has full power and authority to: (i) execute and deliver the Official Statement; (ii) execute, issue, sell, deliver and perform its obligations under the 2017 Series Bonds; (iii) execute, deliver and perform its obligations under the Resolution, the Indenture, a Loan Agreement dated as of June 1, 2017 by and between the Authority and the University relating to the 2017 Series Bonds (the “Agreement”), the Escrow Deposit Agreement (the “Escrow Agreement”) dated as of June __, 2017 by and between the Authority and The Bank of New York Mellon, as escrow agent (the “Escrow Agent”) and this Bond Purchase Agreement; and (iv) carry out and consummate all transactions contemplated by the 2017 Series Bonds, the Resolution, the Indenture, the Agreement, the Official Statement, the Escrow Agreement, this Bond Purchase Agreement and the Arbitrage and Tax Certificate of the Authority dated the date of Closing (the “Authority’s Tax Certificate”) and any and all other agreements relating thereto.

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

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

(e) The 2017 Series Bonds, the Resolution, the Indenture, the Agreement, the Escrow Agreement, the Authority’s Tax Certificate and this Bond Purchase Agreement constitute, or upon execution will constitute, legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms except to the extent that (i) the enforcement thereof may be limited or affected by bankruptcy, insolvency, reorganization or other laws or equitable principles affecting creditors’ rights generally; and (ii) equitable remedies, such as specific performance and injunctive relief, being discretionary, may be denied in a particular instance, and the 2017 Series Bonds, when delivered to and paid for by the Underwriters at the Closing will be in conformity with the description thereof in the Official Statement and will be in conformance with, and entitled to the benefits of the provisions of the Act, the Resolution, the Indenture, the Escrow Agreement, the Authority’s Tax Certificate and the Agreement.

(f) Except as set forth in the Preliminary Official Statement and the Official Statement, to the knowledge of the Authority, as of the date hereof, there is not any action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board, governmental agency or body pending against the Authority, and, to the knowledge of the Authority, no such action is threatened against the Authority, in any way contesting or questioning the due organization and lawful existence of the Authority or the title of any of the officers or members of the Authority to their offices, or seeking to restrain or to enjoin the sale, issuance or delivery of the 2017 Series Bonds, or the pledging of revenues and other funds of the Authority referred to in the Indenture thereto, or in any way contesting or affecting the validity or enforceability of the 2017 Series Bonds, the Resolution, the Indenture, the Agreement, the Escrow Agreement, the Authority’s Tax Certificate or this Bond Purchase Agreement or contesting in any way the completeness or accuracy of the Official Statement, or contesting the powers of the Authority or its authority with respect to the 2017 Series Bonds, the Resolution, the Indenture, the Agreement, the Escrow Agreement, the Authority’s Tax Certificate or this Bond Purchase Agreement.

(g) The execution or adoption, as applicable, and delivery of, and performance of the Authority’s obligations under the Resolution, the Indenture, the Agreement, the Escrow Agreement, the Authority’s Tax Certificate and this Bond Purchase Agreement and

the other agreements contemplated thereby; the execution and delivery of the Official Statement; the sale, execution, issuance and delivery of the 2017 Series Bonds; and the consummation of all transactions to which the Authority is a party contemplated by the 2017 Series Bonds, the Resolution, the Indenture, the Agreement, the Escrow Agreement, the Authority's Tax Certificate, this Bond Purchase Agreement, and the Official Statement have been duly authorized by all necessary action on the part of the Authority and do not and will not conflict with the Act or constitute on the Authority's part a breach of or a default under any existing law or administrative regulation, decree or order or any agreement, indenture, mortgage, loan or other instrument to which the Authority is subject or by which the Authority is or may be bound.

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

(i) The Authority will pay or cause to be paid only from the proceeds of the 2017 Series Bonds, other available funds or other moneys provided by the University, all expenses incident to the performance of its obligations under this Bond Purchase Agreement and the fulfillment of the conditions imposed hereunder, including but not limited to, the cost of preparing, executing, printing, engraving, photocopying, mailing and delivery of the 2017 Series Bonds in the form required hereby, the Preliminary Official Statement, the Official Statement (not to exceed 250 copies) and the Indenture; the fees and disbursements of the Trustee and its counsel in connection with the issuance of the 2017 Series Bonds; the fees and disbursements of the Escrow Agent and its counsel; the fees and expenses of Bond Counsel; and the fees and expenses of obtaining credit ratings, municipal bond insurance, if any, or any attorneys, auditors, consultants or other parties retained by the Authority or University in connection with the transactions contemplated herein; any expenses incurred on behalf of the Authority's or the University's employees which are incidental to the issuance of the 2017 Series Bonds, including but not limited to meals, transportation and lodging of those employees; and all other expenses relating to the sale and delivery of the 2017 Series Bonds, except those expressly provided for in the following sentence. The Authority shall be under no obligation to pay any expenses incident to the performance of the obligations of the Underwriters hereunder, including fees and disbursements of Chiesa Shahinian & Giantomasi PC ("Counsel to the Underwriters"), "Blue Sky" filing fees or advertising expenses in connection with the public offering of the 2017 Series Bonds. If the Closing does not occur as a result of the failure of the University to meet its obligations under this Bond Purchase Agreement, the University shall pay all expenses incurred by the Authority and the Underwriters.

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

6. Representation, Warranties and Agreements of the University.

In order to induce the Underwriters to enter into this Bond Purchase Agreement and with full acknowledgment and appreciation of the fact that the investment value of the 2017 Series Bonds and the ability of the Underwriters to resell the 2017 Series Bonds are dependent upon the credit standing of the University, and in consideration of the foregoing and of the execution and

delivery of this Bond Purchase Agreement by the parties hereto, the University represents and warrants to and covenants with the Underwriters and the Authority as of the date hereof and as of the Closing that:

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

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

(c) The University has complied with all applicable laws of the State and has full power and authority to carry out and to consummate all transactions contemplated to be performed by it pursuant to the Agreement, the Tax Certificate of the University dated the date of Closing (the "University's Tax Certificate"), the Continuing Disclosure Agreement, dated the date of Closing, by and between the University and the Trustee, relating to the 2017 Series Bonds (the "Continuing Disclosure Agreement"), this Bond Purchase Agreement and any and all other agreements relating hereto and thereto (collectively, the "University Documents") and the Official Statement.

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

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

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

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

(h) [Reserved].

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

(j) Except as described in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any public board or body pending or, to the knowledge of the University, threatened against or affecting the University or any of its properties (or, to the best of the University's knowledge after due inquiry, dated the date hereof, any basis therefor) wherein an unfavorable decision, ruling or finding would have a material adverse effect on (i) the title of the University's officers to their respective offices, (ii) the existence or the organization of the University or any

power of the University, (iii) the validity of the proceedings for the adoption, authorization, execution, or repayment of the 2017 Series Bonds or its performance in connection with this Bond Purchase Agreement, the Official Statement or any University Documents, (iv) the validity or the enforceability of the 2017 Series Bonds, the Resolution, this Bond Purchase Agreement, the other University Documents or of any agreement or instrument to which the University is a party and which is used or contemplated for use in consummation of the transactions contemplated by this Bond Purchase Agreement, the Indenture, the Official Statement or the University Documents, or (v) the tax-exempt status of the 2017 Series D Bonds or the University.

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

(l) The University has been determined to be and is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), by virtue of being an organization described in Section 501(c)(3) of the Code, and is not a "private foundation" as defined in Section 509(a) of the Code. The University has not impaired its status as an organization exempt from federal income taxes under the Code and will not, while any of the 2017 Series Bonds remain outstanding, impair its status as a 501(c)(3) organization, as that term is used in Section 145 of the Code.

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

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

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

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

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

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

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

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

7. Representations, Warranties and Agreements of the Representative.

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

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

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

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

(d) For itself that it has not entered into and, based upon the representations and warranties received by the Representative from the other Underwriters under the AAU, it is not aware that any other Underwriter has entered into any undisclosed financial or business relationships, arrangements or practices required to be disclosed in the Official Statement

pursuant to Securities and Exchange Commission Release No. 33-7049; 3433741; FR-42; File No. S7-4-94 (March 9, 1994) or required to be disclosed in the Official Statement pursuant to MSRB rules.

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

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

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

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

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

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

8. Conditions to the Underwriters' Obligations.

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

(a) On the Closing Date, (i) the Resolution, the Indenture, the Agreement, the Continuing Disclosure Agreement, the Escrow Agreement, the Official Statement and this Bond Purchase Agreement shall have been duly adopted, authorized, executed, as appropriate, and delivered by the Authority and by the University, as appropriate, and each of the foregoing and all related official action of the Authority and of the University necessary to issue the 2017 Series Bonds shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Representative; (ii) the Authority and the University shall have duly adopted and there shall be in full force and effect such additional acts or agreements as shall, in the opinion of Bond Counsel, be necessary in connection with the transactions contemplated thereby; (iii) the Authority shall perform or have performed all of its obligations required under or specified in the Act to be performed at or prior to the Closing; (iv) the Official Statement shall not have been amended or supplemented, except in such manner as may have been agreed to by the Representative, the Authority and the University; (v) no Event of Default (as defined in the Indenture or in the Agreement) or event which, with the lapse of time or the giving of notice or both would constitute such an Event of Default, shall have occurred and be continuing; and (vi) the Resolution, the Indenture, the Agreement and the Continuing Disclosure Agreement shall be fully enforceable in accordance with their respective terms.

(b) The Underwriters shall not have elected to cancel their obligation hereunder to purchase the 2017 Series Bonds, which election shall be made by written notice to the Authority only if between the date hereof and the Closing: (i) any event shall have occurred that, in the reasonable judgment of the Representative, either (A) makes untrue or incorrect in any materially adverse respect any statement or information contained in the Official Statement or (B) is not reflected in the Official Statement, but should be reflected therein in order to make the statements and information contained therein not misleading in any materially adverse respect and such event, in the reasonable judgment of the Representative, is such as to materially and adversely affect (x) the marketability of the 2017 Series Bonds, or (y) the ability of the Underwriters to enforce confirmations of or contracts for the sale of the 2017 Series Bonds; or (ii) there shall have occurred any new outbreak of hostilities or other national or international calamity or crisis, the effect of which on the financial markets of the United States of America, in the reasonable judgment of the Representative, is such as to materially and adversely affect the ability of the Underwriters to enforce confirmations of or contracts for the sale of the 2017 Series Bonds; or (iii) there shall be in force a general suspension of trading on the New York Stock Exchange the effect of which on the financial markets is such as to materially and adversely affect the marketability of the 2017 Series Bonds; or (iv) a general banking moratorium shall have been declared by either federal or State authorities having jurisdiction and shall be in force; or (v) legislation shall have been enacted by the Congress of the United States or a final decision by a court of the United States of America shall be rendered, that has the effect of requiring the

2017 Series Bonds to be registered under the Securities Act of 1933, as amended, or requiring the Resolution or the Indenture to be qualified under the Trust Indenture Act of 1939, as amended; or (vi) a stop order, ruling or regulation by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made (which is beyond the control of the Underwriters or the Authority to prevent or avoid) to the effect that the issuance, offering or sale of the 2017 Series Bonds, as contemplated hereby or as described in the Official Statement, or any document relating to the issuance, offering or sale of the 2017 Series Bonds is or would be in violation of any provision of the Federal securities laws at Closing, including the Securities Act of 1933, as amended, or of the Trust Indenture Act of 1939, as amended; (vii) legislation shall be enacted by the Congress of the United States or any legislation, ordinance, rule or regulation shall be enacted by any governmental body, department or agency of the State or a final decision by a federal court (including the Tax Court of the United States) or a court of the State shall be rendered, or a final ruling, regulation or release or official statement by or on behalf of the President, the Treasury Department of the United States, the Internal Revenue Service or other federal or State agency shall be made, with respect to federal or State taxation upon revenues or other income of the general character of interest on the 2017 Series Bonds, or which would have the effect of changing directly or indirectly the federal or State income tax consequences of interest on bonds of the general character of the 2017 Series Bonds in the hands of the holders thereof and which, in the Representative's reasonable opinion, materially and adversely affects the marketability of the 2017 Series Bonds; or (viii) there shall have occurred since the date of this Bond Purchase Agreement any materially adverse change in the affairs or financial condition of the University, except for changes which the Official Statement discloses are expected to occur; or (ix) there shall have occurred any downgrading or withdrawal from a rating agency that, at the date of this Bond Purchase Agreement, has published a rating (or has been asked to furnish a rating on the 2017 Series Bonds) on any of the University's debt obligations, which action reflects a change in the ratings accorded any such obligations of the University (including any rating to be accorded the 2017 Series Bonds).

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

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

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

(ii) An opinion or opinions of Bond Counsel, dated the date of the Closing and addressed to the Authority and the Representative to the effect that: (A) the statements contained in the Official Statement in the sections captioned "INTRODUCTORY STATEMENT," "THE AUTHORITY," "PLAN OF FINANCING," "2017 SERIES BONDS" (excluding the subsections captioned "Book-Entry Only System" and "No Assurance Regarding DTC Practices"), "SECURITY FOR THE 2017 SERIES BONDS," "CONTINUING DISCLOSURE" (excluding the last two paragraphs thereof), "VERIFICATION OF MATHEMATICAL CALCULATIONS," "LEGALITY FOR INVESTMENT," "PLEDGE OF STATE NOT TO AFFECT RIGHTS OF BONDHOLDERS" and in APPENDIX C – "FORM OF CERTAIN LEGAL DOCUMENTS" and in APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT" thereto, insofar as such statements purport to summarize certain provisions of the Act, the 2017 Series Bonds, the Resolution, the Indenture, the Agreement, the Escrow Agreement and the Continuing Disclosure Agreement are reasonable summaries of such provisions, and the statements on the cover page relating to tax matters and under the section in the Official Statement captioned "TAX MATTERS," insofar as such statements purport to summarize certain provisions of tax law, regulations, rulings and notices, are reasonable summaries of the provisions so summarized; (B) based upon the participation of Bond Counsel in the preparation of the Official Statement and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement (except for the sections referred to specifically in clause (A) above), Bond Counsel has no reason to believe that, as of the date of the Official Statement and as of the date of Closing, the Official Statement (except for the financial, tabular and other statistical information included therein and except for the information under the headings "2017 SERIES BONDS-Book-Entry-Only System" and "No Assurance Regarding DTC Practices," "LITIGATION," "MUNICIPAL ADVISOR," "UNDERWRITING," and in "APPENDIX A –CERTAIN INFORMATION REGARDING SETON HALL UNIVERSITY," and "APPENDIX B –FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT OF SETON HALL UNIVERSITY" as to which no view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading; (C) the 2017 Series Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Resolution and the Indenture are not required to be qualified under the Trust Indenture Act of 1939, as amended; (D) this Bond Purchase Agreement has been duly authorized, executed and delivered by the Authority, is valid and binding upon the Authority and is enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by any applicable bankruptcy, moratorium or similar laws or equitable principles relating to the enforcement of creditors' rights; and (E) the Official Statement has been duly approved and executed by the Authority.

(iii) Reserved.

(iv) An opinion of Connell Foley LLP, Roseland, New Jersey ("Counsel to the University"), dated the date of the Closing and addressed to the Authority, the Representative, Bond Counsel and the Trustee, which opinion, to the extent that it is based on the knowledge of Counsel to the University, signifies that in the course of their representation of the University, after due inquiry, no facts have come to their attention that would give them actual knowledge or actual notice that any such opinions or other matters are not accurate, and which

will opine that: (i) the University is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, (the "Code") and to the best of such firm's knowledge and belief, after due inquiry, is in compliance with the terms, conditions and limitations contained in the most recent determination letter of the Internal Revenue Service with respect to the status of the University as an organization described in said Section 501(c)(3), is exempt from federal income taxes under Section 501(a) of the Code, is not a "private foundation" as defined in Section 509(a) of the Code and has done nothing to impair its status as an exempt organization under the Code; (ii) to the best of such firm's knowledge, after due inquiry, the University has made all filings necessary to maintain its status as an exempt organization and has done nothing which would impair its status as an exempt organization described in Section 501(c)(3) of the Code; (iii) the University is duly created and validly existing and in good standing under the laws of the State; (iv) the University has full corporate power and authority to execute, deliver and perform its obligations under the Agreement, the Continuing Disclosure Agreement, this Bond Purchase Agreement, the Official Statement and all other University Documents and said documents have been duly authorized, executed and delivered by the University and constitute legal, valid and binding agreements of the University enforceable in accordance with their respective terms; (v) no consent of or authorization by or license or approval of or registration or declaration with any governmental authority is required in connection with the execution, delivery and performance by the University of, or the validity or enforceability of, the University Documents; (vi) the execution and delivery of the University Documents and the performance of its obligations thereunder by the University have not resulted and will not result in a violation of any law or regulation or conflict with or constitute a breach of or default under, or result in the creation of any lien, charge or encumbrance under (except to the extent permitted under the University Documents), and, to the best of Counsel to the University's knowledge, the University is not in violation or breach of or in default under, (A) the Articles of Incorporation or By-Laws of the University or any applicable law, (B) any applicable administrative regulation of the State, the United States or any department, division, agency or instrumentality of either thereof, or (C) any applicable court or administrative decree or order or any mortgage, deed, contract, agreement, note or other instrument to which the University is a party or by which it is bound; (vii) the University has duly authorized the taking of any and all actions necessary to carry out and give effect to the transactions contemplated to be performed on its part by the University Documents; (viii) there is no action, suit, proceeding, inquiry, or investigation at law or in equity before or by any court, regulatory agency, public board or body pending or, to the best of Counsel to the University's knowledge, threatened which would in any way affect the existence of the University or the titles of its officers to their respective offices or seeking to restrain or to enjoin the sale, issuance or delivery of the 2017 Series Bonds or the execution and delivery of the University Documents, the application of the proceeds of the 2017 Series Bonds in accordance with the Indenture or the collection or application of the revenues and assets of the University pledged or to be pledged to pay the principal of, premium, if any, and interest on the 2017 Series Bonds or in any way contesting or affecting the validity or enforceability of the 2017 Series Bonds and the University Documents or any action of the University contemplated by any of said documents or by the Official Statement or in any way contesting the powers of the University or its authority with respect to its performance under the University Documents, or any action on the part of the University contemplated by any of said documents or by the Official Statement, or which, if adversely determined, would have a material adverse effect on the financial operations or financial condition of the University, nor to Counsel to the University's

knowledge, after due inquiry, is there any basis therefor; (ix) the pledge and security interest created and covenants made pursuant to the Agreement are legal, valid and binding obligations of the University enforceable in accordance with the terms thereof, except as enforceability may be limited by bankruptcy, reorganization, insolvency or other similar laws or equitable principles affecting the enforcement of creditor's rights generally; (x) the descriptions and the summaries in the Official Statement set forth under the captions "LITIGATION – The University" and in "APPENDIX A – CERTAIN INFORMATION REGARDING SETON HALL UNIVERSITY" are accurate and fairly present the information intended to be shown with respect thereto (except for the financial and statistical data included therein and the assumptions with respect thereto as to which no opinion need be expressed); and (xi) without having undertaken to determine independently the accuracy, the completeness or the adequacy of the statements contained in the Official Statement, except as noted in clause (x) above, as of the date of the Closing, no facts have come to the knowledge of Counsel to the University that would lead Counsel to the University to believe that the Official Statement (except for the financial and statistical data included therein and the assumptions with respect thereto as to which no opinion need be expressed) as of the date thereof or as of the date of the Closing contained or contains any untrue statements of a material fact or omitted to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

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

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

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

(viii) A certificate, dated the Closing Date, signed by an Authorized Officer, to the effect that: (A) each of the representations and warranties of the Authority contained in this Bond Purchase Agreement is true and correct in all material respects as of the Closing Date as though made at the Closing, the Authority has duly complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date, and no default or event of default (as defined in the Indenture and in the

Agreement) or event which with the lapse of time or the giving of notice or both, would constitute such an event of default has occurred and is continuing on the part of the Authority; and (B) there has been no material adverse change in the condition and affairs of the Authority, financial or otherwise, during the period from the date of the Official Statement to the Closing Date which was not disclosed in or contemplated by the Official Statement, such certificate being in form and substance satisfactory to the Representative.

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

(x) A certificate executed by an authorized officer of the University with respect to its affairs and matters relating to the documents or instruments to be executed, delivered, accepted or approved by it, addressed to the Representative and dated the Closing Date, in form and substance satisfactory to the Representative, to the effect that (A) the descriptions and information contained in the Official Statement under the headings "INTRODUCTORY STATEMENT," "2017 SERIES BONDS" (excluding the subsections captioned "Book-Entry-Only System" and "No Assurance Regarding DTC Practices"), "ESTIMATED SOURCES AND USES OF FUNDS," "SECURITY FOR THE 2017 SERIES BONDS," "ESTIMATED ANNUAL DEBT SERVICE," "LITIGATION – The University," "RATINGS," "CONTINUING DISCLOSURE," "OTHER LEGAL MATTERS," "INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS" and "MISCELLANEOUS" and in Appendices A and B, as of their respective dates and on the Closing Date, are true and correct in all material respects; (B) the descriptions and information in clause (A) above as of the date of the Official Statement did not, and as of the Closing Date do not, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; (C) since June 30, 2016, no material adverse change has occurred in the financial position of the University or in its results of operations, except as set forth in or contemplated by the Official Statement; (D) the University has not, since June 30, 2016, incurred any material liabilities other than in the ordinary course of business or as set forth or contemplated in the Official Statement; (E) no litigation or proceeding is pending or, to the best of such officer's knowledge, threatened in any court, tribunal or administrative body, nor is there any basis for any litigation which would (1) contest the due organization, corporate existence or corporate powers of the University, (2) contest or affect the validity or execution of the University Documents, this Bond Purchase Agreement or any other agreement, certificate, document or instrument, (3) limit, enjoin or prevent the University from making payments under the Agreement, (4) restrain or enjoin the execution or delivery of this Bond Purchase Agreement and/or any of the University Documents, or (5) adversely affect the status of the University as an organization described in Section 501(c)(3) of the Code; (F) the representations and warranties of the University in this Bond Purchase Agreement and the University Documents have remained true and correct in all material respects from the date thereof through the Closing Date and are true and correct in all material respects as of the Closing Date as though made at the Closing; (G) at the time of the Closing, on the part of the University, no default or event of default has occurred and is continuing, and no event has occurred and is continuing which, with the lapse of time or the giving of notice, or both, would constitute a default or an event of default under any of the University Documents, the 2017 Series Bonds, this Bond Purchase Agreement or any other

material agreement or material instrument which the University is a party or by which it is or may be bound or to which any of its properties or other assets is or may be subject; (H) the resolutions of the Board of Regents of the University authorizing and approving the transactions described or contemplated in this Bond Purchase Agreement, the University Documents, the Preliminary Official Statement and the Official Statement, and the execution of or approval of, as the case may be, the respective forms of this Bond Purchase Agreement and each of the University Documents have been duly adopted by the Board of Regents of the University, are in full force and effect and have not been modified, amended or repealed; (I) the executed copies of this Bond Purchase Agreement and each of the University Documents are true, correct and complete copies of such documents and have not been modified, amended, superseded or rescinded, and remain in full force and effect as of the date of the Closing; (J) this Bond Purchase Agreement, the University Documents, the Preliminary Official Statement, the Official Statement and any and all other agreements, certificates, documents and instruments required to be executed and delivered by the University in order to carry out, to give effect to and to consummate the transactions contemplated by this Bond Purchase Agreement and by the Official Statement have been duly authorized, executed and delivered by the University, and, as of the date of the Closing, are in full force and effect; (K) no further authorization, approval, consent or other order of any governmental authority or agency or of any other entity or person (or persons) is required for the adoption, authorization, execution and delivery of, or performance under, the University Documents, the Official Statement or any other agreement, certificate, document or instrument to which the University is a party and which is used in the consummation of the transactions contemplated by this Bond Purchase Agreement and the Official Statement; (L) the authorization, execution and delivery of the University Documents, the Official Statement, this Bond Purchase Agreement and any other agreement, certificate, document or instrument to which the University is a party and which is used in consummation of the transactions contemplated by this Bond Purchase Agreement and the fulfillment of the terms and the provisions of such agreements, certificates, documents and instruments by the University will not (1) conflict with, violate or result in a breach of any law or any administrative regulation or decree applicable to the University or (2) conflict with or result in a breach of or constitute a default under any indenture, mortgage, deed of trust, agreement or other instrument to which the University is a party or by which it is bound or any order, rule or regulation applicable to the University of any court or other governmental body; (M) the University: (1) is an organization described in Section 501(c)(3) of the Code; (2) has received a recent determination letter from the Internal Revenue Service to that effect, a copy of which letter shall be attached thereto; (3) such letter has not been modified, limited or revoked; (4) is in compliance with all terms, conditions and limitations, if any, contained in such letter and the facts and circumstances which form the basis of such letter as represented to the Internal Revenue Service continue substantially to exist; (5) is exempt from federal income taxation under Section 501(a) of the Code; and (6) the use of the projects financed and refinanced with the proceeds of the 2017 Series Bonds is in furtherance of the University's exempt purposes and will not result in any unrelated trade or business income to the University; and (N) except as may be disclosed in the Official Statement, the University is in compliance with all of its prior continuing disclosure undertakings entered into pursuant to the Rule.

(xi) The Authority shall have received: (i) consent letters from Grant Thornton, LLP (the "Auditor") dated the date of the Preliminary Official Statement and the Official Statement, respectively, stating that the Auditor agrees to the inclusion of its report

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

(xii) Specimen 2017 Series Bonds.

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

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

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

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

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

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

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

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

(xxi) An opinion of counsel to the Trustee dated the Closing Date stating that (a) the Trustee is a national banking association with trust powers duly organized and validly existing under the laws of the United States of America and the Trustee has all requisite power and authority, and is duly qualified and authorized, to carry on corporate trust business in the State; (b) the Trustee is duly authorized and empowered to discharge the duties and

responsibilities imposed upon it under the provisions of and to accept the trusts contemplated by the Indenture and the Continuing Disclosure Agreement (the "Bank Documents"); (c) the Trustee has duly accepted the trusts contemplated by the Bank Documents; (d) the Trustee has duly (i) authorized all necessary action to be taken by it for the performance of its duties and responsibilities under the Bank Documents, (ii) executed and delivered the Bank Documents and (iii) authenticated and delivered the 2017 Series Bonds; (e) the Bank Documents are legal, valid and binding obligations of the Trustee and, assuming the due authorization, execution and delivery thereof by the other parties thereto, are enforceable against the Trustee in accordance with their respective terms except as such enforceability may be limited by bankruptcy, insolvency, reorganization or other similar laws, judicial decisions and principles of equity relating to or affecting the rights of creditors generally; (f) the duties and responsibilities of the Trustee under the Bank Documents do not require authorization or approval of any federal or New Jersey banking regulatory agency having jurisdiction over the Trustee which have not been obtained; and (g) neither the consummation of the transactions on the part of the Trustee contemplated by the Bank Documents nor compliance with the terms, conditions or provisions thereof, contravenes any provision of the Trustee's Charter or by-laws.

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

(xxiii) The Authority, the University, Bond Counsel, the Escrow Agent and the Underwriters shall have received a verification report of American Municipal Tax-Exempt Compliance, in form and substance satisfactory to the Underwriters, Bond Counsel, the Authority, and Underwriters' Counsel.

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

(xxv) Certified copies of the resolutions of the Board of Regents of the University relating to the 2017 Series Bonds, and executed copies of the Agreement and the Continuing Disclosure Agreement, all in form and substance satisfactory to the Representative.

(xxvi) Reserved.

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

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

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

9. Amendments and Supplements to the Official Statement.

[The "end of the underwriting period" for the 2017 Series Bonds for all purposes of Rule 15c2-12 is the Closing Date.] During the period from the date hereof to and including a date which is twenty-five (25) days following the end of the underwriting period for the 2017 Series Bonds (as determined in accordance with this Section 9), the Authority will (a) not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the University or the Underwriters shall reasonably object in writing, unless the Authority has obtained the written opinion of Bond Counsel, stating that such amendment or supplement is necessary in order to make the Official Statement not misleading in the light of the circumstances existing at the time that it is delivered to the Underwriters, and (b) if any event relating to or affecting the Authority, the University or the 2017 Series Bonds shall occur as a result of which it is necessary, in the written opinion of Bond Counsel, to amend or to supplement the Official Statement in order to make the Official Statement, as so amended and supplemented, not misleading in the light of the circumstances existing at the time it is delivered to the Underwriters, forthwith prepare and furnish to the Underwriters (at the expense of the University) up to 250 copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Authority, the Attorney General of the State, Bond Counsel and the Representative) which will amend or supplement the Official Statement so that the Official Statement, as amended or supplemented, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in

the light of the circumstances existing at the time the Official Statement is delivered to the Underwriters, not misleading. The cost of any copies of such amendment or supplement to the Official Statement in excess of 250 shall be borne by the Underwriters. In addition, the Authority will provide, subject to customary disclaimers regarding the transmission of electronic copies, an electronic copy of the amendment or supplement to the Official Statement to the Underwriters in the currently required designated electronic format stated in MSRB Rule G-32. The Underwriters shall comply with the provisions of MSRB Rule G-32 as in effect on the date hereof, with respect to the filing of such amendment or supplement to the Official Statement with the MSRB and to notify the Authority of the date on which such amendment or supplement to the Official Statement is filed with the MSRB. For the purpose of this Section 9, the Authority will furnish such information with respect to itself or the University as the Underwriters may from time to time reasonably request.

10. Indemnification and Contribution.

The University agrees to indemnify and hold harmless the Authority, the Trustee, the Underwriters, and each person, if any, who controls the Underwriters, the Authority and the Trustee within the meaning of either Section 15 of the Securities Act of 1933, as amended, or Section 20 of the Securities Exchange Act of 1934, as amended, from and against any and all losses, claims, damages and liabilities caused by any untrue statement or alleged untrue statement of a material fact contained in the Official Statement, or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading, except insofar as such losses, claims, damages or liabilities are caused by any such untrue statement or omission or alleged untrue statement or omission based upon information relating to the Authority (in the case of the Authority) furnished to the University in writing by the Authority expressly for use therein, or (in the case of the Underwriters) under the caption "UNDERWRITING" and in the paragraph concerning over allotment and stabilization on page i in the Official Statement.

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

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

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

The University and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 10 were determined by pro rata allocation or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an Indemnified Party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding

paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 10, the Underwriters shall not be required to contribute any amount in excess of the amount by which the total price at which the 2017 Series Bonds were offered to the public exceeds the amount of any damages that the Underwriters has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

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

11. Performance by Underwriters.

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

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

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

13. Notices.

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

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

Seton Hall University
Department of Finance and Administration
Bayley Hall, 2nd Floor
400 South Orange Avenue
South Orange, New Jersey 07079
Attention:

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

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

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

15. Miscellaneous.

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

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

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

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

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

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

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

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

By: _____

Name: Ted O. Matozzo

Title: Vice President

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

**NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY**

By: _____

Name: Jeremy A. Spector

Title: Executive Director

SETON HALL UNIVERSITY

By: _____

Name: Stephen A. Graham

Title: Vice President for Finance/Chief Financial Officer

SCHEDULE I
LIST OF UNDERWRITERS

Senior Manager:

Merrill Lynch, Pierce, Fenner & Smith Incorporated

Co-Manager:

Exhibit A

TERMS OF THE 2017 SERIES BONDS

**New Jersey Educational Facilities Authority
\$ __, __, __, 000 Revenue Refunding Bonds, Seton Hall University Issue,
2017 Series D (Tax-Exempt)**

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP[†]
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**\$ __, __, __, 000 Revenue Bonds, Seton Hall University Issue,
2017 Series E (Federally Taxable)**

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP[†]
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*Priced to the first optional redemption date of July 1, 20[].

[†] Registered trademark of American Bankers Association. CUSIP numbers are provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by Standard & Poor's, Capital IQ. The CUSIP numbers listed above are being provided solely for the convenience of Bondholders only at the time of issuance of the 2017 Series Bonds and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2017 Series Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2017 Series Bonds.

Redemption Provisions

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

Optional Redemption

The 2017 Series D Bonds are subject to optional redemption on any date on or after July 1, 2027 at the option of the Authority with the written consent of the Borrower, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the redemption date.

Extraordinary Optional Redemption

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

Mandatory Sinking Fund Redemption

The 2017 Series D Bonds maturing on July 1, 20[] shall be redeemed through mandatory sinking fund installments in part on July 1 in each of the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date:

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

*

*Final maturity

The 2017 Series E Bonds maturing on July 1, 20[] shall be redeemed through mandatory sinking fund installments in part on July 1 in each of the years and in the principal amounts set forth below at a redemption price equal to 100% of the principal amount redeemed plus accrued interest thereon to the redemption date:

<u>Year</u>	<u>Amount</u>
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§

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*Final maturity

The 2017 Series Bonds subject to mandatory sinking fund redemption are subject, however, to the provision that the principal amount of any partial redemption of the 2017 Series Bonds pursuant to any optional redemption (the "Prior Non-Mandatory Redemptions") shall at the election of the Authority, with the consent of the University, be credited against and reduce the obligation of the Authority to effect mandatory scheduled sinking fund redemption requirements for the 2017 Series Bonds. Such election shall be exercised by delivery to the Trustee of written notice from the Authority, with the consent of the University, that the Authority elects to credit Prior Non-Mandatory Redemptions which have not been previously credited against mandatory sinking fund redemption requirements for the 2017 Series Bonds, which notice shall designate the mandatory sinking fund redemption installments to be reduced by date and the principal amount of such reductions.

Make-Whole Redemption

The 2017 Series E Bonds are subject to make-whole redemption prior to maturity by written direction of the Authority, with written notice to the University, in whole or in part, on any Business Day, at the "Make-Whole Redemption Price" (as defined below).

The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the 2017 Series E Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the 2017 Series E Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the 2017 Series E Bonds are to be redeemed, discounted to the date on which the 2017 Series E Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the adjusted "Treasury Rate" (as defined below), plus ___ basis points, plus, in each case, accrued and unpaid interest on the 2017 Series E Bonds to be redeemed on the redemption date.

The "Treasury Rate" will be, as of the redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least five (5) Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to the maturity date of the 2017 Series E Bonds to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one (1) year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one (1) year will be used.

Exhibit B

CERTIFICATION OF NO CHANGE

Reference is hereby made to that certain Bond Purchase Agreement, dated June [], 2017 (the "Bond Purchase Agreement"), by and among Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Representative (the "Representative"), the New Jersey Educational Facilities Authority (the "Authority") and The Board of Regents of Seton Hall University, relating to the Authority's Revenue Refunding Bonds, Seton Hall University Issue, 2017 Series D (Tax-Exempt), in the aggregate principal amount of \$[] and Revenue Bonds, Seton Hall University Issue, 2017 Series E (Federally Taxable), in the aggregate principal amount of \$[] (collectively, the "2017 Series Bonds").

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

IN WITNESS WHEREOF, I have executed this Certificate this ___ th day of June, 2017.

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

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

Exhibit C

FORM OF ISSUE PRICE CERTIFICATE

June [], 2017

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

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

**Re: \$[] New Jersey Educational Facilities Authority
\$ __, __, 000 Revenue Refunding Bonds, Seton Hall University Issue,
2017 Series D (Tax-Exempt) and**

Ladies and Gentlemen:

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

[TO BE PROVIDED BY BOND COUNSEL]

Very truly yours,

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

By: _____

Name: Ted O. Matozzo

Title: Vice President

Exhibit D

FORM OF COUNSEL TO THE UNDERWRITER'S OPINION

June [], 2017

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

**Re: \$[] New Jersey Educational Facilities Authority
\$ __, __, 000 Revenue Refunding Bonds, Seton Hall University Issue,
2017 Series D (Tax-Exempt) and
\$ __, __, 000 Revenue Bonds, Seton Hall University Issue, 2017 Series E
(Federally Taxable)**

Ladies and Gentlemen:

We have acted as counsel to you as underwriter and as Representative of a group of underwriters (the "Underwriters") under the Bond Purchase Agreement dated June [], 2017 (the "Purchase Contract") in connection with the sale and issuance by the New Jersey Educational Facilities Authority (the "Authority") of the above-mentioned Bonds (the "Bonds"). The Bonds are being issued pursuant to the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Laws of 1967, as amended and supplemented (the "Act"), a Resolution adopted by the Authority on May 23, 2017 (the "Resolution"), and a Trust Indenture, dated as of June 1, 2017 (the "Trust Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). This opinion is being delivered to you pursuant to Section 8(d)(xvi) of the Purchase Contract. Capitalized terms used in this opinion and not otherwise specifically defined herein have the meanings assigned to them in the Purchase Contract or the Official Statement (as hereinafter defined), as the case may be, unless the context clearly indicates otherwise.

In our capacity as your counsel, we have examined and relied upon originals or copies, certified or otherwise identified to our satisfaction, of a record of proceedings with respect to the issuance of the Bonds including, but not limited to (i) the Resolution; (2) the Trust Indenture; (3) the Agreement; (4) the Official Statement relating to the Bonds dated June [], 2017 (the "Official Statement"); (5) executed copies of certificates delivered to you pursuant to the Purchase Contract, (6) the opinion letters of McManimon, Scotland & Baumann, LLC, Bond Counsel; (7) an executed copy of the Purchase Contract and (8) the other documents delivered at the Closing as listed in the closing memorandum for the Bonds (collectively, the "Closing Documents").

In addition, we have examined and relied upon such other documents, instruments, records of proceedings and corporate and public records, and have made such investigations of law, as we have considered necessary or appropriate for the purpose of the opinions set forth below. In our examination, we have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to the originals of all documents submitted to us as certified, photostatic or conformed copies thereof and the authenticity of the originals of all such documents.

Based on the foregoing, and subject to the limitations and qualifications below, we are of the opinion that:

1. The Bonds are exempted securities described in Section 3(a)(2) of the Securities Act of 1933, as amended. No registration with the Securities and Exchange Commission under the Securities Act of 1933, as amended, need be made in connection with the offering and sale of the Bonds.

2. The Continuing Disclosure Agreement satisfies Section (b)(5)(i) of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), which requires an undertaking for the benefit of the holders, including beneficial owners, of the Bonds to provide certain annual financial information and event notices to Municipal Securities Rulemaking Board at the time and in the manner required by the Rule.

In accordance with our understanding with you, we rendered legal advice and assistance to you in the course of your investigation pertaining to, and your participation in the preparation of, the Official Statement and the issuance and sale of the Bonds. Rendering such assistance involved, among other things, discussions and inquiries concerning various legal and related subjects, and reviews of certain documents with your representatives, representatives of the Authority and its bond counsel, and the University and its auditors and financial advisor, during which the contents of the Official Statement and related matters were discussed and reviewed.

The limitations inherent in the independent verification of factual matters and the character of determinations involved in the preparation of the Official Statement are such, however, that we have necessarily assumed the accuracy, completeness and fairness of, and take no responsibility for any of, the statements made in the Official Statement. Also, we do not express any opinion or belief as to the financial, tabular or statistical data contained in the Official Statement or as to the information contained in the Appendices to the Official Statement.

In the course of our participation in the preparation of the Official Statement and our representation of you, and without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, nothing has come to our attention that would lead us to believe that the Official Statement (except for the financial, tabular and statistical data included therein, information contained under the headings "2017 SERIES BONDS – Book-Entry-Only System" and information contained in the Appendices to the Official Statement, as to all of which we express no view), as of its date and as of the date hereof, contained or contains any untrue statement of a material fact or omitted or omits to state

a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

We are authorized to practice law in the State of New Jersey, and we do not purport to be experts on, or to express any opinion herein concerning, any law, other than the laws of the State of New Jersey, and the applicable laws of the United States of America.

The opinions expressed herein are solely for the benefit of, and may only be relied upon by, the Underwriters. This opinion may not be relied upon by any other person or entity. The opinions expressed herein are as of the date hereof, and we make no undertaking to amend or supplement such opinions as facts and circumstances come to our attention or changes in the law occur which could affect such opinions.

Notwithstanding anything to the contrary contained herein, the undersigned acknowledges that this opinion is a government record subject to release under the Open Public Records Act (N.J.S.A. 47:1A-1 *et seq.*).

TRUST INDENTURE

By and Between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

Dated as of June 1, 2017

relating to

**New Jersey Educational Facilities Authority
Revenue Refunding Bonds, Seton Hall University Issue, 2017 Series D (Tax-Exempt)
Revenue Bonds, Seton Hall University Issue, 2017 Series E (Federally Taxable)**

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TRUST INDENTURE

THIS TRUST INDENTURE, dated as of June 1, 2017, by and between the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (the "*Authority*") and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, with trust and fiduciary powers in the State of New Jersey being qualified to accept and administer the trusts hereby created (the "*Trustee*");

WITNESSETH:

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

WHEREAS, the Authority has heretofore issued its Revenue Refunding Bonds, Seton Hall University Issue, 2008 Series D (the "*Prior Bonds*"), on behalf of Seton Hall University (the "*Borrower*"); and

WHEREAS, the Borrower has determined to undertake a project consisting of the renovation and equipping of an approximately 412,000 sq. ft. building and an approximately 65,000 sq. ft. building to be used for medical and non-medical education, research and clinical administration, offices and uses ancillary thereto (the "*Capital Project*"); and

WHEREAS, the Borrower has requested that the Authority issue one or more series of bonds as described herein for the purpose of providing funds to: (i) finance the Capital Project; (ii) pay the cost of refunding all of the outstanding Prior Bonds (including any applicable swap termination payments); (iii) fund capitalized interest for the Taxable Bonds (as hereinafter defined) through [August 1, 2018]; (iv) fund working capital for the Borrower; and (v) pay certain costs of issuance of the Bonds (as hereinafter defined) (collectively, the "*Project*"), all as presented, submitted and approved by the Borrower's Board of Regents; and

WHEREAS, pursuant to a resolution of the Authority adopted on May 23, 2017, the Authority has determined that it is necessary and in keeping with its authorized purposes to issue two series of bonds to be designated (i) "New Jersey Educational Facilities Authority Revenue Refunding Bonds, Seton Hall University Issue, 2017 Series D (Tax-Exempt)" (the "*Tax-Exempt Bonds*") and (ii) "New Jersey Educational Facilities Authority Revenue Bonds, Seton Hall University Issue, 2017 Series E (Federally Taxable)" (the "*Taxable Bonds*"); and together with the Tax-Exempt Bonds, the "*Bonds*") or such other designation as may be determined by the Authority for the purpose of providing funds to finance the Project; and

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

WHEREAS, in order to provide for the financing of the Project and to secure repayment of the Bonds, it is necessary and desirable to enter into a Loan Agreement, dated as of June 1, 2017, by and between the Authority and the Borrower (as amended and supplemented from time to time as permitted therein, the "*Loan Agreement*"); and

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

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

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

ARTICLE I

DEFINITIONS

Section 1.01. Definitions.

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

"Additional Loan Payments" means those payments so designated and required to be made by the Borrower pursuant to Section 2.12 of the Loan Agreement.

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

"Authority" means the New Jersey Educational Facilities Authority.

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

"Authorized Officer" means the Chair, Vice Chair, Treasurer, Executive Director, Deputy Executive Director, Director of Project Management, Director of Compliance Management, Secretary, Assistant Treasurer or any Assistant Secretary of the Authority, and when used with reference to any act or document also means any other person authorized by resolution of the Authority to perform such act or execute such document and shall also include any of such officers designated as "acting" or "interim".

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

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

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

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

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

"Bond Year" means each twelve (12) month period beginning July 1 and ending the following June 30; except that the initial Bond Year shall commence on the date of issuance of the Bonds and shall end on June 30, 2017.

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

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

"Borrower" means Seton Hall University, and its successors and assigns.

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

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

purpose of this Indenture by written agreement of the Borrower and the Trustee, each as from time to time in effect.

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) the Borrower (or any other Person obligated, as guarantor or otherwise, to make payments on the Bonds or under the Loan Agreement or an "affiliate" of the Borrower as defined in Bankruptcy Code §101(2)) or the Authority shall (a) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, liquidator or the like of the Borrower (or such other Person) or the Authority or of all or any substantial part of their respective property, (b) commence a voluntary case under the Bankruptcy Code, or (c) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, winding-up or composition or adjustment of debts; or

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

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

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

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

"Fund" means any of the Construction Fund, the Debt Service Fund, the Rebate Fund, the Additional Loan Payments Fund and the Project Fund.

"Government Obligations" means:

(a) direct obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed as to full and timely payment by, the United States of America;

(b) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of and interest on which is fully and unconditionally guaranteed as a full faith and credit obligation of the United States of America (including any securities described in clause (a) above issued or held in book-entry form in the name of the Trustee only on the books of the Department of the Treasury of the United States of America);

(c) any certificates or any other evidence of an ownership interest in obligations or specified portions thereof (which may consist of specified portions of the interest thereon) of the character described in clause (a) or (b) above, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian;

(d) stripped obligations of interest issued by the Resolution Funding Corporation pursuant to the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), the interest on which, to the extent not paid from other specified sources, is payable when due by the Secretary of the Treasury pursuant to FIRREA; and

(e) obligations of any state or political subdivision thereof or any agency or instrumentality of such a state or political subdivision; *provided*, that cash, obligations described in clauses (a), (b), (c) or (d) above or a combination thereof have been irrevocably pledged to and deposited into a segregated escrow account for the payment when due of the principal or interest when due; and, *further provided*, such obligations are rated "AAA" by Fitch, "Aaa" by Moody's or "AAA" by S&P.

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

"Independent Counsel" means an attorney or firm of attorneys duly admitted to practice law before the highest court of any State of the United States and who is not a full-time employee of the Authority, the Borrower or the Trustee.

"Interest Payment Date" means each January 1 and July 1 or, if any January 1 or July 1 is not a Business Day, the next succeeding Business Day.

"Interest Accrual Date" means the dated date of the Bonds.

"Loan Agreement" means the Loan Agreement, dated as of June 1, 2017, by and between the Authority and the Borrower, and any amendments thereto.

"Majority of the Bondholders" means the Holders of more than fifty percent (50%) of the aggregate principal amount of Outstanding Bonds.

"Maturity Date" shall have the meaning set forth in the Bonds.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns.

"Notice Address" means:

- (a) As to the Borrower: Seton Hall University
Bayley Hall, 2nd Floor
400 South Orange Avenue
South Orange, New Jersey 07079
Attention: Vice President for Finance/CFO
- (b) As to the Authority: New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540
Attention: Executive Director
- (c) As to the Trustee: U.S. Bank National Association
Corporate Trust Department
21 South Street, 3rd Floor
Morristown, New Jersey 07960
- (d) As to DTC: The Depository Trust Company
55 Water Street
New York, New York 10022
Attention: Announcements
(facsimile 212-855-4566); and
Attention: Reorganization
(facsimile 813-470-1109)

or, in each case, such other address or addresses as any such Person shall designate by notice actually received by the addressor.

"Official Statement" means the Official Statement, dated June __, 2017, relating to the Bonds, including all Appendices thereto.

"Outstanding" means the amount of principal of the Bonds that has not at the time been paid, exclusive of (a) Bonds in lieu of which others have been authenticated under Section 3.05 hereof, (b) principal of any Bond that has become due (whether by maturity, call for redemption or otherwise) and for which provision for payment as required herein has been made or deemed made, and (c) for purposes of any direction, consent or waiver under this Indenture, Bonds deemed not to be outstanding pursuant to Section 10.07 hereof.

"Participant" means, with respect to DTC or another Securities Depository, a member of or participant in DTC or such other Securities Depository, respectively.

"Paying Agent" means the Trustee or any other paying agent appointed in accordance with Section 8.09 hereof.

"Payment Date" means each Interest Payment Date or any other date on which any principal of or redemption premium, if any, or interest on any Bond is due and payable for any reason, including, without limitation, upon any redemption of Bonds pursuant to Section 4.01 hereof.

"Person" means a corporation, association, partnership, limited liability company, joint venture, trust, organization, business, individual or government or any governmental agency or political subdivision thereof.

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

"Principal Office" means, with respect to the Trustee, the address of such Person identified as its Notice Address in this Indenture or otherwise notified in writing by such Person to the Authority and the Borrower.

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

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

"Project Fund" means the Fund created pursuant to Section 3.5 of the Loan Agreement and held under this Indenture.

"Purchase Contract" means the Bond Purchase Agreement by and among the Borrower, the Authority and the Underwriter relating to the Bonds.

"Qualified Financial Institution" means (a) any domestic branch or a foreign bank, U.S. domestic institution that is a bank, trust company, national banking association or a corporation, including the Trustee and any of its affiliates, subject to registration with the Board of Governors of the Federal Reserve System under the Bank Holding Company Act of 1956, or a member of the National Association of Securities Dealers, Inc. whose unsecured obligations or uncollateralized long-term debt obligations have been assigned a rating of at least "A-" by S&P, "A3" by Moody's or "A-" by Fitch or that has issued a letter of credit, contract, agreement or surety bond in support of debt obligations that have been so rated, (b) an insurance company with a claims-paying ability or a corporation whose obligations are guaranteed by an insurance company (in the form of an insurance policy) or by an insurance holding company rated at least "AA-" by S&P, "Aa3" by Moody's or "AA-" by Fitch or whose unsecured obligations or uncollateralized long-term debt obligations have been assigned a rating of at least "AA-" by S&P, "Aa3" by Moody's or "AA-" by Fitch, or (c) other financial institutions whose unsecured

obligations or uncollateralized long-term debt obligations have been assigned a rating of at least "A-" by S&P, "A3" by Moody's or "A-" by Fitch.

"Qualified Investments" means the investments identified in **Exhibit A** hereto.

"Rating Agency" means, as of any date, each of Fitch, if the Bonds are then rated by Fitch, Moody's, if the Bonds are then rated by Moody's, and S&P, if the Bonds are then rated by S&P.

"Rating Category" means a generic securities rating category, without regard, in the case of a long-term rating category, to any refinement or gradation of such long-term rating category by a numerical modifier or otherwise.

"Rebate Amount" means the amount to be rebated to the United States of America on a periodic basis in accordance with the terms of the Tax Certificate.

"Rebate Fund" means the fund so designated, created and established pursuant to Section 5.04 hereof.

"Record Date" means, with respect to any Interest Payment Date, the fifteenth day of the month immediately preceding that Interest Payment Date.

"Reserved Rights" shall have the meaning set forth in Section 5.01 hereof.

"Responsible Officer" means, with respect to the Trustee, any officer or authorized representative in its Principal Office or similar group administering the trusts hereunder or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers to whom a particular matter is referred by the Trustee because of such officer's or authorized representative's knowledge of and familiarity with the particular subject.

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

"S&P" means S&P Global Ratings, acting through Standard & Poor's Financial Services LLC, a corporation organized and existing under the laws of the State of New York, and its successors and assigns.

"Securities Depository" means DTC or, if applicable, any successor securities depository appointed pursuant to the last paragraph of Section 3.05 of this Indenture.

"State" means the State of New Jersey.

"Tax Certificate" means, collectively, the Arbitrage and Tax Certificate of the Authority and the Arbitrage and Tax Certificate of the Borrower, each dated the Closing Date, as amended or supplemented from time to time.

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

"Tax-Exempt Project" means the financing, through the issuance of the Tax-Exempt Bonds, of the costs of a project consisting of: (a) refunding the Authority's outstanding Revenue Refunding Bonds, Seton Hall University Issue, 2008 Series D (including any applicable swap termination payments); and (b) paying certain costs of issuing the Tax-Exempt Bonds.

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

"Taxable Project" means the financing, through the issuance of the Taxable Bonds, of the costs of a project consisting of: (a) financing the renovation and equipping of an approximately 412,000 sq. ft. building and an approximately 65,000 sq. ft. building to be used for medical and non-medical education, research and clinical administration, offices and uses ancillary thereto; (b) funding capitalized interest for the Taxable Bonds through [August 1, 2018]; (c) funding working capital for the Borrower; and (d) paying certain costs of issuing the Taxable Bonds.

"Trustee" means U.S. Bank National Association, a national banking association, with trust and fiduciary powers in the State, and its successors and assigns.

"Underwriter" means Merrill Lynch, Pierce, Fenner & Smith Incorporated and such other firms named in the Purchase Contract.

"United States Obligations" means direct general obligations of, or obligations the payment of the principal of and interest on which are unconditionally guaranteed as to full and timely payment by, the United States of America, which obligations are noncallable.

Section 1.02. Certain References.

Any reference in this Indenture to the Borrower, the Authority or the Trustee shall include those Persons who succeed to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions. Any reference in this Indenture to any statute or law or chapter or section thereof shall include all amendments, supplements or successor provisions thereto.

Section 1.03. Timing of Actions.

Whenever in this Indenture there is specified a time of day at or by which a certain action must be taken, such time shall be prevailing Eastern time, except as otherwise specifically provided in this Indenture. If the date for making any payment or the last day for the performance of any act or the exercise of any right provided in this Indenture shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture, except as otherwise specifically provided herein.

ARTICLE II

DEFEASANCE OF LIEN; ADDITIONAL OBLIGATIONS

Section 2.01. Defeasance of Lien.

When the Authority has paid or has been deemed to have paid, within the meaning of this Section 2.01, to the Holders of all of the Bonds the principal and interest and redemption premium, if any, due or to become due thereon at the times and in the manner stipulated therein and herein, and all other obligations owing to the Trustee hereunder or under the Loan Agreement have been paid or provided for, the lien of this Indenture on the Pledged Property shall terminate. Upon the written request of the Authority or the Borrower, the Trustee shall, upon the termination of the lien hereof, promptly execute and deliver to the Authority, with a copy to the Borrower, an appropriate discharge hereof except that, subject to the provisions of this Indenture, the Trustee shall continue to hold in trust amounts held pursuant to Section 5.07 hereof for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

Outstanding Bonds shall be deemed to have been paid within the meaning of this Section 2.01 if the Trustee shall be holding in trust for and shall have irrevocably committed to the payment of such Outstanding Bonds, United States Obligations the payments on which when due, without reinvestment, will be, in the opinion of a firm of certified public accountants or other verification agent acceptable to the Authority and the Borrower, sufficient for the payment of all principal of and interest and redemption premium, if any, on such Bonds to the date of maturity or redemption, as the case may be; *provided, however*, that if any of such Bonds are deemed to have been paid prior to the earlier of the redemption or the maturity thereof, the Trustee, the Borrower and the Authority shall have received an opinion of Bond Counsel that such payment and the holding thereof by the Trustee shall not in and of itself cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes; *provided, further*, that if any such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given to the Bondholders or irrevocable provision shall have been duly made for the giving of such notice to the Bondholders.

Limitations set forth elsewhere in this Indenture regarding the investment of moneys held by the Trustee in the Debt Service Fund shall not be construed to prevent the depositing and holding in the Debt Service Fund of the United States Obligations described in the preceding paragraph of this Section 2.01 for the purpose of defeasing the lien of this Indenture as to Outstanding Bonds that have not yet become due and payable. Notwithstanding any other provision of this Indenture to the contrary, all moneys deposited with the Trustee as provided in this Section 2.01 and held in the Debt Service Fund or a separate escrow may be invested and reinvested, at the written direction of the Authority, in United States Obligations maturing in the amounts and times as hereinbefore set forth, and all income from all United States Obligations in the hands of the Trustee pursuant to this Section 2.01 that is not required for the payment of the Bonds and the interest and redemption premium, if any, thereon with respect to which such moneys shall have been so deposited shall be deposited in the Debt Service Fund or such separate escrow as and when realized and collected for use and application as are other moneys deposited in the Debt Service Fund or such separate escrow.

After all of the Outstanding Bonds shall be deemed to have been paid and all other amounts required to be paid under this Indenture shall have been paid, then upon the termination of this Indenture any amounts in the Funds held under this Indenture (other than the Rebate Fund and the Project Fund) shall be paid first to the Trustee and then to the Authority to the extent necessary to repay any unpaid obligations owing to the Trustee and/or the Authority hereunder or under the Loan Agreement, and thereafter the remainder, if any, shall be paid to the Borrower.

Section 2.02. Additional Obligations.

With the Authority's consent, the Borrower may incur obligations pursuant to one or more Swap Agreements (as such term is defined in the Loan Agreement) that are secured on parity with the Borrower's payment obligations under the Loan Agreement.

ARTICLE III

THE BONDS

Section 3.01. Issuance of Bonds, Dates, Maturities and Interest.

(a) Issuance. The Tax-Exempt Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Refunding Bonds, Seton Hall University Issue, 2017 Series D (Tax-Exempt)", shall be issued in the original aggregate principal amount of \$ __, __, 000 and shall be substantially in the form set forth in **Exhibit B** attached hereto, with such variations, omissions and insertions as are permitted or required hereby. The Taxable Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Bonds, Seton Hall University Issue, 2017 Series E (Federally Taxable)", shall be issued in the original aggregate principal amount of \$ __, __, 000 and shall be substantially in the form set forth in **Exhibit B** attached hereto, with such variations, omissions and insertions as are permitted or required hereby. Except to the extent otherwise provided in Section 3.05 hereof or made necessary as a result of a partial redemption, the Bonds shall be issued in fully registered form, without coupons, numbered from R-1 upwards and in Authorized Denominations.

(b) Date. The Bonds shall bear the date of authentication thereof.

(c) Maturities. The Tax-Exempt Bonds shall bear interest and mature on July 1 in each of the years set forth in the chart below, and shall be subject to redemption prior to stated maturity as and to the extent provided in Section 401 hereof.

Maturity Date (July 1)	Principal Amount \$	Interest Rate %
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The Taxable Bonds shall bear interest and mature on July 1 in each of the years set forth in the chart below, and shall be subject to redemption prior to stated maturity as and to the extent provided in Section 401 hereof.

Maturity Date (July 1)	Principal Amount \$	Interest Rate %
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(d) Interest. The provisions of Section 3.07 hereof shall govern the interest rates per annum and the payment terms of the Bonds.

Section 3.02. Authentication and Delivery of Bonds.

Prior to the authentication and delivery by the Trustee of the Bonds, there shall be filed or deposited with the Trustee:

(a) a copy, certified by the Secretary, the Assistant Treasurer or any Assistant Secretary of the Authority, of all resolutions adopted and proceedings had by the Authority authorizing the issuance of the Bonds, including the resolution authorizing the execution, delivery and performance of this Indenture and the Loan Agreement;

(b) executed counterparts of this Indenture and the Loan Agreement;

(c) the opinion of Bond Counsel approving the validity of the Bonds and confirming the exclusion from gross income of interest on the Tax-Exempt Bonds, subject to customary qualifications and assumptions;

(d) a request and authorization to the Trustee on behalf of the Authority and signed by an Authorized Officer of the Authority to authenticate and deliver the Bonds in such specified denominations as permitted herein to purchasers thereof upon payment to the Trustee, but for the account of the Authority, of a specified sum of money. Upon payment of the proceeds to the Trustee, the Trustee shall deposit the proceeds pursuant to Article V hereof; and

(e) an executed counterpart of the Tax Certificate.

Section 3.03. Execution; Authentication; Special and Limited Obligations.

The Bonds shall be executed on behalf of the Authority with the manual or facsimile signature of its Chair, Vice Chair, Executive Director or Deputy Executive Director and the Authority's official common seal shall be affixed thereto or printed or otherwise reproduced thereon and attested by the manual or facsimile signature of its Secretary or any Assistant Secretary, including those serving in an "acting" or "interim" capacity; *provided*, that the person

executing any Bond may not also make its attestation. All authorized facsimile signatures shall have the same force and effect as if manually signed.

No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Bond substantially in the form set forth in the form of Bonds attached hereto as **Exhibit B** shall have been duly executed by the Trustee, and such executed certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The certificate of authentication on any Bond shall be deemed to have been executed by the Trustee if signed by an authorized signatory of the Trustee, but it shall not be necessary that the same signatory execute the certificate of authentication on all of the Bonds.

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

Section 3.04. Mutilated, Lost, Stolen or Destroyed Bonds.

In the event any Bond is mutilated, lost, stolen or destroyed, the Authority shall execute and the Trustee shall authenticate a new Bond of like date and denomination as that mutilated, lost, stolen or destroyed, provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Authority or the Trustee, and in the case of any lost, stolen or destroyed Bond, there first shall be furnished to the Authority and the Trustee evidence of such loss, theft or destruction satisfactory to the Authority and the Trustee, together with an indemnity satisfactory to them. In the event any such Bond shall have matured, the Trustee, instead of issuing a duplicate Bond, may pay the same without surrender thereof, making such requirements as it deems fit for its protection, including a lost instrument bond. The Authority and the Trustee may charge the owner of such Bond with their reasonable fees and expenses for such service. In executing a new Bond, the Authority may rely conclusively upon a representation by the Trustee that the Trustee is satisfied with the adequacy of the evidence presented concerning the mutilation, loss, theft or destruction of any Bond.

Section 3.05. Exchange and Transfer of Bonds; Book-Entry System.

Upon surrender of a Bond or Bonds at the Principal Office of the Trustee, as bond registrar, together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form and with such guaranty of signature as shall be satisfactory to the Trustee, a Bond or Bonds may be exchanged for fully registered Bonds of the same maturity, aggregating in amount the then unpaid principal amount of the Bond or Bonds surrendered, in Authorized Denominations.

As to any Bond, the Bondholder shall be deemed and regarded as the absolute owner thereof for all purposes and none of the Authority, the Borrower or the Trustee shall be affected by any notice, actual or constructive, to the contrary.

Any Bond may be registered as transferred upon the books kept for the registration and transfer of Bonds only upon surrender thereof to the Trustee, as bond registrar, together with an assignment duly executed by the Bondholder or his attorney or legal representative in such form and with such guaranty of signature as shall be satisfactory to the Trustee. Upon the registration of transfer of any such Bond and on request of the Trustee, the Authority shall execute, and the Trustee shall authenticate and deliver, a new Bond or Bonds, registered in the name of the transferee or transferees, of the same maturity, aggregating in amount the then unpaid principal amount of the Bond or Bonds surrendered, in Authorized Denominations.

In all cases in which Bonds shall be issued in exchange for or in replacement of other Bonds, the Bonds to be issued shall be signed and sealed on behalf of the Authority and authenticated by the Trustee, and shall have attached thereto an executed validation certificate, all as provided in Section 3.03 hereof. The obligation of the Authority and the rights of the Bondholders with respect to such Bonds shall be the same as with respect to the Bonds being exchanged or replaced. Such registrations of transfers or exchanges of Bonds shall be without charge to the Bondholders, except that any taxes or other governmental charges required to be paid with respect to the same shall be paid by the Bondholder requesting such registration of transfer or exchange as a condition precedent to the exercise of such privilege. Any service charge made by the Trustee for any such registration of transfer or exchange shall be paid by the Borrower.

Whenever any Outstanding Bond shall be delivered to the Trustee for cancellation pursuant to this Indenture, or for exchange or registration of transfer pursuant to this Section 3.05, such Bond shall be promptly canceled and destroyed by the Trustee (subject to applicable record retention requirements) and counterparts of a certificate of destruction evidencing such destruction shall be retained by the Trustee and, if requested by the Authority or the Borrower, shall be furnished by the Trustee to the Authority or the Borrower, as the case may be.

The foregoing provisions of this Section 3.05 to the contrary notwithstanding, the Bonds will be issued initially as one fully registered bond for each maturity of each series in the name of Cede & Co., as nominee for DTC, and deposited in the custody of DTC. The Beneficial Owners will not receive physical delivery of the Bonds. Individual purchases of the Bonds may be made in book-entry form only in principal amounts equal to Authorized Denominations thereof. Payments of principal of, redemption premium, if any, and interest on the Bonds will be made to DTC or its nominee as Bondholder.

DTC shall pay interest to the Beneficial Owners of record through its Participants as of the close of business on the Record Date. DTC shall pay the redemption price of the Bonds called for redemption to the Beneficial Owners of record through its Participants in accordance with its customary procedures.

Transfer of ownership interests in the Bonds shall be made by DTC and its Participants, acting as nominees of the Beneficial Owners, in accordance with rules specified by DTC and its Participants.

Bond certificates will be issued directly to Holders of the Bonds other than DTC, or its nominee, upon the occurrence of the following events (subject, however, to operation of the two sentences following clause (c) below):

(a) DTC determines not to continue to act as securities depository for the Bonds; or

(b) the Borrower, with the consent of the Authority and the Trustee, has advised DTC of its determination that DTC is incapable of discharging its duties; or

(c) the Borrower, with the consent of the Authority and the Trustee, has determined that it is in the best interest of the Bondholders not to continue the book-entry system of transfer or that interests of the Beneficial Owners of the Bonds might be adversely affected if the book-entry system of transfer is continued.

Upon occurrence of the event described in clause (a) or (b) above, the Borrower shall attempt to locate another qualified Securities Depository. If the Borrower fails to locate another qualified Securities Depository to replace DTC, the Trustee shall authenticate and deliver Bonds in certificated form. In the event the Borrower makes the determination noted in clause (b) or (c) above (as to which the Borrower undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Borrower to make any such determination), and has made provisions to notify the Beneficial Owners of the Bonds of the availability of Bond certificates by mailing an appropriate notice to DTC, the Authority shall cause the Trustee to authenticate and deliver Bonds in certificated form pursuant to **Exhibit B** to DTC's Participants (as requested by DTC) in appropriate amounts. Principal of and interest on the Bonds shall be payable as otherwise provided in this Article III.

Section 3.06. Temporary Bonds.

Until Bonds in definitive form are ready for delivery, the Authority may execute and, upon the request of the Authority, the Trustee shall authenticate and deliver, subject to the provisions, limitations and conditions set forth above, one or more Bonds in temporary form, whether printed, typewritten, lithographed or otherwise produced, substantially in the form of the definitive Bonds, with appropriate omissions, variations and insertions, and in Authorized Denominations. Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the liens and benefits of this Indenture.

Section 3.07. Interest on Bonds.

General. Interest on the Bonds shall be payable initially on January 1, 2018 and semi-annually thereafter on January 1 and July 1 of each year at the interest rates set forth in Section 3.01 hereof.

(a) Payment of Interest. Interest on the Bonds shall be paid on each Interest Payment Date and any redemption date therefor.

(b) Interest Accrual and Payment. Interest on the Bonds shall accrue on the basis of a 360-day year based on twelve 30-day months.

Interest shall be paid on the Bonds on each Interest Payment Date. Each Bond shall bear interest from and including the Interest Accrual Date immediately preceding the date of authentication thereof or, if such date of authentication is an Interest Accrual Date to which interest on such Bond has been paid in full or duly provided for, from such date of authentication or, if it is the first payment of interest on such Bond, the date thereof. However, if, as shown by the records of the Trustee, interest on the Bonds is in default, Bonds issued in exchange for Bonds surrendered for registration of transfer or exchange shall bear interest from the date to which interest has been paid in full on the Bonds so surrendered or, if no interest has been paid on such Bonds, from the date thereof.

Section 3.08. Method and Place of Payment.

The principal of and redemption premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Principal of and redemption premium, if any, on the Bonds are payable upon presentation of the Bonds to the Trustee. Interest on the Bonds shall be paid by the Trustee on the applicable Payment Dates, by check mailed by the Trustee to the respective Holders thereof on the applicable Record Date at their addresses as they appear as of the close of business on the applicable Record Date in the books kept by the Trustee, as bond registrar, except that in the case of such a Holder of \$1,000,000 or more in aggregate principal amount of such Bonds, upon the written request of such Holder to the Trustee, specifying the account or accounts (within the continental United States) to which such payment shall be made, such payments shall be made by wire transfer of immediately available funds on the applicable Interest Payment Date following such Record Date. Any request referred to in the preceding sentence shall remain in effect until revoked or revised by such Holder by an instrument in writing delivered to the Trustee.

ARTICLE IV

REDEMPTION AND PURCHASE OF BONDS BEFORE MATURITY

Section 4.01. Redemption of Bonds.

The Bonds shall be subject to redemption prior to maturity as follows:

(a) Optional Redemption. The Tax-Exempt Bonds maturing on or after July 1, 20__ are subject to optional redemption on any date on or after July 1, 20__ at the option of the Authority with the written consent of the Borrower, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the redemption date.

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

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

<u>Year</u>	<u>Amount</u>
20__	\$
20__	
20__	
20__*	

*Final maturity.

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

<u>Year</u>	<u>Amount</u>
20__	\$
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__*	

*Final maturity.

The principal amount of the Bonds required to be redeemed from sinking fund installments may be reduced by the principal amount of such Bonds theretofore delivered to the Trustee by the Borrower in lieu of cash payments under the Loan Agreement or purchased by the Trustee out of moneys in the Debt Service Fund that have not theretofore been applied as a credit against any sinking fund installment.

At its option, to be exercised on or before the 45th day next preceding any mandatory sinking fund redemption date for the Bonds, the Borrower may deliver to the Trustee for cancellation Bonds of the appropriate maturity in any aggregate principal amount that have been purchased by the Borrower in the open market. Each Bond so delivered shall be credited by the Trustee at 100% of the principal amount thereof against the mandatory sinking fund redemption requirement for Bonds on such mandatory redemption date; and any excess of such amount shall be credited against future mandatory sinking fund redemption requirements in chronological order, unless the Borrower, on or before the 45th day preceding each mandatory sinking fund redemption date, furnishes the Trustee with a certificate, signed by a Borrower Representative for the Bonds, specifying a different method of crediting such amount against future mandatory sinking fund redemption requirements.

Any partial redemption of the Bonds pursuant to any optional redemption pursuant to Section 4.01(a) (the "*Prior Non-Mandatory Redemptions*") shall at the election of the Authority, with the consent of the Borrower, be credited against and reduce the obligation of the Authority to effect mandatory scheduled sinking fund redemption requirements for the Bonds. Such election shall be exercised by delivery to the Trustee of written notice from the Authority, with the consent of the Borrower, that the Authority elects to credit Prior Non-Mandatory Redemptions that have not been previously credited against mandatory sinking fund redemption requirements for the Bonds, which notice shall designate the mandatory sinking fund redemption installments to be reduced by date and the principal amount of such reductions.

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

The "*Make-Whole Redemption Price*" is the greater of (i) 100% of the principal amount of the Taxable Bonds to be redeemed or (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Taxable Bonds to be redeemed, not including any portion of those payments of interest accrued and

unpaid as of the date on which the Taxable Bonds are to be redeemed, discounted to the date on which the Taxable Bonds are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the adjusted "Treasury Rate" (as defined below), plus ___ basis points, plus, in each case, accrued and unpaid interest on the Taxable Bonds to be redeemed on the redemption date.

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

Section 4.02. Selection of Bonds to be Redeemed.

In the case of any redemption in part of the Bonds, the Bonds to be redeemed under Section 4.01 hereof shall be selected by the Trustee, subject to any requirements of this Section 4.02. A redemption of Bonds shall be a redemption of the whole or of any part of the Bonds; *provided*, that there shall be no partial redemption of less than \$5,000. If less than all the maturities of the Bonds shall be called for redemption under any provision of this Indenture permitting such partial redemption, the particular maturity or maturities of the Bonds to be redeemed shall be selected by the Authority with the consent of the Borrower. If less than all of the Bonds Outstanding of any maturity shall be called for redemption, such Bonds shall be selected by the Trustee, in such manner as the Trustee in its discretion may deem fair and appropriate consistent with industry standards and the requirements of the last paragraph of Section 4.01(c); *provided, however*, (a) that the portion of any Bond to be redeemed under any provision of this Indenture shall be in the principal amount of \$5,000 or any multiple thereof, (b) that, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by \$5,000, and (c) that, to the extent practicable, the Trustee will not select any Bond for partial redemption if the amount of such Bond remaining Outstanding would be reduced by such partial redemption to less than the Authorized Denomination. If there shall be called for redemption less than all of a Bond, the Authority shall execute and deliver and the Trustee shall authenticate, upon surrender of such Bond and at the expense of the Borrower and without charge to the owner thereof, a replacement Bond in the principal amount of the unredeemed balance of the Bond so surrendered.

Section 4.03. Procedure for Redemption.

(a) In the event any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable (which shall be the Principal

Office of the Trustee) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portions of the Bonds, so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest. CUSIP number identification shall accompany all redemption notices. Such notice may set forth any additional information relating to such redemption.

(b) Such notice shall be given by mail, postage prepaid, at least thirty (30) days (or, in the case of acceleration of the Bonds pursuant to Section 7.02 hereof, seven (7) days) but not more than sixty (60) days prior to the date fixed for redemption to each Holder of Bonds to be redeemed at its address shown on the registration books kept by the Trustee; *provided, however*, that failure to give such notice to any Bondholder or any defect in such notice shall not affect the validity of the proceedings for the redemption of any of the other Bonds.

(c) Any notice of redemption of any Bonds pursuant to Section 4.01(a) or (b) may specify that the redemption is contingent upon the deposit of moneys with the Trustee in an amount sufficient to pay the redemption price of all the Bonds or portions thereof that are to be redeemed on that date.

(d) Any Bonds and portions of Bonds that have been duly selected for redemption and that are paid in accordance with Section 5.07 hereof shall cease to bear interest on the specified redemption date.

ARTICLE V

SOURCE AND APPLICATION OF FUNDS

Section 5.01. Pledge and Assignment.

(a) Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Pledged Property is hereby pledged to secure the payment of the Bonds. Said pledge shall constitute a lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after delivery by the Trustee of the Bonds, without any physical delivery thereof or further act. Notwithstanding anything to the contrary in this Indenture or the Bonds, the Bonds do not and shall not represent or constitute a debt or pledge of the faith and credit of the Authority, the State or of any political subdivision thereof, and the Holders have no right to have taxes levied by the State or the taxing authority of any political subdivision of the State for the payment of the Bonds. The Authority has no taxing power.

(b) The Authority hereby transfers in trust, pledges and assigns to the Trustee, for the benefit of the Holders from time to time of the Bonds, and grants a security interest in all of the Pledged Property, specifically excluding therefrom the following rights reserved to the Authority (collectively, the "*Reserved Rights*"): (i) rights to indemnification; (ii) rights of inspection and consent; (iii) rights to payment of its fees and expenses; (iii) all rights, title and interest in any and all provisions of the Loan Agreement relating to the Project Facilities (except for the right of the Authority to receive Basic Loan Payments pursuant to Section 2.10 of the Loan Agreement as described in Section 2.17 of the Loan Agreement), including, without limitation, its rights to exercise remedies as provided by the Loan Agreement and its rights to enter, inspect and operate the Project Facilities. The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. The Trustee also shall be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority that have been assigned to the Trustee and all of the obligations of the Borrower under the Loan Agreement other than the Reserved Rights of the Authority. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture. If, on the day on which a payment of Basic Loan Payments is required to be made, the Trustee has not received the full amount of such Basic Loan Payments, the Trustee shall immediately notify the Authority and the Borrower of such insufficiency by Electronic Means and confirm such notification as soon as possible thereafter by written notice.

Section 5.02. Construction Fund.

There is hereby created and established with the Trustee a trust fund to be designated "2017 Construction Fund", which shall be funded and from which moneys deposited therein shall be expended in accordance with the provisions of this Section 5.02 and as otherwise provided in the Loan Agreement, which Construction Fund shall have a Costs of Issuance Account and a Capitalized Interest Account.

(a) The Trustee shall deposit in the Construction Fund, the Costs of Issuance Account and the Capitalized Interest Account the respective amounts specified by the Authority at closing. As soon as practicable after the delivery of the Bonds, at the written direction of the Authority, the Trustee shall pay from the Costs of Issuance Account to the firms, corporations or Persons entitled thereto the legal, administrative, financing and incidental expenses of the Authority relating to the issuance of the Bonds. At the written request of the Authority, the Trustee shall transfer any remaining balance in the Costs of Issuance Account to the Debt Service Fund.

(b) Payments pursuant to this Section 5.02 shall be made in accordance with a certificate or certificates signed by an Authorized Officer of the Authority stating the names of the payees, the purpose of each payment in terms sufficient for identification and the respective amounts of each such payment. If the Borrower requests a copy of any certificate issued by the Authority pursuant to this Section 5.02, the Authority shall comply with such request.

(c) Moneys deposited in the Capitalized Interest Account shall be applied to the payment of interest as it becomes due on the Bonds, as directed by an Authorized Officer of the Authority, from the Closing Date to the date on which the funds deposited therein have been depleted in full. At the request of the Borrower, the Authority shall direct the Trustee to transfer any remaining balance in the Capitalized Interest Account to the Construction Fund to pay the costs of the Project.

(d) Upon the occurrence of an Event of Default hereunder as a result of which the Bonds shall be accelerated pursuant to Section 7.02 hereof, any balance remaining in the Construction Fund shall, without further authorization, be transferred into the Debt Service Fund.

Section 5.03. Debt Service Fund.

There is hereby created and established with the Trustee a trust fund to be designated "2017 Debt Service Fund", which shall be used to pay when due the principal of (whether at maturity or upon mandatory sinking fund redemption, if any), redemption premium, if any, and interest on the Bonds and is pledged for the benefit of the Bondholders. Within such Debt Service Fund there shall be created an Interest Account and a Principal Account. Moneys shall be deposited in the Debt Service Fund from time to time and shall be applied solely as follows:

(a) At the written direction of the Authority, funds (if any) shall be transferred from the Construction Fund to the Debt Service Fund and applied in accordance with this Section 5.03.

(b) Basic Loan Payments constituting interest due on the Bonds shall be deposited into the Interest Account of the Debt Service Fund in the amounts required to pay the interest next coming due on the Bonds (including accrued interest on any Bonds redeemed prior to maturity pursuant hereto).

(c) Basic Loan Payments constituting principal of and redemption premium, if any, due on the Bonds shall be deposited into the Principal Account of the Debt Service Fund in the amounts required to pay the principal of, sinking fund payment and redemption premium, if

any, next coming due on the Bonds (including principal of and redemption premium on any Bonds redeemed prior to maturity pursuant hereto).

(d) Sums received upon exercise of remedies by the Trustee or the Authority after an Event of Default shall be deposited in the Debt Service Fund. Such moneys shall be applied in accordance with the provisions of Section 7.05 hereof.

(e) Any payments made by the provider of any Swap entered into by the Borrower, which payments have been assigned by the Borrower to the Trustee, shall be deposited in the Interest Account of the Debt Service Fund and applied to the payment of interest on the Bonds when due.

The Authority hereby authorizes and directs the Trustee, and the Trustee hereby agrees, to withdraw from the Debt Service Fund, and make available at the Principal Office of the Trustee, sufficient funds (to the extent available) to pay the principal of, redemption premium, if any, and interest on the Bonds as the same become due and payable, whether due by maturity, acceleration, redemption or otherwise, only in the following order of priority:

(A) Amounts on deposit in the Debt Service Fund.

(B) Any other amounts in such other Funds or accounts (other than the Rebate Fund, the Additional Loan Payments Fund and the Project Fund), including, but not limited to, moneys obtained from the Borrower.

Section 5.04. Rebate Fund.

There is hereby created and established with the Trustee a trust fund to be designated "2017 Rebate Fund", which shall be funded and expended in accordance with this Section 5.04. It shall be held by the Trustee separate and apart from the other Funds held under this Indenture and shall not be part of the Pledged Property.

(a) An amount shall be deposited to the Rebate Fund by the Borrower from amounts paid by the Borrower pursuant to the Loan Agreement or from interest earnings, if and to the extent required, so that the balance in the Rebate Fund shall equal the Rebate Amount. Computations of the Rebate Amount shall be furnished to the Trustee by or on behalf of the Authority in accordance with the Tax Certificate.

(b) The Trustee shall have no obligation to rebate any amounts required to be rebated pursuant to this Section 5.04, other than from moneys held in the Rebate Fund or provided to it for such purpose by the Borrower.

(c) At the written direction of the Authority, the Trustee shall invest all amounts in the Rebate Fund in Qualified Investments, subject to any restrictions set forth in the Tax Certificate. The Trustee shall not be liable for any consequences arising from such investment and shall not be required to review the Tax Certificate to determine compliance with the preceding sentence. Money shall not be transferred from the Rebate Fund except as provided in subsection (d) below.

(d) Upon receipt of the Authority's written direction, the Trustee shall remit part or all of the balance in the Rebate Fund to the United States of America, as so directed. In addition, if the Authority so directs, the Trustee will deposit money into or transfer money out of the Rebate Fund from or into such accounts or funds as directed by the Authority's written directions. Any funds remaining in the Rebate Fund after redemption and payment of the Tax-Exempt Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor satisfactory to the Trustee, and payment of any amount then owed to the Trustee, shall be withdrawn and remitted to the Borrower.

Notwithstanding any other provision of this Indenture, the obligation to remit Rebate Amounts to the United States of America and to comply with all other requirements of this Section and the Tax Certificate shall survive the defeasance or payment in full of the Tax-Exempt Bonds.

Any provision hereof to the contrary notwithstanding, amounts credited to the Rebate Fund shall be free and clear of any lien hereunder and the Holders of the Bonds shall not have any claim or right thereto. The provisions concerning the calculation and payment of the required Rebate Amount are set forth in the Tax Certificate.

Section 5.05. Additional Loan Payments Fund.

There is hereby created and established with the Trustee a trust fund to be designated "2017 Additional Loan Payments Fund", which shall be funded and expended in accordance with this Section 5.05. It shall be held by the Trustee separate and apart from the other Funds held under this Indenture and shall not be part of the Pledged Property.

In addition to making the deposits and payments required by the preceding sections, the Trustee shall deposit all Additional Loan Payments received pursuant to the terms of Section 2.12 of the Loan Agreement into the Additional Loan Payments Fund and shall pay such fees and expenses for which such Additional Loan Payments were made when due at the written direction of the Authority.

Any provision hereof to the contrary notwithstanding, amounts credited to the Additional Loan Payments Fund shall be free and clear of any lien hereunder and the Holders of the Bonds shall not have any claim or right thereto.

Section 5.06. Investment of Moneys in Funds.

(a) Investment. All moneys in any of the Funds and accounts created or established hereunder shall be invested or reinvested by the Trustee in Qualified Investments at the written direction of the Authority. In the event no such direction is given to the Trustee, such moneys shall be invested in shares of an open-end, diversified investment company that is registered under the Investment Company Act of 1940, as amended, and that invests its assets exclusively in obligations of or guaranteed by the United States of America or any instrumentality or agency thereof, and for which the Trustee may or may not act as the investment manager or advisor, as previously designated by the Authority. Moneys shall be invested in Qualified Investments maturing or redeemable at the written direction of the Authority at the times and in the amounts necessary for the purposes specified in this Indenture. Qualified Investments purchased under a

repurchase agreement may be deemed to mature on the date or dates on which the Trustee may deliver such Qualified Investments for repurchase pursuant to such agreement.

All interest, profit and other income received from the investment of moneys in any Fund or account established hereunder shall be deposited when received in such Fund or account. Notwithstanding anything herein to the contrary, an amount of interest received with respect to any Qualified Investment equal to the amount of accrued interest, if any, paid as part of the purchase price of such Qualified Investment shall be credited to the Fund or account for the credit of which such Qualified Investment was acquired.

Pursuant to any written directions from the Authority with respect thereto, from time to time, the Trustee shall sell those investments and reinvest the proceeds therefrom in Qualified Investments maturing or redeemable as aforesaid. Any of those investments may be purchased from or sold to the Trustee, or a Paying Agent, or any bank, trust company, savings and loan association or broker/dealer affiliated with any of the foregoing. The Trustee shall sell or redeem investments credited to the Debt Service Fund as necessary to produce sufficient money applicable hereunder to and at the times required for the purposes of paying interest on, principal or sinking fund payments of or the redemption price of the Bonds when due as aforesaid.

The Trustee may commingle any of the Funds or accounts established pursuant to this Indenture (other than the Rebate Fund) into a separate fund or funds for investment purposes only, provided that all Funds or accounts held by the Trustee hereunder shall be accounted for separately as required by this Indenture.

The Trustee shall not be responsible or liable for any loss or decrease in value of the investments made pursuant this Article V.

(b) Valuation. For the purpose of determining the amount on deposit to the credit of any Fund or account, the value of obligations in which money in such Fund or account shall have been invested shall be computed at the lower of cost or market value, exclusive of accrued interest, with the market value determined by the Trustee and as set forth in statements provided by the Trustee for such purpose.

So long as the Bonds are then Outstanding, the Trustee shall value the Funds and accounts established and held by the Trustee hereunder on June 30 of each year and at such other times as requested by the Authority.

Section 5.07. Moneys to be Held in Trust.

Except where money has been deposited with or paid to the Trustee pursuant to an instrument restricting its application to particular Bonds, all money required or permitted to be deposited with or paid to the Trustee or any Paying Agent under any provision of this Indenture and the Loan Agreement, and any investments thereof, shall be held by the Trustee (or any of its affiliates) or any Paying Agent in trust for all Bonds. Except for (i) money deposited with or paid to the Trustee or any Paying Agent for the redemption of Bonds, notice of the redemption of which shall have been duly given, and (ii) money in the Rebate Fund, the Project Fund and the Additional Loan Payments Fund; all money described in the preceding sentence held by the Trustee or any Paying Agent shall be subject to the lien hereof while so held.

Section 5.08. Nonpresentment of Bonds.

In the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, if moneys sufficient to pay any such Bonds shall have been deposited with the Trustee for the benefit of the Holder thereof, all liability of the Authority to the Holder thereof for the payment of such Bonds shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, uninvested or invested in non-callable United States Obligations maturing overnight, but in any event without liability for interest thereon, for the benefit of the Holder of such Bonds, which shall thereafter be restricted exclusively to such funds for any claim of whatever nature on its part under this Indenture with respect to such Bonds.

If any Bond or evidence of beneficial ownership of such Bond shall not be presented for payment when the principal thereof becomes due (whether at maturity, by acceleration, upon call for redemption, upon purchase or otherwise), all liability of the Authority to the Holder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged if funds sufficient to pay such Bond and interest due thereon, if any, are held by the Trustee uninvested for the benefit of the Holder thereof. Thereupon, it shall be the duty of the Trustee to comply with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq.*, with respect to such funds. The Holder shall thereafter be restricted exclusively to such funds for any claim of whatever nature on its part under this Indenture or on, or with respect to, such Bond.

Section 5.09. Project Fund.

The Project Fund created pursuant to Section 3.5 of the Loan Agreement shall be held by the Trustee pursuant to this Indenture. It shall be held by the Trustee separate and apart from the other Funds held under this Indenture and shall not be part of the Pledged Property. Moneys shall be deposited in the Project Fund, applied to the payment of debt service and returned to the Borrower at the times and as set forth in Section 3.5 of the Loan Agreement. At the written direction of the Borrower or the Authority, the Trustee shall invest all amounts in the Project Fund in (i) United States Obligations and (ii) money market funds described in clause (i) of the definition of Qualified Investments. If the investment instructions of the Authority and the Borrower, given pursuant to this Section 5.09, conflict, then the Borrower's instructions shall control.

Any funds remaining in the Project Fund after redemption and payment of the Bonds, and payment of any amount then owed to the Trustee, shall be withdrawn and remitted to the Borrower.

Any provision hereof to the contrary notwithstanding, amounts credited to the Project Fund shall be free and clear of any lien hereunder and the Holders of the Bonds shall not have any claim or right thereto.

Section 5.10. Additional Funds, Accounts and Sub-accounts.

The Trustee shall establish any additional Funds, accounts or sub-accounts within any Fund as directed by the Authority, in writing.

ARTICLE VI

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 6.01. Payment of Principal, Redemption Premium, if any, and Interest.

Except as permitted herein, the Authority covenants that it will promptly pay, or cause to be paid, the principal of, redemption premium (if any) and interest on the Bonds, at the places, on the dates and in the manner provided herein and in the Bonds, according to the true intent and meaning thereof, but only from the Pledged Property. The Authority further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Indenture, the Loan Agreement, in the Bonds or in any proceedings of the Authority pertaining thereto. The Authority represents and warrants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Bonds and to enter into this Indenture and the Loan Agreement and to pledge the Pledged Property in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds initially issued hereunder and the adoption of this Indenture has been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be valid and enforceable, special and limited obligations of the Authority according to their terms.

The Bonds shall not be general obligations of the Authority but special and limited obligations payable solely from the Pledged Property. No Holder of any Bonds has the right to compel any exercise of taxing power (if any) of the State or of any political subdivision thereof, including the Authority, to pay the Bonds or the interest thereon, and the Bonds do not constitute an indebtedness or a loan of credit of the State or of any political subdivision thereof, including the Authority, within the meaning of any constitutional or statutory provisions. The Authority has no taxing power.

Section 6.02. Extension of Payment of Bonds.

The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon that shall not have been so extended. Nothing in this Section 6.02 shall be deemed to limit the right of the Authority to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.03. Against Encumbrances.

Except as permitted herein, the Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves

the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Act, and reserves the right to issue other obligations for such purposes.

Section 6.04. Power to Issue Bonds and Make Pledge and Assignment.

The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special and limited obligations of the Authority in accordance with their terms, and the Authority and Trustee shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bondholders under this Indenture against all claims and demands of all persons whomsoever.

Section 6.05. Accounting Records and Financial Statements.

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with the Trustee's accounting practices for books of record and account relating to similar trust accounts, in which complete and accurate entries shall be made of all transactions relating to the proceeds of the Bonds, the Revenues, the Loan Agreement and all Funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority, the Borrower and any Bondholder, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

(b) The Trustee shall file and furnish on or before the fifteenth (15th) day of each month to the Authority, the Borrower and each Bondholder who shall have filed his or her name and address with the Trustee for such purpose a complete financial statement (which need not be audited) covering receipts, disbursements, allocation and application of Revenues and any other moneys (including proceeds of the Bonds) in any of the Funds and accounts established pursuant to this Indenture for the preceding month.

Section 6.06. Tax Covenants.

The Authority shall at all times do and perform all acts and things required by law and require the Borrower at all times to do and perform all acts and things required by law and this Indenture that are necessary or desirable in order to assure that interest paid on the Tax-Exempt Bonds will be excluded from gross income for purposes of federal income taxes and shall neither take action nor permit any other person to take any action that would result in such interest not being excluded from gross income for federal income tax purposes.

Section 6.07. Waiver of Laws.

The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

Section 6.08. Continuing Disclosure.

Pursuant to Section 3.8 of the Loan Agreement, the Borrower has covenanted to comply with and carry out all of the provisions of a disclosure agreement with respect to the Bonds that complies with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission (as amended from time to time, the "*Rule*"), in form and substance satisfactory to the Participating Underwriters (as defined in the Rule). Notwithstanding any other provision of this Indenture, failure of the Borrower to enter into and comply with such a disclosure agreement shall not be considered an Event of Default; *however*, any Bondholder or beneficial owner may, and the Trustee, at the written request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower to comply with its obligations under Section 3.8 of the Loan Agreement.

ARTICLE VII

DEFAULT PROVISIONS AND REMEDIES.

Section 7.01. Events of Default; Defaults.

The occurrence of any one or more of the following events shall constitute an "*Event of Default*" hereunder:

- (a) failure to pay interest on any Bond when due and payable;
- (b) failure to pay any principal of or redemption premium on any Bond when due and payable, whether at stated maturity or pursuant to any redemption requirement under Section 4.01 hereof;
- (c) failure by the Authority to observe or perform any other covenant, condition or agreement on its part to be observed or performed in this Indenture or the Bonds, for a period of thirty (30) days after written notice of such failure shall have been given to the Borrower and the Authority by the Trustee; *provided, however*, that if such observance or performance requires work to be done, actions to be taken or conditions to be remedied that by its or their nature cannot reasonably be done, taken or remedied, as the case may be, within such 30-day period, no Event of Default under this subsection (c) shall be deemed to have occurred or to exist if and so long as the Authority or the Borrower, as the case may be, shall have commenced such work, action or remediation within such 30-day period and provided written notice thereof to the Trustee and shall diligently and continuously prosecute the same to completion; and
- (d) the occurrence of an Event of Default under the Loan Agreement as defined in Section 2.5 thereof, which Event of Default has not been waived pursuant to Section 7.08 hereof.

Within five (5) Business Days after actual knowledge by a Responsible Officer of the Trustee of an Event of Default, the Trustee shall give written notice, by registered or certified mail, to the Authority, the Borrower and the Bondholders and, upon notice as provided in Section 8.01(h) hereof, shall give similar notice of any other Event of Default.

Section 7.02. Acceleration.

Upon the occurrence of any Event of Default known to a Responsible Officer of the Trustee, the Trustee shall declare all Bonds then Outstanding to be due and payable immediately, and, upon such declaration, all principal and interest accrued thereon shall become immediately due and payable, and there shall be an automatic corresponding acceleration of the Borrower's obligation to make all payments required to be made under the Loan Agreement in an amount sufficient to pay immediately all principal of and accrued and unpaid interest on the accelerated Bonds. Interest shall accrue on the Bonds to the date of payment (even if after the date of acceleration).

The provisions of the preceding paragraph, however, are subject to the condition that if, after the principal of the Bonds shall have been so declared to be due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, there shall be deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of any and all Bonds that shall have become due otherwise than by reason of such declaration and such amount as shall be sufficient to cover reasonable compensation and reimbursement of expenses payable to the Trustee and each Paying Agent, and all Events of Default hereunder other than nonpayment of the principal of Bonds that shall have become due by such declaration shall have been remedied, then, in every such case, such Event of Default shall be deemed waived and such declaration and its consequences rescinded or annulled, and the Trustee shall promptly give written notice of such waiver, rescission or annulment to the Authority, each Paying Agent and the Borrower and shall give notice thereof to all Holders of Outstanding Bonds; but no such waiver, rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Section 7.03. Other Remedies; Rights of Bondholders.

Upon the continuance of an Event of Default, if so requested, in writing, by a Majority of the Bondholders, and if satisfactory indemnity has been furnished to it, the Trustee shall exercise such of the rights and powers conferred by this Indenture, the Borrower Security Instruments or any other Basic Agreement as the Trustee, being advised by counsel, shall deem most effective to enforce and protect the interests of the Bondholders; *provided*, that the Trustee may take action with respect to the Loan Agreement only to enforce the rights expressly and specifically assigned to the Trustee under Section 5.01 of this Indenture.

No remedy under this Indenture is intended to be exclusive and, to the extent permitted by law, each remedy shall be cumulative and in addition to any other remedy hereunder or now or hereafter existing. No delay or omission to exercise any right or power shall impair such right or power or constitute a waiver of any Default or Event of Default or acquiescence therein; and each such right and power may be exercised as often as deemed expedient. No waiver by the Trustee or the Bondholders of any Default or Event of Default shall extend to any subsequent Default or Event of Default.

Section 7.04. Right of Bondholders to Direct Proceedings.

A Majority of the Bondholders shall have the right at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, the Borrower Security Instruments or any other Basic Agreement or for the appointment of a receiver or any other proceedings hereunder or thereunder; *provided*, that such direction shall be in accordance with applicable law and this Indenture and, if applicable, the Borrower Security Instruments or such other Basic Agreement, and provided that the Trustee shall be indemnified to its satisfaction.

Section 7.05. Application of Moneys.

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses (including reasonable attorneys' fees and expenses), liabilities and advances owing to or incurred or made by the Trustee, be deposited in the Debt Service Fund, and the moneys in the Debt Service Fund shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied in the following order of priority:

(A) – To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest (with interest on overdue installments of such interest, to the extent permitted by law, at the rate of interest borne by the Bonds) and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

(B) – To the payment to the Persons entitled thereto of the unpaid principal of and redemption premium, if any, on any of the Bonds that shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture) (with interest on overdue installments of principal and redemption premium, if any, to the extent permitted by law, at the rate of interest borne by the Bonds) and, if the amount available shall not be sufficient to pay in full all Bonds due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege; and

(C) – To the payment to the Persons entitled thereto as the same shall become due of the principal of and redemption premium, if any, and interest on the Bonds that may thereafter become due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest and redemption premium, if any, then due and owing thereon, payment shall be made ratably, according to the amount of interest, principal and redemption premium, if any, due on such date, to the Persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due, respectively, for principal and interest, to the Persons entitled thereto without any discrimination or privilege, with interest on overdue installments of interest or principal, to the extent permitted by law, at the rate of interest borne by the Bonds.

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article VII, then, subject to the provisions of paragraph (b) above, in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) above.

Whenever moneys are to be applied pursuant to the provisions of this Section 7.05, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue; *provided*, that upon an acceleration of Bonds pursuant to Section 7.02 hereof, interest shall cease to accrue on the Bonds on and after the date of actual payment. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 7.06. Remedies Vested in Trustee.

All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Bondholders, and any recovery of judgment shall be for the equal and ratable benefit of the Holders of the Outstanding Bonds.

Section 7.07. Rights and Remedies of Bondholders.

No Bondholder shall have any right to institute any proceeding for the enforcement of this Indenture or any right or remedy granted hereby unless (i) an Event of Default is continuing, (ii) a Responsible Officer of the Trustee is deemed to have notice or knowledge thereof or has been notified as provided in Section 8.01(h) hereof, (iii) a Majority of the Bondholders shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to exercise its powers or to institute such proceeding in its own name, and have offered to the Trustee indemnity satisfactory to it, and (iv) the Trustee shall have failed or refused to exercise its power or to institute such proceeding. Such notice, request, offer of indemnity and failure or refusal shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action for the enforcement of this Indenture or of any right or remedy granted hereby; the Holders of the Bonds shall have no right to affect or prejudice the lien of this Indenture by their action or to enforce any right hereunder except in the manner herein provided and proceedings shall be instituted and maintained in the manner herein provided and for the benefit of the Holders of all Bonds then Outstanding. Notwithstanding the foregoing, each Bondholder shall have a right of action to enforce the payment of the principal of and redemption premium, if any, and interest on any Bond held by it at and after the maturity thereof, from the sources and in the manner expressed in such Bond.

Section 7.08. Waivers of Events of Default.

The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of principal upon the written request of the Holders of (1) at least a majority in aggregate principal amount of all Outstanding Bonds in respect of which default in the payment of principal or interest, or both, exists or (2) at least a majority in aggregate principal amount of all Outstanding Bonds in the case of any other Event of Default; *provided*, that there shall not be waived any Event of Default specified in subsection (a) or (b) of Section 7.01 hereof unless, prior to such waiver or rescission, the Borrower shall have caused to be paid to the Trustee (i) all arrears of principal and interest (other than principal of or interest on the Bonds that became due and payable by declaration of acceleration), with interest at the rate then borne by the Bonds on overdue installments, to the extent permitted by law, and (ii) all expenses of the Trustee in connection with such Event of Default. In case of any waiver or rescission described above, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or concluded or determined adversely, then and in every such case the Authority, the Trustee and the Holders of Bonds shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 7.09. Intervention by Trustee.

In any judicial proceeding that the Trustee believes has a substantial bearing on the interests of the Bondholders, the Trustee may intervene on behalf of the Bondholders.

Section 7.10. Remedies of Authority on Event of Default.

Upon the occurrence and continuance of an Event of Default, the Authority or the Trustee shall not be required to take any action that, in its opinion, might cause it to expend time or money or otherwise incur any liability unless satisfactory indemnity has been furnished to it.

ARTICLE VIII

THE TRUSTEE

Section 8.01. Acceptance of Trusts.

The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of a Default and after the curing of all Defaults that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and the Loan Agreement. In case a Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in the exercise of such rights and powers as an ordinary, prudent trustee would exercise or use in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, but shall not be answerable for the conduct of the same if appointed with due care, and the Trustee shall be entitled to advice of counsel concerning its duties hereunder and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Authority or the Borrower) selected by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or inaction taken or not taken, as the case may be, in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of authentication endorsed on the Bonds), or for insuring the Project Facilities, or for collecting any insurance moneys, or for the validity of the execution by the Authority of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the Project Facilities or any lien waivers with respect to the Project Facilities, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Borrower under the Loan Agreement except as hereinafter set forth; but the Trustee may require of the Authority and the Borrower full information and advice as to the performance of the aforesaid covenants, conditions and agreements. The Trustee shall have no obligation to perform any of the duties of the Authority under the Loan Agreement.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds secured hereby with the same rights that it would have if not the Trustee hereunder.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to conclusively rely upon a certificate signed by an Authorized Officer or an Borrower Representative as sufficient evidence of the facts therein contained and prior to the occurrence of a Default of which the Trustee has been notified as provided in Section 8.01(h) hereof, or of which by said subsection the Trustee is deemed to have notice, and shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Authorized Officer to the effect that a resolution in the form therein set forth has been adopted by the Authority as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder except for Defaults specified in subsection (a) or (b) of Section 7.01 hereof, unless a Responsible Officer of the Trustee shall be specifically notified in writing at its Principal Office of such Default by the Authority or by the Holders of at least 50% in aggregate principal amount of Outstanding Bonds, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be received by a Responsible Officer at the Principal Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Default except as aforesaid.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books and records of the Authority pertaining to the Bonds and to make such copies and memoranda from and with regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of this Indenture or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a

condition of such action, deemed desirable by the Trustee for the purpose of establishing the right of the Authority to the authentication of any Bonds, the withdrawal of any cash, the release of any property or the taking of any other action.

(l) Before taking any action under this Indenture or under the Loan Agreement (other than accelerating the Bonds as required under Section 7.02 hereof and paying the principal of, redemption premium (if any) and interest on the Bonds as the same shall become due and payable), the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of any expenses to which it may be put and to protect it against all liability, except liability that is adjudicated to have resulted from its negligence or willful misconduct in connection with any such action.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent otherwise required herein or required by law.

(n) The Trustee's immunities and protections from liability and its right to compensation and indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents and employees. Notwithstanding anything else contained herein or in any other document or instrument executed by or on behalf of the Trustee in connection herewith, no stipulation, covenant, agreement or obligation contained herein or therein shall be deemed or construed to be a stipulation, covenant, agreement or obligation of any present or future officer, director, employee or agent of the Trustee in any such person's individual capacity, and no such person, in his individual capacity, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulation, covenant, agreement or obligation. All immunities and protections and rights to indemnification of the Trustee and its officers, directors, employees and agents, together with the Trustee's rights to compensation, shall survive the Trustee's resignation or removal and final payment of the Bonds.

(o) Notwithstanding anything else herein contained, (i) the Trustee shall not be liable for any error or judgment made in good faith unless it is proven that the Trustee was negligent in ascertaining the pertinent facts, and (ii) no provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it believes the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(p) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders of the Bonds, each representing less than a majority in aggregate principal amount of the Bonds Outstanding, the Trustee, in its sole discretion, may determine what action, if any, shall be taken.

(q) The Trustee shall have no responsibility for any registration, filing, recording, registration, refiling or rerecording of this Indenture or any other document or instrument executed in connection with this Indenture and the issuance and sale of the Bonds,

including, without limitation, any financing statements or continuation statements with respect thereto.

(r) To the extent that it is necessary for the Trustee to determine whether any Person is a Beneficial Owner, the Trustee shall make such determination based on a certification of such Person (on which the Trustee may conclusively rely) setting forth in satisfactory detail the principal balance and Bond certificate owned and any intermediaries through which such Bond certificate is held. The Trustee shall be entitled to rely conclusively on information it receives from DTC or other applicable Securities Depository, its direct participants and the indirect participating brokerage firms for such participants with respect to the identity of a Beneficial Owner. The Trustee shall not be deemed to have actual or constructive knowledge of the books and records of DTC or its participants.

(s) The Trustee shall have no obligation or duty to review any financial statements (audited or otherwise) filed with it and shall not be deemed to have notice of the content of such statements or a default based on such content and shall have no obligation or duty to verify the accuracy of such statements.

(t) The Trustee shall have no responsibility with respect to any information in any offering memorandum or document or disclosure material relating to the Bonds or for compliance with securities laws in connection with the issuance and sale of the Bonds.

Section 8.02. Successor Trustee.

Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and vested with all of the title to the Pledged Property and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.03. Resignation by Trustee; Removal.

The Trustee may at any time resign from the trusts hereby created by giving sixty (60) days' written notice to the Authority, to the Borrower and to each Bondholder, but such resignation shall not take effect until the appointment of a successor Trustee, acceptance by the successor Trustee of such trusts and assignment to such successor Trustee of the rights of the predecessor Trustee under the Borrower Security Instruments. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee, the Authority and the Borrower and signed by the Authority or a Majority of the Bondholders, but such removal shall not take effect until the appointment of a successor Trustee and acceptance by the successor Trustee of such trusts. The Trustee may also be removed at any time for any breach of trust, or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture or any other Basic Agreement with respect to

the duties and obligations of the Trustee, by any State court of competent jurisdiction upon the application of the Authority, the Borrower or a Majority of the Bondholders.

Section 8.04. Appointment of Successor Trustee.

If the Trustee hereunder shall resign or be removed, or be dissolved, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the Authority with the consent of the Borrower. If the Authority does not appoint a successor Trustee within forty-five (45) days of the Trustee providing notice of its resignation, the Trustee may petition a State court of competent jurisdiction to appoint a successor Trustee. At any time within one (1) year after any such vacancy shall have occurred and provided a court has not appointed a successor Trustee as provided above, a Majority of the Bondholders may appoint a successor Trustee by an instrument or concurrent instruments in writing signed by or on behalf of such Holders, which appointment shall supersede any Trustee theretofore appointed by the Authority. Each successor Trustee shall be a trust company or bank having the powers of a trust company that is in good standing and has a reported capital, surplus and undivided profits of not less than \$100,000,000. Any such successor Trustee shall become Trustee upon giving notice to the Borrower, the Authority and the Bondholders, if any, of its acceptance of the appointment, vested with all the property, rights and powers of the Trustee hereunder, without any further act or conveyance. Any predecessor Trustee shall execute, deliver and record and file such instruments as the Trustee may reasonably require to confirm or perfect any such succession.

Section 8.05. Dealing in Bonds.

The Trustee and any of its directors, officers, employees or agents may become the owners of any or all of the Bonds secured hereby with the same rights as if such owner were not the Trustee or an affiliate of the Trustee.

Section 8.06. Trustee as Bond Registrar; List of Bondholders.

The Trustee is hereby designated as bond registrar for the Bonds and, as such, will keep on file a list of names and addresses of the Holders of all Bonds; *provided, however*, that the Trustee shall be under no responsibility with regard to the accuracy of the address of any Bondholder. At reasonable times and under reasonable regulations established by the Trustee, such list may be inspected and copied by the Authority or by owners (or a designated representative thereof) of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 8.07. Successor Trustee as Custodian of Funds, Bond Registrar and Paying Agent.

In the event of a change in the office of Trustee, the predecessor Trustee that has resigned or been removed shall cease to be custodian of any funds it may hold pursuant to this Indenture, and cease to be the bond registrar and Paying Agent for any of the Bonds, and the successor Trustee shall become such custodian, bond registrar and Paying Agent.

Section 8.08. Adoption of Authentication.

In case any Bonds shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of the predecessor Trustee and deliver the Bonds as so authenticated.

Section 8.09. Designation and Succession of Paying Agents.

After thirty (30) days' written notice to the Authority and subject to the Authority's approval (which shall not unreasonably be withheld or delayed), the Trustee may designate any other banks or trust companies as Paying Agent. Any bank or trust company with or into which any Paying Agent other than the Trustee may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor to such Paying Agent for the purposes of this Indenture. If the position of such Paying Agent shall become vacant for any reason, the Trustee shall, within thirty (30) days thereafter, appoint a bank or trust company located in the same state as such Paying Agent to fill such vacancy, subject to the Authority's approval (which shall not unreasonably be withheld or delayed). The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in Section 8.01 hereof with respect to the Trustee, insofar as such provisions may be applicable.

Section 8.10. Trustee to Retain Information; No Responsibility.

So long as any of the Bonds shall be Outstanding, the Trustee shall retain all certificates, all financial statements and all other written information furnished to it by or on behalf of the Authority, the Borrower or any other Person under this Indenture, the Loan Agreement and the other Basic Agreements and shall make such documentation available for review after reasonable notice during regular business hours at the Principal Office of the Trustee to the Authority, the Borrower and any Bondholder and, so long as the Bonds are held by DTC or other Securities Depository or its nominee, any Beneficial Owner of Bonds presenting evidence of such ownership reasonably satisfactory to the Trustee. The Trustee shall permit such reviewers to take copies of all or any part of such documentation, subject to their payment of such reasonable copying and handling charges as the Trustee may impose. Unless otherwise expressly provided, the Trustee shall not have any responsibility with respect to any such reports, notices, certificates, financial statements and other written information furnished to it hereunder, except to make them available for inspection at reasonable times as provided above.

Section 8.11. Certain Notices to Rating Agencies and Bondholders.

The Trustee shall give or cause to be given to each Rating Agency then rating the Bonds notice of (i) any change in the identity of the Trustee, (ii) any amendment to this Indenture, (iii) any optional redemption, mandatory redemption (other than scheduled redemptions), defeasance or acceleration of Bonds, and (iv) the occurrence of any Event of Default under this Indenture. For the purpose of this paragraph, the addresses of the Rating Agencies shall be the following (or in each case such other address as the Rating Agency has specified to the parties hereto):

Moody's Investors Service, Inc.
7 World Trade Center at 250 Greenwich Street
Municipal Structured Product Group – 23rd Floor
New York, New York 10007
Fax: 212-553-1066
MSPGSurveillanceGroup@Moody.com

S&P Global Ratings
55 Water Street – 38th Floor
New York, New York 10041
Attention: Public Finance Department Structured Finance Group

Fitch Ratings
One State Street Plaza
New York, New York 10004
Attention: Municipal Structured Finance

Section 8.12. Compensation and Indemnification.

The Authority shall pay to the Trustee (solely from Additional Loan Payments) from time to time reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements, and those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of Article VII hereof shall first be applied to payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses (including reasonable attorneys' fees and expenses), liabilities and advances owing to or incurred or made by the Trustee and, thereafter, shall be deposited and applied as set forth in Section 7.05 hereof.

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers, if it has not received the agreed compensation for such services or, in cases where the Trustee has a right to reimbursement or indemnification for such performance or exercise, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Authority hereby agrees, to the extent permitted by law, to reimburse and hold harmless the Trustee from and against any and all claims, damages, losses, liabilities, costs or reasonable expenses whatsoever that the Trustee may incur in connection with the performance by the Trustee of its obligations under this Indenture; *provided, however*, that the Authority shall not be required to reimburse and hold harmless the Trustee for any claims, damages, losses, liabilities, costs or expenses caused in whole or in part by the Trustee's negligence, bad faith, breach of contract or willful misconduct arising out of or as a result of the Trustee's performing its obligations hereunder or undertaking any transaction contemplated hereby; and *further provided*, that the foregoing is subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 *et seq.*, and the New Jersey Contractual Liability Act, N.J.S.A.

59:13-1 *et seq.* While the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.*, is not applicable by its terms to claims arising under contracts with the Authority, the Trustee, by accepting its appointment as such hereunder, agrees that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims against the Authority arising under this Section 8.12.

The Trustee, by accepting its appointment as such under this Indenture, agrees that the Trustee (i) shall give the Authority prompt notice in writing of any actual or potential claim described above, and the institution of any suit or action; (ii) shall not adjust, settle or compromise any such claim, suit or action without the consent of the Authority; and (iii) shall permit the Authority, at the Authority's sole discretion, to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action.

The indemnification provided in this Section 8.12 does not apply to or extend to any indemnification that may be given by the Trustee to any other Person, if any.

ARTICLE IX

SUPPLEMENTAL INDENTURES AND WAIVERS; AMENDMENT OF LOAN AGREEMENT

Section 9.01. Supplemental Indentures Not Requiring Consent of Bondholders.

The Authority and the Trustee may, without consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture if Bond Counsel delivers an opinion that the provisions of such supplemental indenture do not materially adversely affect the interests of the Bondholders, including, without limitation, for any one or more of the following purposes:

- (a) to cure any ambiguity or formal defect or omission in this Indenture;
- (b) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee;
- (c) to subject to this Indenture additional revenues, properties or collateral;
- (d) to modify, amend or supplement this Indenture or any indenture supplemental hereof in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America;
- (e) to evidence the appointment of a successor Trustee or a new Trustee hereunder;
- (f) to correct any description of, or to reflect changes in, any of the properties comprising the Pledged Property;
- (g) to make any revisions of this Indenture that shall be required by Moody's, Fitch or S&P in order to obtain or maintain an investment grade rating on the Bonds;
- (h) to provide for an uncertificated system of registering the Bonds or to provide for changes to or from the book-entry system;
- (i) to effect any other change herein that, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders; or
- (j) to conform to the terms and provisions of a Swap Agreement that is to be secured on parity with the Bonds.

In the event any Rating Agency has issued a rating that is outstanding on any of the Bonds, such Rating Agency or Rating Agencies, as the case may be, shall receive prior written notice from the Trustee of the proposed amendment, but such notice shall not be a condition of the effectiveness of such amendment.

Section 9.02. Supplemental Indentures Requiring Consent of Bondholders.

Exclusive of supplemental indentures permitted by Section 9.01 hereof and subject to the terms and provisions contained in this Section 9.02, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Outstanding Bonds shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; *provided, however*, that nothing in this Section 9.02 or in Section 9.01 hereof contained shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of, or the interest on, any Bond issued hereunder, or (b) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indentures or any modifications or waivers of the provisions of this Indenture or the Loan Agreement, or (e) the creation of any lien ranking prior to or on a parity with the lien of this Indenture on the Pledged Property or any part thereof, except as hereinbefore expressly permitted, or (f) the deprivation of the owner of any Outstanding Bond of the lien hereby created on the Pledged Property, or (g) an extension of the date for making any scheduled mandatory redemption under Section 4.01(c) hereof.

If at any time the Authority shall request the Trustee, in writing, to enter into any such supplemental indenture for any of the purposes of this Section 9.02, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given to the Bondholders in the same manner as provided in Section 4.03 of this Indenture for the giving of notices of redemption; *provided*, that prior to the delivery of such notice, the Trustee shall receive an opinion of Bond Counsel to the effect that the supplemental indenture complies with the provisions of this Indenture and will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Authority following such notice, the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Bondholder shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 9.02 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

In the event S&P, Fitch or Moody's has issued a rating of any of the Bonds, the Trustee shall mail to each such Rating Agency prior written notice of the proposed amendment, but such notice shall not be a condition of the effectiveness of such amendment.

Section 9.03. Borrower Consent.

Anything herein to the contrary notwithstanding, a supplemental indenture under this Article IX shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution of any such supplemental indenture together with a copy of the proposed supplemental indenture to be mailed to the Borrower at least fifteen (15) Business Days prior to the proposed date of execution and delivery of any such supplemental indenture.

Section 9.04. Opinion of Counsel.

The Trustee and the Authority shall be entitled to receive, and shall be fully protected in conclusively relying upon, the opinion of any counsel approved by it, who may be counsel for the Authority, as conclusive evidence that a proposed supplemental indenture complies with the provisions of this Indenture, and that it is proper for the Trustee and the Authority, respectively, under the provisions of this Article IX, to join in the execution of such supplemental indenture.

Section 9.05. Modification by Unanimous Consent.

Notwithstanding anything contained elsewhere in this Indenture, the rights and obligations of the Borrower, the Authority, the Trustee and the Holders of the Bonds and the terms and provisions of the Bonds and this Indenture, any other Basic Agreement or any supplemental agreement may be modified or altered in any respect with the consent of the Borrower, the Authority, the Trustee and the Holders of all of the Bonds then Outstanding.

Section 9.06. Execution of Amendments and Supplements by Trustee.

The Trustee shall not be obligated to sign any amendment or supplement to this Indenture, the Loan Agreement or the Bonds pursuant to this Article IX if the amendment or supplement, in the judgment of the Trustee, could adversely affect the rights, duties, liabilities, protections, privileges, indemnities or immunities of the Trustee. In signing an amendment or supplement, the Trustee (subject to Section 8.01 hereof) shall be fully protected in conclusively relying on an opinion of Bond Counsel stating that such amendment or supplement is authorized by this Indenture and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Bonds.

Section 9.07. Amendments to Loan Agreement Not Requiring Consent of Bondholders.

The Authority and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Loan Agreement as may be required or permitted (i) by the provisions of the Loan Agreement, (ii) for the purpose of curing any ambiguity or formal defect or omission in the Loan Agreement, (iii) so as to more precisely identify the Project Facilities, (iv) to enter into an indenture or indentures supplemental hereto as

provided in Section 9.01 hereof, (v) to make any revisions that shall be required by a Rating Agency in order to obtain or maintain an investment grade rating on the Bonds, or (vi) in connection with any other change therein that, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders.

Section 9.08. Amendments to Loan Agreement Requiring Consent of Bondholders.

Except for the amendments, changes or modifications as provided in Section 9.07 hereof, neither the Authority nor the Trustee shall consent to any other amendment, change or modification of the Loan Agreement without mailing of notice and the written approval or consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds; *provided*, that the written consent of the Holders of all Bonds Outstanding is required for any amendment, change or modification of the Loan Agreement that would permit the termination or cancellation of the Loan Agreement or a reduction in or postponement of the payments under the Loan Agreement or any change in the provisions relating to payment thereunder, except as provided in Section 9.01 hereof. If at any time the Authority and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Loan Agreement, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 9.02 hereof with respect to supplemental indentures; *provided*, that prior to the delivery of such notice or request, the Trustee or the Authority may require that an opinion of Bond Counsel be furnished to the effect that such amendment, change or modification complies with the provisions of this Indenture and will not adversely affect the exclusion of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Principal Office of the Trustee for inspection by all Bondholders.

ARTICLE X

MISCELLANEOUS

Section 10.01. Consents, etc., of Bondholders.

Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent documents and may be executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the written appointment of any such agent or of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument. The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by an officer authorized by law to take acknowledgments of deeds certifying that the Person signing such instrument or writing acknowledged to him the execution thereof. The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of owning the same shall be proved by the registration books of the Authority maintained by the Trustee pursuant to Section 3.05 hereof. The fact of beneficial ownership of Bonds in book-entry form, when required, shall be determined as provided in Section 8.01(r).

Section 10.02. Limitation of Rights.

With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or company, other than the parties hereto and the Bondholders, any legal or equitable right, remedy or claim under or with respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Bondholders as herein provided.

Section 10.03. Severability.

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

Section 10.04. Notices.

All notices, certificates or other communications hereunder shall be sufficiently given and, except as provided in Section 8.01(h) hereof, shall be deemed to be delivered if in writing or in the form of a facsimile addressed to the appropriate Notice Address and if either (a) actually delivered at said address or (b) in the case of a letter, three (3) Business Days shall have elapsed after the same shall have been deposited in the United States mail, first-class postage prepaid and registered or certified. A copy of each notice, certificate or other communication given by any party hereto shall also be given to the other party hereto and to the Borrower in the manner provided for in this Section 10.04.

A duplicate copy of each notice required to be given hereunder by any Person listed above shall also be given to the others. The Authority, the Borrower and the Trustee may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Unless expressly set forth herein, all notices, certificates or other communications hereunder shall be in writing.

Section 10.05. Payments Due on Saturdays, Sundays and Holidays.

In any case where a Payment Date is not a Business Day, then payment of interest or principal and any redemption premium due on the Bonds on such day need not be made by the Trustee on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the Payment Date.

Section 10.06. Extent of Authority Covenants; No Personal Liability.

No covenant, stipulation, obligation or agreement of the Authority contained in this Indenture or any other Basic Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, director, officer, employee, counsel or agent of the Authority in his or her individual capacity; and no such person (including any such person executing the Bonds) shall be liable personally on the Bonds or be subject to any personal liability by reason of their issuance. No recourse shall be had by the Borrower, the Trustee or any Bondholder for any claim based on any Basic Agreement against any member, director, officer, employee, counsel or agent of the Authority alleging personal liability on the part of such person unless such claim is based upon the willful dishonesty of or intentional violation of law by such person.

Section 10.07. Bonds Owned by Authority or Borrower.

In determining whether Holders of the requisite aggregate principal amount of the Bonds have concurred in any direction, consent or waiver under this Indenture or any other Basic Agreement, Bonds that are owned by the Authority or the Borrower (unless one or more of such Persons own all of the Bonds that are then Outstanding, determined without regard to this Section 10.07) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only Bonds that the Trustee knows are so owned shall be so disregarded. Bonds so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Authority or the Borrower (unless one or more of such Persons own all of the Bonds that are then Outstanding, determined without regard to this Section 10.07). In case of a dispute as to such right, any decision by the Trustee taken in good faith upon the advice of counsel shall be full protection to the Trustee in accordance with its standards of performance hereunder.

Section 10.08. Captions; Index.

The captions, headings and index in this Indenture are for convenience only and in no way define or describe the scope or content of any provision of this Indenture.

Section 10.09. Counterparts.

This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 10.10. Governing Law.

This Indenture and the Bonds shall be governed by the laws of the State.

Section 10.11. Compliance With Certain State Law Provisions.

(a) In accordance with L. 2005, c. 92, the Trustee covenants and agrees that all services performed under this Indenture and any supplemental indenture shall be performed within the United States of America.

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

(c) The Trustee represents and warrants that all information, certifications and disclosure statements previously provided in connection with L. 2005, c. 51, are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority has relied upon the truth of the statements contained therein in engaging the Trustee in connection with the Bonds. The Trustee agrees that it will maintain continued compliance with L. 2005, c. 51, and any regulations pertaining thereto. The Trustee acknowledges that, upon its failure to make required filings thereunder or the making of a contribution prohibited thereunder, the Authority may remove the Trustee as trustee under this Indenture and may exercise any remedies afforded to it at law or in equity.

IN WITNESS WHEREOF, each of the Authority and the Trustee has caused this Indenture to be executed and delivered in its name and behalf by its authorized officer or authorized agent, all as of the date appearing on page 1.

**NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY**

By: _____
Jeremy A. Spector
Executive Director

ATTEST:

By: _____
Steven P. Nelson
Assistant Secretary

U.S. BANK NATIONAL ASSOCIATION

By: _____
Paul D. O'Brien
Vice President

EXHIBIT A

QUALIFIED INVESTMENTS

- (a) Government Obligations;
 - (b) obligations issued or guaranteed as to full and timely payment of principal and interest by any agency or Person controlled or supervised by and acting as an instrumentality of the United States of America, pursuant to authority granted by the United States Congress;
 - (c) obligations of the Governmental National Mortgage Association, Farmers Home Administration, Federal Financing Bank, Federal Housing Administration, Maritime Administration and Public Housing Authorities; *provided*, that the full and timely payment of the principal of and interest on such obligations shall be unconditionally guaranteed by the United States of America;
 - (d) obligations of the Federal Intermediate Credit Corporation and of the Federal National Mortgage Association;
 - (e) obligations of the Federal Banks for Cooperation;
 - (f) obligations of Federal Land Banks;
 - (g) obligations of Federal Home Loan Banks;
- provided*, that the obligations described in clauses (c) through (g) above shall constitute Qualified Investments only to the extent that the Rating Agency has assigned a rating to such obligations that is not lower than the highest rating assigned by such Rating Agency to any series of comparable Bonds then Outstanding;
- (h) certificates of deposit of any bank, savings and loan or trust company organized under the laws of the United States or any state thereof, including the Trustee or any of its affiliates or any Holder of the Bonds; *provided*, that such certificates of deposit shall be fully collateralized (with a prior perfected security interest), to the extent they are not insured by the Federal Deposit Insurance Corporation, by Qualified Investments described in clause (a), (b), (c), (d), (e), (f) or (g) above having a market value at all times equal to the uninsured amount of such deposit;
 - (i) money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, including funds for which the Trustee, its parent, its affiliates or its subsidiaries provide investment advisory or other management services, which are rated at least "AA-" by Fitch, "Aa3" by Moody's or "AA-" by S&P;
 - (j) investment agreements (which term, for purposes of this clause, shall not include repurchase agreements) with a Qualified Financial Institution;

(k) repurchase agreements with Qualified Financial Institutions, including, but not limited to, the Trustee and any of its affiliates; *provided*, that each such repurchase agreement results in transfer to the Trustee of legal and equitable title to, or the granting to the Trustee of a prior perfected security interest in, identified Qualified Investments described in clause (a), (b), (c), (d), (e), (f) or (g) above that are free and clear of any claims by third-parties and are segregated in a custodial or trust account held either by the Trustee or by a third-party (other than the repurchaser) as the agent solely of, or in trust solely for the benefit of, the Trustee; *provided*, that Government Obligations acquired pursuant to such repurchase agreements shall be valued at the lower of the then current market value of such Government Obligations or the repurchase price thereof set forth in the applicable repurchase agreement;

(l) bonds or notes issued by any state or municipality that are rated at least "AA-" by Fitch, "Aa3" by Moody's or "AA-" by S&P;

(m) commercial paper rated at least "P1" by Moody's or "A1" by S&P;

(n) any auction rate certificates that are rated at least "AA-" by Fitch, "Aa3" by Moody's or "AA-" by S&P;

(o) corporate bonds and medium-term notes rated at least "AA-" by Fitch, "Aa3" by Moody's or "AA-" by S&P;

(p) asset-backed securities rated "AAA" by Fitch, "Aaa" by Moody's or "AAA" by S&P;

(q) any other investment approved by the Authority for which confirmation is received from any Rating Agency that such investment will not adversely affect such Rating Agency's rating on the Bonds; or

(r) the New Jersey Cash Management Fund.

EXHIBIT B

FORM OF BOND

THE STATE OF NEW JERSEY IS NOT OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE OF NEW JERSEY IS PLEDGED TO THE PAYMENT OF, THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OF OR INTEREST ON THIS BOND. THIS BOND IS A SPECIAL AND LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY OUT OF REVENUES, FUNDS OR MONEYS OF THE AUTHORITY PLEDGED UNDER THE TRUST INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE TRUST INDENTURE FOR THE PAYMENT OF THE BONDS. THIS BOND DOES NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

REGISTERED

\$ _____

R-__

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE [REFUNDING] BONDS,
SETON HALL UNIVERSITY ISSUE, 2017 SERIES [D] [E]
[(TAX-EXEMPT)] [(FEDERALLY TAXABLE)]**

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
___%	July 1, 20__	June __, 2017	646066__

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, a body politic and corporate and a public instrumentality of the State of New Jersey (herein called the "Authority"), for value received, promises to pay, but solely from the sources hereinafter referred to, to the REGISTERED OWNER specified above, or registered assigns, the PRINCIPAL AMOUNT specified above on the MATURITY DATE specified above, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on the portion of said PRINCIPAL AMOUNT from time to time Outstanding at the INTEREST RATE per annum specified above from the DATED DATE specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date as described in the Trust Indenture, dated as of June 1, 2017 (the "Trust Indenture"), by and between the Authority and U.S. Bank National Association, Morristown, New Jersey, as Trustee (the "Trustee"), until said PRINCIPAL AMOUNT is paid. Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Trust Indenture.

Method of Payment. The principal of and redemption premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America. Principal of and redemption premium, if any, on this Bond are payable upon presentation of this Bond to the Trustee. Interest on the Bonds shall be paid by the Trustee on the applicable Interest Payment Dates by check mailed by the Trustee to the respective Holders thereof on the applicable Record Date at their addresses as they appear as of the close of business on the applicable Record Date in the books kept by the Trustee, as bond registrar, except that in the case of such a Holder of \$1,000,000 or more in aggregate principal amount of such Bonds, upon the written request of such Holder to the Trustee, specifying the account or accounts (within the continental United States) to which such payment shall be made, such payments shall be made by the wire transfer of immediately available funds on the applicable Interest Payment Date following such Record Date. Any request referred to in the preceding sentence shall remain in effect until revoked or revised by such Holder by an instrument in writing delivered to the Trustee.

Authorization. This Bond is one of a duly authorized series of bonds of the Authority designated "Revenue [Refunding] Bonds, Seton Hall University Issue, 2017 Series [D] [E] [(Tax-Exempt)] [(Federally Taxable)]" (the "*Bonds*"), issued for the purpose of making a loan to Seton Hall University, a New Jersey nonprofit corporation (the "*Borrower*"), to undertake a project consisting of: [(a) refunding the Authority's outstanding Revenue Refunding Bonds, Seton Hall University Issue, 2008 Series D (including any applicable swap termination payments); and (b) paying certain costs of issuing the Bonds.] [(a) financing the renovation and equipping of an approximately 412,000 sq. ft. building and an approximately 65,000 sq. ft. building to be used for medical and non-medical education, research and clinical administration, offices and uses ancillary thereto; (b) funding capitalized interest for the Bonds through [August 1, 2018]; (c) funding working capital for the Borrower; and (d) paying certain costs of issuing the Bonds.] The loan will be made pursuant to the Loan Agreement, dated as of June 1, 2017 (the "*Loan Agreement*"), by and between the Authority and the Borrower.

Security. The Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Trust Indenture, pursuant to which the Pledged Property, including all payments due from the Borrower to the Authority under the Loan Agreement (other than certain indemnification payments and the payment of certain fees and expenses of the Authority), are pledged to the payment of the Bonds. Reference is hereby made to the Trust Indenture for a description of the Pledged Property, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority, the Trustee and the REGISTERED OWNER of the Bonds, the terms upon which the Bonds are issued and secured and the terms upon which the Trust Indenture and the Loan Agreement may be amended or supplemented.

Interest. Interest shall be paid on the Bonds on each Interest Payment Date. Each Bond shall bear interest from and including the Interest Accrual Date immediately preceding the date of authentication thereof or, if such date of authentication is an Interest Accrual Date to which interest on such Bond has been paid in full or duly provided for, from such date of authentication or, if it is the first payment of interest on such Bond, the date thereof. However, if, as shown by the records of the Trustee, interest on the Bonds is in default, Bonds issued in exchange for Bonds surrendered for registration of transfer or exchange shall bear interest from the date to

which interest has been paid in full on the Bonds so surrendered or, if no interest has been paid on such Bonds, from the date thereof.

Interest on the Bonds shall accrue on the basis of a 360-day year based on twelve 30-day months.

Redemption. The Bonds are subject to optional, extraordinary optional and mandatory sinking fund redemption prior to their stated maturity as provided in the Trust Indenture.

Limitation on Rights; Acceleration; Modifications. The REGISTERED OWNER of this Bond shall have no right to enforce the Trust Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Trust Indenture, the principal of all the Bonds issued under the Trust Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations to the Bonds or the Trust Indenture may be made only to the extent and in the circumstances permitted by the Trust Indenture.

Special and Limited Obligations. The Bonds are not general obligations of the Authority, but special and limited obligations payable solely from the Pledged Property. No owner of any Bonds has the right to compel any exercise of taxing power (if any) of the State of New Jersey or of any political subdivision thereof, including the Authority, to pay the Bonds or the interest thereon, and the Bonds do not constitute an indebtedness or a loan of credit of the State of New Jersey or of any political subdivision thereof, including the Authority, within the meaning of any constitutional or statutory provisions. The Authority has no taxing power.

Additional Provisions. Reference is hereby made to the Trust Indenture and the Loan Agreement, each of which is on file and may be inspected during regular business hours at the principal corporate trust office of the Trustee, for a description of the security for the Bonds and for the provisions thereof with respect to the rights, limitations of rights, duties, obligations and immunities of the Authority, the Borrower, the Trustee and the REGISTERED OWNER hereof.

This Bond shall not constitute the personal obligation, either jointly or severally, of any member, director, officer, employee or agent of the Authority.

The Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of New Jersey, including, particularly, the New Jersey Educational Facilities Authority Law, P.L. 1967, c. 271, as amended and supplemented (the "*Act*"), and pursuant to a resolution duly adopted by the Authority on May 23, 2017, which authorizes, among other things, the execution and delivery of the Loan Agreement and the Trust Indenture.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Trust Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to the execution and delivery of the Trust Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Authority, does not exceed or violate any constitutional or statutory limitation; and that the amounts payable under the Loan Agreement and pledged to the payment of the principal of and redemption premium, if any, and interest on this Bond and the issue of which it forms a part, as the same become due, will be sufficient in amount for that purpose.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the New Jersey Educational Facilities Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its Executive Director and its official common seal to be impressed or printed hereon and attested by the manual or facsimile signature of an Assistant Secretary.

**NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY**

By: _____
Jeremy A. Spector
Executive Director

[SEAL]

ATTEST:

By: _____
Steven P. Nelson
Assistant Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Trust Indenture.

**U.S. BANK NATIONAL ASSOCIATION,
as Trustee**

**By: _____
Authorized Signatory**

Date of Authentication: June __, 2017

(FORM OF ASSIGNMENT)

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

*(Please Print or Typewrite Name, Address and Social Security
Number or Taxpayer Identification Number of Transferee)*

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney

To transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICES: This signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed By:

(Name of Eligible Guarantor Institution as defined by SEC Rule 17Ad-15 (12 *CFR* 240.17Ad-15) or any similar rule which the Trustee deems applicable)

By _____

Title _____

CONTINUING DISCLOSURE AGREEMENT

by and between

SETON HALL UNIVERSITY

and

U.S. BANK NATIONAL ASSOCIATION

Dated [Closing Date]

**Entered into with respect to
New Jersey Educational Facilities Authority
\$ __, __, 000 Revenue Refunding Bonds, Seton Hall University Issue,
2017 Series D (Tax-Exempt)
and
\$ __, __, 000 Revenue Bonds, Seton Hall University Issue,
2017 Series E (Federally Taxable)**

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the "*Agreement*"), made and entered into [Closing Date], by and between SETON HALL UNIVERSITY, an independent, non-profit educational corporation organized and existing under the laws of the State of New Jersey, located in South Orange, New Jersey (the "*University*"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly created and validly existing under the laws of the United States of America with trust and fiduciary powers and authorization to conduct business in the State of New Jersey (the "*Trustee*" and "*Dissemination Agent*").

WITNESSETH:

WHEREAS, the New Jersey Educational Facilities Authority, a body corporate and politic with corporate succession, constituting a political subdivision organized and existing under and by virtue of the laws of the State of New Jersey (hereinafter referred to as the "*Authority*"), is issuing its \$ __, __,000 Revenue Refunding Bonds, Seton Hall University Issue, 2017 Series D (Tax-Exempt), and its \$ __, __,000 Revenue Bonds, Seton Hall University Issue, 2017 Series E (Federally Taxable), each dated [Closing Date] (collectively, the "*Bonds*"); and

WHEREAS, the Bonds are being issued pursuant to a Trust Indenture, dated as of June 1, 2017 (the "*Indenture*"), by and between the Authority and the Trustee; and

WHEREAS, the University has entered into a Loan Agreement with the Authority, dated as of June 1, 2017 (the "*Loan Agreement*"), whereby the Authority has loaned the proceeds of the Bonds to the University to finance the costs of the Project described in the Bond Resolution of the Authority duly adopted on May 23, 2017, and the University has agreed to repay the loan of such proceeds; and

WHEREAS, the Trustee has duly accepted the trusts imposed upon it by the Indenture as Trustee for the holders from time to time of the Bonds; and

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

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

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

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

WHEREAS, on June __, 2017, the Authority and the University entered into a Bond Purchase Agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and the underwriters named therein (the "*Participating Underwriter*"), for the purchase of the Bonds; and

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

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

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

ARTICLE 1 DEFINITIONS

Section 1.1. Terms Defined in Recitals. All of the terms defined in the preambles hereof shall have the respective meanings set forth therein for all purposes of this Agreement.

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

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

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

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

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

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

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

"*Final Official Statement*" means the final Official Statement of the Authority, dated June __, 2017, pertaining to the Bonds.

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

"*Fiscal Year*" means the fiscal year of the University. As of the date of this Agreement, the Fiscal Year of the University begins on July 1 of each calendar year and closes on June 30 of the next succeeding calendar year.

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

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

"*Operating Data*" means the financial and statistical information of the University of the type included in the Final Official Statement under the heading "APPENDIX A – CERTAIN INFORMATION REGARDING SETON HALL UNIVERSITY".

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

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

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

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

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

ARTICLE 2
CONTINUING DISCLOSURE COVENANTS
AND REPRESENTATIONS

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

(a) Not later than December 27th following the end of each Fiscal Year, commencing with the Fiscal Year of the University ending June 30, 2017, an Annual Report to the MSRB, to the Trustee and to the Authority. If the Fiscal Year of the University should change, then the Annual Report shall be due not later than one hundred eighty (180) days after the end of each Fiscal Year.

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

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

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

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;
- (vii) Modifications to the rights of holders of the Bonds, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;

- (x) Release, substitution or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar events of the University, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the University in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the University, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the University;
- (xiii) The consummation of a merger, consolidation or acquisition involving the University or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

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

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

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

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

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

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

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

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

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

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

Section 2.6. Appointment, Removal and Resignation of Dissemination Agent; Indemnification. (a) The University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and it may discharge any such Dissemination Agent and appoint a successor Dissemination Agent, such discharge to be effective on the date of the appointment of a successor Dissemination Agent.

(b) The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Agreement, and the University agrees to indemnify and hold the Dissemination Agent and its officers, directors, employees and agents harmless against any loss, expense or liability it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any

claim of liability, but excluding liability due to the Dissemination Agent's negligence or willful misconduct. The obligations of the University under this Section 2.6(b) shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

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

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

ARTICLE 3
DEFAULTS AND REMEDIES

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

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

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

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

ARTICLE 4 MISCELLANEOUS

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

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

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

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

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

liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the University or if there be a final judgment for the plaintiff in any such action with or without written consent, the University agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Nothing in this Section 4.3 shall require or obligate the University to indemnify or hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused by any gross negligence or intentional misconduct on the part of the Indemnified Parties in connection with the University's performance of its obligations, agreements and covenants hereunder.

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

Section 4.5. Notices. All notices required to be given or authorized to be given by either party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail (as well as by facsimile, in the case of the Dissemination Agent) to, in the case of the University, addressed to Seton Hall University, 400 South Orange Avenue, South Orange, New Jersey 07079 (facsimile: (973) 275-2990); and in the case of the Dissemination Agent, its principal corporate trust office at 21 South Street, 3rd Floor, Morristown, New Jersey 07960, with a copy to the Authority, addressed to it at its offices at 103 College Road East, Princeton, New Jersey 08540 (facsimile: (609) 987-0850).

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

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

Section 4.8. Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Both parties hereto may sign the same counterpart or each party hereto may sign a separate counterpart.

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

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

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

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

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

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

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

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

Section 4.10. Amendments Required by Rule 15c2-12. The University and the Dissemination Agent each recognize that the provisions of this Agreement are intended to enable compliance with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof or the promulgation of a successor rule, statute or regulation thereto, a change in this Agreement shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery of an opinion of Bond Counsel to the Authority addressed to the University

and the Dissemination Agent to the effect that such amendments shall be permitted or necessary to assure continued compliance with Rule 15c2-12 as so amended or interpreted, then the University and the Dissemination Agent shall amend this Agreement to comply with and be bound by any such amendment to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and shall provide written notice of such amendment as required by Section 4.9(c) hereof.

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

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

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

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

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

[SIGNATURE PAGE FOLLOWS]

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

SETON HALL UNIVERSITY

By: _____
Stephen Graham
Vice President for Finance/CFO

U.S. BANK NATIONAL ASSOCIATION

By: _____
Paul D. O'Brien
Vice President

ESCROW DEPOSIT AGREEMENT

by and between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

THE BANK OF NEW YORK MELLON, as Escrow Agent

Dated June __, 2017

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT (this "*Agreement*"), dated June __, 2017, is by and between the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (the "*Authority*") and THE BANK OF NEW YORK MELLON, a state banking corporation organized under the laws of the State of New York with trust and fiduciary powers in the State of New Jersey, as escrow agent (the "*Escrow Agent*").

WITNESSETH:

WHEREAS, the Authority has previously issued and sold its Revenue Refunding Bonds, Seton Hall University Issue, 2008 Series D (the "*Prior Bonds*"), on behalf of Seton Hall University (the "*University*"), pursuant to the terms of (i) resolutions of the Authority adopted on February 27, 2008, March 31, 2008 and October 22, 2008 and (ii) a Trust Indenture, dated as of December 1, 2008 (the "*Prior Indenture*"), by and between the Authority and The Bank of New York Mellon, as trustee (the "*Trustee*"); and

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

WHEREAS, the Authority is now issuing \$ __, __, __,000 principal amount of its Revenue Refunding Bonds, Seton Hall University Issue, 2017 Series D (Tax-Exempt) (the "*2017 Series D Bonds*") pursuant to a resolution adopted by the Authority on May 23, 2017 and a Trust Indenture, dated as of June 1, 2017 (the "*2017 Series D Indenture*"), by and between the Authority and the Trustee, to provide for, among other things, the defeasance and current refunding of the outstanding Prior Bonds (the "*Bonds to be Refunded*"), all as described in **Exhibit A** attached hereto; and

WHEREAS, pursuant to the 2017 Series D Indenture, the Authority has authorized the deposit with the Escrow Agent of an amount from the proceeds of the 2017 Series D Bonds that, together with certain moneys transferred from certain amounts on deposit in the various funds and accounts established under the Prior Indenture (collectively, the "*Deposit Amount*") and the investment income to be earned on such proceeds and transferred moneys, will be sufficient to pay the principal or redemption price of and interest on the Bonds to be Refunded until the redemption date set forth in **Exhibit A** attached hereto (the "*Redemption Date*"), and to pay the redemption price of the Bonds to be Refunded on the Redemption Date; and

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

obligations of the Authority to the holders of the Bonds to be Refunded shall thereupon be released, discharged and satisfied.

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

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

SECTION 2. (a) The Escrow Agent hereby acknowledges receipt of immediately available funds in the amount of \$ __, __, __. __, consisting of proceeds of the 2017 Series D Bonds.

(b) The Escrow Agent, in its capacity as Trustee for the Prior Bonds, is hereby directed to transfer into the Escrow Fund the following amounts on deposit in funds established under the Prior Indenture:

- (i) \$ __, __. __ in the Debt Service Fund relating to the Prior Bonds; and
- (ii) \$ __, __. __ in the Project Mortgage Fund relating to the Prior Bonds.

SECTION 3. The Escrow Agent shall immediately deposit the amounts set forth in Section 2 hereof, aggregating \$ __, __, __. __, into the Escrow Fund. The Escrow Agent shall retain the amount deposited into the Escrow Fund uninvested in cash.

No investment whatsoever shall be made by the Escrow Agent with such cash amounts. In sole reliance on the computations prepared by Merrill Lynch, Pierce, Fenner & Smith Incorporated and verified by American Municipal Tax-Exempt Compliance, as described in the verification report attached hereto as **Exhibit B**, the Authority represents that the amounts so deposited into the Escrow Fund, together with income from the investment thereof to be retained therein pursuant to this Agreement, will provide sufficient funds to pay the principal or redemption price of and interest on the Bonds to be Refunded to the Redemption Date, all as set forth in **Exhibit A** attached hereto.

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

(b) For the purposes of this Agreement, "uninvested" shall mean held as a cash balance in the Escrow Fund and not invested for any purpose.

SECTION 5. (a) Except as otherwise expressly provided herein, the Escrow Agent shall have no power or duty to invest any moneys held hereunder. The Authority hereby covenants and agrees that it will not request the Escrow Agent to act in any manner that would cause the 2017 Series D Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder (collectively, the "*Code*") in effect on the date of such request and applicable to the 2017 Series D Bonds.

(b) The Authority hereby covenants that it will not authorize or permit the Escrow Agent to use, directly or indirectly, any part of the moneys or funds at any time in the Escrow Fund to acquire any investment property, the acquisition of which would cause any 2017 Series D Bonds to be "arbitrage bonds" as defined in Section 148(a) of the Code as then in effect.

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

(a) to pay or redeem the Bonds to be Refunded on the Redemption Date, in the amounts and at the redemption price set forth in **Exhibit A**, and to apply the cash held in the Escrow Fund to the payment of the interest on, and the principal or redemption price of, the Bonds to be Refunded as the same shall become due as set forth in **Exhibit A**; and

(b) to mail to the holders of the Bonds to be Refunded a notice of defeasance substantially in the form attached hereto as **Exhibit C** and in accordance with the Prior Indenture.

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

SECTION 7. On July 1, 2017, after payment of the principal or redemption price of and interest on the Bonds to be Refunded, all remaining moneys in the Escrow Fund shall be transferred by the Escrow Agent to U.S. Bank National Association, as trustee for the 2017 Series D Bonds, to be deposited into the Interest Account of the Debt Service Fund established pursuant to the 2017 Series D Indenture for application solely to the payment of the 2017 Series D Bonds, in accordance with the wiring instructions attached hereto as **Exhibit D**.

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

SECTION 9. (a) Unless otherwise provided by contract, the Escrow Agent shall be compensated by the University for its reasonable fees, expenses and disbursements, including reasonable legal fees, incurred with respect to services rendered hereunder, based upon itemized invoices submitted to the Authority for payment. This right to receive compensation notwithstanding, the Escrow Agent acknowledges that it has no claim against or lien on the

moneys on deposit in the Escrow Fund for any such payment. The compensation of the Escrow Agent provided in this Section 9(a) shall survive termination of this Agreement pursuant to Section 10 hereof.

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

(c) The Escrow Agent shall be entitled to rely conclusively and act upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine, and to have been signed and presented by the proper party or parties, and may consult with counsel, who may or may not be counsel to the University or the Authority, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith. Whenever the Escrow Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Agreement, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by an Authorized Officer (as defined in the Prior Indenture) of the Authority, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Agreement, but in its discretion the Escrow Agent may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Authority to the Escrow Agent shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer thereof. The Escrow Agent may perform any duties hereunder either directly or, to the extent that it may reasonably determine is necessary or appropriate to the conduct of its duties hereunder, by or through agents or attorneys, and the Escrow Agent shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed by it with due care hereunder, taking into account the duties with respect to which such agent or attorney is appointed. The foregoing sentence shall not be interpreted as absolving the Escrow Agent of responsibility with respect to duties customarily performed by escrow agents in the ordinary course of business without the employment of agents or attorneys. In addition, the provisions of Section 913 of the Prior Indenture relating to the compensation and indemnification of the Trustee thereunder shall apply to the Escrow Agent.

(d) The Escrow Agent may resign at any time and be discharged of its duties hereunder, provided that: (i) it has given not less than sixty (60) days written notice to the Authority of such resignation; (ii) it has given notice of such resignation to the holders of the Bonds to be Refunded in the manner prescribed in the Prior Indenture; (iii) the Authority has appointed a successor to the Escrow Agent hereunder; (iv) the Escrow Agent has received an instrument of acceptance executed by the successor to the Escrow Agent hereunder; and (v) the Escrow Agent has delivered to its successor hereunder all of the escrowed documents and any

moneys held by the Escrow Agent in the Escrow Fund. Such resignation shall take effect only upon the occurrence of all of the events listed in clauses (i) through (v) of this subsection (d) and only if the Escrow Agent has complied with and is not in default of any of its obligations hereunder, unless the Authority and the University consent to such resignation. Upon receipt by the Authority of the written notice described in clause (i) above, the Authority shall use its best efforts to obtain a successor to the Escrow Agent hereunder as soon as possible. If no appointment of a successor is made within sixty (60) days after the giving by the Escrow Agent of written notice of resignation in accordance with this Section 9(d), the Escrow Agent may apply to any State court of competent jurisdiction for the appointment of such a successor, and the State court may thereupon, after such notice, if any, as the State court may deem proper, appoint a successor.

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

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

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

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

(a) to cure any ambiguity or formal defect or omission in this Agreement; or

(b) to grant to or confer upon the Escrow Agent for the benefit of the holders of the Bonds to be Refunded any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent.

The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized bond counsel with respect to the matters provided for in this Section 11, including the extent, if any, to which any change, modification, addition or elimination affects the rights of holders of the Bonds to be Refunded or that any instrument executed hereunder complies with the conditions or provisions of this Section 11. Notwithstanding anything in this paragraph to the contrary, no change shall be made to any provision of this Agreement regarding the investment or other use of the proceeds of the 2017 Series D Bonds without an unqualified opinion of nationally recognized bond counsel to the effect that such change and the investment or other use of the proceeds of the 2017 Series D Bonds in accordance with such change will not (i) adversely affect the exclusion of interest on the 2017 Series D Bonds from gross income provided under Section 103 of the Code or (ii) cause any of the Bonds to be Refunded to be deemed "Outstanding" within the meaning of Section 1.01 of the Prior Indenture.

SECTION 12. In accordance with P.L. 2005, c. 92, the Escrow Agent covenants and agrees that all services performed under this Agreement by the Escrow Agent shall be performed within the United States of America.

SECTION 13. The Escrow Agent hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("*ELEC*") pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c. 271, Section 3) if the Escrow Agent enters into agreements or contracts, such as this Agreement, with a public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from public entities, such as the Authority, in a calendar year. It is the Escrow Agent's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

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

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

SECTION 16. The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("*Instructions*"), given pursuant hereto and any related financing documents and delivered using e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys

issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder ("*Electronic Means*"); *provided, however,* that the Authority or obligor, if applicable (the "*Sender*"), shall provide to the Escrow Agent an incumbency certificate listing officers with the authority to provide such Instructions ("*Authorized Officers*") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Sender whenever a person is to be added or deleted from the listing. If the Sender elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent's understanding of such Instructions shall be deemed controlling. The Sender understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The Sender shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the Sender and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Sender. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such Instructions, notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Sender agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including, without limitation, the risk of the Escrow Agent acting on unauthorized Instructions and the risk of interception and misuse by third-parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Sender; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

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

[SIGNATURE PAGE FOLLOWS]

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

**NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY**

By: _____
Jeremy A. Spector
Executive Director

THE BANK OF NEW YORK MELLON

By: _____
Janet M. Russo
Vice President

EXHIBIT A

BONDS TO BE REFUNDED

[Insert relevant page from final numbers run]

EXHIBIT B

**VERIFICATION REPORT OF
AMERICAN MUNICIPAL TAX-EXEMPT COMPLIANCE**

See Closing Item No. ___

EXHIBIT C

NOTICE OF DEFEASANCE

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

**Revenue Refunding Bonds, Seton Hall University Issue, 2008 Series D
Dated December 11, 2008**

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of a Trust Indenture, dated as of December 1, 2008 (the "*Indenture*"), by and between the New Jersey Educational Facilities Authority (the "*Authority*") and The Bank of New York Mellon, as trustee, there has been deposited with The Bank of New York Mellon, as escrow agent (the "*Escrow Agent*"), moneys that shall be sufficient to pay, when due, the principal or redemption price of and interest due and to become due on the bonds referenced below (collectively, the "*Bonds*") on and prior to the redemption date listed below (the "*Redemption Date*"), and that the Authority has given the Escrow Agent irrevocable instructions to call the Bonds for optional redemption on the Redemption Date at a redemption price of 100% of the principal amount thereof, plus interest accrued to the Redemption Date.

**2008 Series D Bonds to be Defeased
Redemption Date: [June 29], 2017**

Maturity Date (July 1)	Principal Amount	Interest Rate	Redemption Price	CUSIP
2037	[\$36,580,000]	VR	100%	646065

On the Redemption Date, moneys will be available for the payment of the principal or redemption price of said Bonds. Accordingly, said Bonds are deemed to have been paid in accordance with the Indenture. You are hereby notified that the Bonds should be presented for payment or redemption at the corporate trust office of the Escrow Agent, The Bank of New York Mellon, as follows:

Mailing Address

The Bank of New York Mellon
P.O. Box 396
East Syracuse, NY 10357
Attn.: Bond Redemption Unit

Hand Delivery

The Bank of New York Mellon
111 Sanders Creek Parkway
East Syracuse, NY 10357
Attn.: Bond Redemption Unit

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

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

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

EXHIBIT D

U.S. BANK NATIONAL ASSOCIATION WIRING INSTRUCTIONS.

US Bank National Association

ABA # 091000022

BNF: USBANK PA & NJ CT WIRE CLRG

Beneficiary Account Number: 173103781816

Beneficiary Account Address: 777 E. Wisconsin Avenue
Milwaukee, WI 53202

OBI: NJEFA SETON HALL 2017D INT FD

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

AND

SETON HALL UNIVERSITY

LOAN AGREEMENT

Dated as of June 1, 2017

relating to

**New Jersey Educational Facilities Authority
Revenue Refunding Bonds, Seton Hall University Issue, 2017 Series D (Tax-Exempt)
Revenue Bonds, Seton Hall University Issue, 2017 Series E (Federally Taxable)**

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This **LOAN AGREEMENT**, dated as of June 1, 2017, by and between the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (hereinafter called the "*Authority*"), a body corporate and politic with corporate succession, constituting a political subdivision organized and existing under and by virtue of the laws of the State of New Jersey (the "*State*"), created and established by the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Laws of 1967, as amended and supplemented, having its principal place of business at 103 College Road East, Princeton, New Jersey 08540-6612, and SETON HALL UNIVERSITY, a New Jersey non-profit corporation (together with its successors and assigns, hereinafter called the "*University*"), a corporation not for profit duly organized and existing under the laws of the State, located at Department of Finance & Administration, Bayley Hall, 2nd Floor, 400 South Orange Avenue, South Orange, New Jersey 07079, and constituting a "private institution of higher education" under the Act.

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

ARTICLE I

1.1. Definitions.

As used in this Agreement, unless the context shall otherwise require, all capitalized terms shall have the meanings set forth in Section 1.01 of the Trust Indenture, dated as of June 1, 2017 (the "*Indenture*"), by and between the Authority and U.S. Bank National Association, as Trustee.

The following terms have the meanings given:

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

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

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

"*Annual Administrative Fee*" means the annual fee for the general administrative expenses of the Authority, including, without limitation, attendance at Authority events, in an amount equal to 1/10 of 1% of the Outstanding principal amount of the Bonds with a maximum Annual Administrative Fee of \$50,000; notwithstanding the foregoing, the percentage calculation and maximum amount of the Annual Administrative Fee are both subject to change at the discretion of the Authority.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"*Tax-Exempt Project*" means the financing, through the issuance of the Tax-Exempt Bonds, of the costs of a project consisting of: (a) refunding the Authority's outstanding Revenue Refunding Bonds, Seton Hall University Issue, 2008 Series D (including any applicable swap termination payments); and (b) paying certain costs of issuing the Tax-Exempt Bonds.

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

"*Taxable Bonds*" means the \$____,____,000 principal amount of New Jersey Educational Facilities Authority Revenue Bonds, Seton Hall University Issue, 2017 Series E (Federally Taxable), dated their date of delivery.

"*Taxable Project*" means the financing, through the issuance of the Taxable Bonds, of the costs of a project consisting of: (a) financing the renovation and equipping of an approximately 412,000 sq. ft. building and an approximately 65,000 sq. ft. building to be used for medical and non-medical education, research and clinical administration, offices and uses ancillary thereto; (b) funding capitalized interest for the Taxable Bonds through [August 1, 2018]; (c) funding working capital for the University; and (d) paying certain costs of issuing the Taxable Bonds.

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

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

ARTICLE II

2.1. Term of Agreement; Benefits.

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

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

of the Bonds, reserving always the right of the Authority to amend and supplement this Agreement, with the written consent of the University as set forth in Section 2.9 hereof.

2.2. Agreements of University.

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

2.3. Agreements of Authority.

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

2.4. Authority's Right to Inspect.

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

2.5 Events of Default; Remedies.

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

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

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

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

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

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

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

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

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

The Authority and the University further agree that, upon the occurrence of an Event of Default, the Authority and/or the Trustee may exercise, with respect to any amount in any Fund under the Indenture (other than the Rebate Fund, the Project Fund and the Additional Loan

Payments Fund), all the rights of a secured party under the New Jersey Uniform Commercial Code.

2.6. Application of this Agreement.

If the University shall fail to keep, observe or perform any of the provisions of this Agreement, the amount secured hereby shall, at the option of the Authority, become immediately due and payable; *provided, however*, that the Authority shall give thirty (30) days' written notice to the University in order to remedy any such default or defaults.

2.7. Authority's Remedies.

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

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

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

2.8 Insurance.

The amounts paid by any insurance company pursuant to any contract of insurance may be [applied to the Extraordinary Optional Redemption of the Bonds in accordance with Section 4.01(b) of the Indenture or] released for the repairing or rebuilding of the Project Facilities. All policies of insurance shall be payable to the University and the Authority, as their interests may appear, and the Authority shall have the sole right to receive the proceeds of such policy or policies affecting the Project Facilities and receipt of claims thereunder. All insurance prescribed by this Section 2.8 shall be procured from financially sound and reputable insurers qualified to do business in the State or otherwise approved by the Authority.

2.9 Amendments to this Agreement.

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

2.10 Basic Loan Payments.

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

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

Notwithstanding the foregoing, the University agrees to make payments, or cause payments to be made, in the amounts required to be paid as principal or Redemption Price of and interest on the Bonds from time to time Outstanding under the Indenture and other amounts required to be paid under the Indenture as the same shall become due, whether at maturity, upon redemption, by declaration of acceleration or otherwise.

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

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

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

2.11. Swap Payments.

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

2.12. Additional Loan Payments.

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

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

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

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

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

Such Additional Loan Payments shall be billed to the University by the Authority or the Trustee, from time to time. After such a demand, amounts so billed shall be paid by the University within thirty (30) days after receipt of the bill by the University. Payment of the initial Annual Administrative Fee shall be made in the Bond Year ending June 30, 2018 and in each Bond Year thereafter.

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

2.13. Credits for Payments.

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

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

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

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

(d) on the portion of Basic Loan Payments allocable to installments of principal and interest, in an amount equal to (i) the principal amount of the Bonds acquired by the University and surrendered to the Trustee for cancellation or purchased by the Trustee on

behalf of the University and canceled, and the interest on such Bonds from and after the date interest thereon has been paid prior to cancellation, or (ii) the principal amount of prior non-mandatory redemptions that the Authority with the consent of the University has elected to credit against sinking fund redemption payments; such credits shall be made against the installments of principal and interest, if any, that would have been used, but for such cancellation, to pay principal of and interest on such Bonds when due.

2.14. Prepayment.

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

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

shall be sufficient, together with interest to accrue thereon, to pay the Bonds to be defeased on said redemption date.

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

2.15. Indemnification.

The University agrees to indemnify and hold harmless the Authority, any member, officer, official, employee, counsel, consultant or agent of the Authority, including the Trustee and each and any underwriter that purchases the Bonds from the Authority, and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of each and any purchaser of the Bonds through the ownership of voting securities, by contract or otherwise (collectively, the "*Indemnified Parties*"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by any untrue statement or misleading statement or alleged untrue statement or misleading statement of a material fact contained in the official statement relating to the offer and sale of the Bonds (the "*Official Statement*") or caused by any omission from the Official Statement of any material fact required to be stated therein or necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading, but only if and insofar as such losses, claims, damages, liabilities or expenses are caused by any such untrue or misleading statement or alleged untrue or misleading statement contained in the Official Statement or such omission or alleged omission from the Official Statement with respect to information contained in the Official Statement furnished by, or on behalf of, or relating to, the University, the Project or the Project Facilities. In case any action shall be brought against the Indemnified Parties based upon the Official Statement and in respect of which indemnity may be sought against the University, the Indemnified Parties shall promptly notify the University in writing. Failure on the part of the Indemnified Party to give such notification shall not relieve the University from its obligation under this Section 2.15. Upon receipt of such notification, the University shall promptly assume the defense of such action, including the retention of counsel, the payment of all expenses in connection with such action, including any expenses incurred prior to such notification, and the right to negotiate and settle any such action on behalf of such Indemnified Parties with such Indemnified Parties' consent. Any Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, unless the employment of such counsel has been specifically authorized by the University or unless by reason of conflict of interest determined by the written opinion of counsel to any such Indemnified Parties, it is advisable for such party to be represented by separate counsel to be retained by such Indemnified Party, in which case the fees and expenses of such separate counsel shall be borne by the University. The University shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the University or if there be a final judgment for the plaintiff in any such action with or without its written consent, the University agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Nothing in this

Section 2.15 shall require or obligate the University to indemnify or hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused by any gross negligence or willful misconduct on the part of the Indemnified Parties in connection with the offer or sale of the Bonds.

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

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

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

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

2.17. Consent to Assignment by Authority.

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

ARTICLE III

3.1. Nature of Obligation.

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

3.2. Use of Bond Proceeds.

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

3.3. Information to be Provided by University.

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

3.4. Security for Loan; Fee Covenant.

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

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

3.5. Project Fund

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

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

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

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

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

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

3.6. Taxes.

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

3.7. Compliance With Applicable Law.

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

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

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

3.8. Secondary Market Disclosure.

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

3.9. Negative Pledge.

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

ARTICLE IV

4.1. Covenants as to Insurance.

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

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

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

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

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

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

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

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

All insurance prescribed by this Section 4.1 shall be procured from financially sound and reputable insurers qualified to do business in the State or insurers approved, in writing, by the Authority. To the extent that any such insurance required by this Section 4.1 is not obtainable on reasonable terms as determined by the Authority, the Authority may make exceptions to the required coverage or provide for reasonable substitutions of coverage. The policies shall be open to inspection by the Authority and the Trustee at all reasonable times, and a list prepared as of June 30 of each Bond Year describing such policies shall be furnished by the Authority to the Trustee annually within sixty (60) days after the beginning of each Bond Year, together with a certificate of an Authorized Officer of the Authority certifying that such insurance meets all the requirements of the Indenture. The Trustee shall have no responsibility with respect to any such insurance except to receive such annual Authority certificates and hold the same for inspection by any Bondholders.

In the event that the University shall fail to obtain or maintain the insurance required under this Section 4.1, the Authority may, at its sole option, obtain such coverage. In such event, the Authority shall promptly notify the University of its actions. The University agrees to

promptly reimburse the Authority for the costs of such coverage, such amounts constituting Additional Loan Payments due by the University to the Authority pursuant to Section 2.12 of this Agreement.

4.2. University Covenant as to Swap Agreements.

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

ARTICLE V

5.1. Termination of Agreement.

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

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

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

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

5.2. Operation and Maintenance of Project Facilities.

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

The University agrees that it shall not request the Authority to enter into any contracts or agreements or to perform any acts that may substantially and adversely affect any of the assurances or rights of the Authority, and the University covenants that it shall not allow any lien to be placed against the Tax-Exempt Project Facilities, or lease the Tax-Exempt Project Facilities, except to students enrolled in the University, without the written consent of the Authority. Nothing in this Section 5.2 contained shall prohibit the lease of all or part of the Project Facilities for short periods of time for educational, cultural, public or other activities or the leasing of portions of the Project Facilities to entities serving the University. The University further agrees not to use the Project Facilities or any part thereof for sectarian instruction or as a place for religious worship and this covenant shall continue as long as the Project Facilities shall remain in existence.

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

5.3. Rights and Remedies Not Exclusive.

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

5.4. Notices.

All notices required to be given or authorized to be given by either party pursuant to this Agreement shall be in writing and shall be sent by facsimile, electronic mail or registered or certified mail to the main office of the other party, in the case of the Authority addressed to it at its office in Princeton, New Jersey, or such other address as the Authority may direct upon notice given to the parties named in this Section 5.4, and in the case of the University, addressed to it at its address stated hereinabove and to its counsel, Connell Foley LLP, 85 Livingston Avenue, Roseland, New Jersey 07068, Attn: John D. Cromie, Esq., or such other address as the University may direct upon notice given to the parties named in this Section 5.4. All notices required to be given to the Trustee by either party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail to the main office of the Trustee at the address of such principal office.

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

5.5. Tax Covenants.

The University covenants that:

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

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

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

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

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

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

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

(h) it will not use the proceeds of the Tax-Exempt Bonds, the earnings thereon and any other moneys on deposit in any Fund or account maintained in respect of the Tax-Exempt Bonds (whether such moneys were derived from the proceeds of the sale of the Tax-Exempt Bonds or from other sources) in a manner which would cause the Tax-Exempt Bonds to

be "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations promulgated thereunder, as the same may be from time to time amended;

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

(j) it will create and maintain records with respect to: (i) all allocations of the proceeds of the Tax-Exempt Bonds to expenditures under Treasury Regulations §1.148-6(d) and §1.141-6 and any reallocations of proceeds of the Tax-Exempt Bonds under Treasury Regulations §1.141-12(e); (ii) all allocations of the non-Tax-Exempt Bond proceeds to expenditures for costs of the Project Facilities or cost of issuing the Tax-Exempt Bonds; (iii) the ownership, and any disposition, of any of the property financed with proceeds of the Tax-Exempt Bonds under Section 145(a)(1) of the Code; (iv) the economic lives of each portion of the property financed with proceeds of the Tax-Exempt Bonds; (v) the date each portion of the property financed with proceeds of the Tax-Exempt Bonds is placed in service (within the meaning of Treasury Regulations §1.150-2(c)); (vi) any use of the proceeds of the Tax-Exempt Bonds, or the property financed with proceeds of the Tax-Exempt Bonds, in an unrelated trade or business (within the meaning of Section 513 of the Code); (vii) any private trade or business use (within the meaning of Sections 141 and 145 of the Code and Treasury Regulations §1.141-2) of the property financed with proceeds of the Tax-Exempt Bonds; (viii) any investments of the University of the gross proceeds (with the meaning of Treasury Regulations §1.148-1(b)) of the Tax-Exempt Bonds (including, without limitation, records required under Treasury Regulations §1.148-5(d)(6)); (ix) any use of the proceeds of the Tax-Exempt Bonds or the property financed with proceeds of the Tax-Exempt Bonds in an unrelated trade or business (within the meaning of Section 513 of the Code); (x) all information necessary to compute the yield on the Tax-Exempt Bonds, including the information necessary to establish the existence of any qualified guarantee or qualified hedge (within the meaning of Treasury Regulations §1.148-4(f) and (h)) with respect to the Tax-Exempt Bonds, the amount and date of payments for a qualified guarantee or qualified hedge with respect to the Tax-Exempt Bonds and the issue price of the Tax-Exempt Bonds; and (xi) all information necessary to establish that the 6-month, the 18-month or the 2-year construction exception to arbitrage rebate (with the meaning of Treasury Regulations §1.148-7) has been met with respect to proceeds of the Tax-Exempt Bonds, which the University will retain for at least three (3) years after the final scheduled maturity date of the Tax-Exempt Bonds; and

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

5.6. Tax-Exempt Status.

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

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

5.7. Additional Representation and Warranties.

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

(a) Uniform Commercial Code. If revisions to Article 9 of the Uniform Commercial Code are enacted by the State Legislature or by any other jurisdiction whose laws govern the perfection and enforceability of any security for the Bonds, the University covenants and agrees to cooperate with the Authority in taking all steps necessary to perfect and maintain the priority and enforceability of the security for the Bonds.

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

(c) Existence and Standing. The University is a corporate body created under the laws of the State and has the necessary power and authority to execute and deliver this Agreement and any other Documents (as defined in Section 5.13 hereof) to which the University is a party, and to perform its obligations hereunder and thereunder.

(d) Authorization and Validity. The execution and delivery by the University of this Agreement and any other Documents to which the University is a party have been duly authorized by proper proceedings of the University, and no further approval, authorization or consents are required by law or otherwise. This Agreement and such other Documents constitute

the legal, valid and binding obligations of the University enforceable in accordance with their respective terms, except as future enforceability may be limited by bankruptcy, insolvency or similar laws affecting the rights of creditors and by general equitable principles.

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

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

5.8. Additional Covenants.

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

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

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

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

(d) Rebate. The University acknowledges that the Authority shall calculate or cause to be calculated the Rebate Amount at the times and in the manner set forth in the Tax Certificate and shall pay or direct in writing the Trustee to pay (but only from amounts received from the University under this Agreement) the amount to be paid to the United States of America pursuant to Section 148 of the Code from the Rebate Fund in the percentage, at the times and in the manner set forth in the Tax Certificate.

5.9. Off-Balance Sheet Projects.

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

5.10. Alternate Dates for Payment.

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

5.11. Agreement for Benefit of Bondholders.

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

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

5.12. Reports Furnished by University.

The University shall render a report periodically on request of the Authority as to the physical condition of the Project Facilities. In addition, the University shall, if and when requested by the Authority, render such other reports to the Trustee and the Authority concerning the condition of the Project Facilities and the University as the Authority reasonably requests. The University also shall furnish annually to the Trustee and the Authority, and such other parties as the Authority may designate, copies of (i) its audited financial statements not later than December 27th following the end of each fiscal year, commencing with the fiscal year of the University ending June 30, 2017; *provided*, that if the fiscal year of the University should

change, then the audited financial statements shall be due not later than one hundred eighty (180) days after the end of each fiscal year, and (ii) such other reports and such other information as may be reasonably requested by the Authority, as soon as practicable.

5.13. Review and Execution of Documents.

The University hereby represents and warrants to the Authority that the University has reviewed and has a full understanding of all the terms, conditions and risks (economic and otherwise) of this Agreement, the Indenture, the Bond Purchase Agreement, the Swap Agreement, if any, and any of the other documents or instruments executed in connection with the issuance of the Bonds and herewith (collectively, the "*Documents*"), that it is capable of assuming and willing to assume (financially and otherwise) all such risks, that it has consulted with its own legal and financial advisors (to the extent it has deemed necessary) and is not relying upon any advice, counsel or representations (whether written or oral) of the Authority or the Authority's legal and municipal advisors, and that it has made its own investment, hedging and trading decisions (including decisions relating to the suitability of each of the Documents) based upon its own judgment and upon any advice from its own legal and financial advisors as it has deemed necessary. The University hereby acknowledges that the Authority is entering into certain of the Documents at the request of, and as an accommodation to, the University, and that the terms of the Documents have been negotiated by, and are acceptable to, the University.

5.14. Multiple Counterparts.

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

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed and attested by their proper respective Authorized Officers and Borrower Representatives, all as of the date first above written.

**NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY**

By: _____
Jeremy A. Spector
Executive Director

ATTEST:

By: _____
Steven P. Nelson
Assistant Secretary

SETON HALL UNIVERSITY

By: _____
Stephen Graham
Vice President for Finance/CFO

ATTEST:

By: _____
Msgr. Anthony Ziccardi
Secretary Designee to the
Board of Regents

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

**RESOLUTION AUTHORIZING ACTIONS TO BE TAKEN RELATING
TO THE REFUNDING OF NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY REVENUE REFUNDING BONDS, ROWAN UNIVERSITY
ISSUE, SERIES 2007 B WITH PROCEEDS OF BONDS TO BE ISSUED
BY THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY**

Adopted: May 23, 2017

RESOLUTION AUTHORIZING ACTIONS TO BE TAKEN RELATING TO THE REFUNDING OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE REFUNDING BONDS, ROWAN UNIVERSITY ISSUE, SERIES 2007 B WITH PROCEEDS OF BONDS TO BE ISSUED BY THE GLOUCESTER COUNTY IMPROVEMENT AUTHORITY

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

WHEREAS, on April 5, 2007, pursuant to a Resolution adopted on December 15, 2006 (the "Resolution") and a Trust Indenture between the Authority and The Bank of New York Mellon (as successor to The Bank of New York), dated as of April 1, 2007 (the "Indenture"), the Authority issued its Revenue Refunding Bonds, Rowan University Issue, Series 2007 B (the "2007 B Bonds"); and

WHEREAS, Rowan University (the "University") has advised the Authority that it intends to effect a refunding of all or a portion of the outstanding maturities of the 2007 B Bonds (the "Refunding") with proceeds of bonds to be issued by The Gloucester County Improvement Authority (the "GCIA Bonds"); and

WHEREAS, the University has requested that the Authority authorize the execution and delivery of such documents and the taking of such actions as may be necessary or convenient in connection with the proposed Refunding, including, but not limited to, the approval, execution and delivery of instructions and/or an escrow agreement with the Trustee as Escrow Agent (the "Escrow Agreement") and the delivery of appropriate certificates, documents, notices, verification reports and legal opinions, including any documents or instructions necessary or required to utilize certain available funds and securities held and maintained by the Trustee to effectuate the Refunding; and

WHEREAS, the University has agreed to pay all fees and expenses of the Authority and Bond Counsel for the Authority to be designated by the Attorney General; and

WHEREAS, the Authority deems it necessary and in keeping with its purposes to assist the University in the implementation of the Refunding and to authorize all necessary and appropriate actions and the execution and delivery of all necessary and appropriate documents in connection therewith; and

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

ARTICLE I

AUTHORIZATION OF REFUNDING

1.1 Authorization of Refunding.

The Authority hereby declares the Refunding to be an authorized undertaking of the Authority and authorizes and directs the Chair, Vice Chair, Executive Director, Deputy Executive Director, Treasurer, Director of Project Management, Director of Compliance Management, Secretary, Assistant Treasurer or any Assistant Secretary of the Authority and any other person authorized by resolution of the Authority, and any such officers designated as "acting" or "interim" (each an "Authorized Officer"), to execute and deliver all documents necessary to enable the Authority, as permitted by the Act and the appropriate documents for the 2007 B Bonds, to assist the University in the implementation of the Refunding and the transactions related thereto; provided, that in connection with the Refunding, (i) the University shall pay all fees and expenses of the Authority, its Bond Counsel, the Escrow Agent, Verification Agent and any other fees in connection with the Refunding and (ii) there shall be delivered to the Authority the following documents:

- (a) A certificate of an authorized officer of the University and an opinion of counsel or bond counsel to the University, each addressed to the Authority, to the effect that the Escrow Agreement has been duly authorized, executed and delivered by the University and constitutes the legal, valid and binding obligation of the University, enforceable against the University in accordance with its terms (subject to customary exceptions as to bankruptcy, equitable remedies and the like);
- (b) A report of a firm appointed by the Authority, if necessary, or acceptable to the Authority, verifying the sufficiency of the funds deposited pursuant to the Escrow Agreement to defease and redeem the 2007 B Bonds to be refunded and the verification of the mathematical accuracy for the applicable arbitrage yields;
- (c) An opinion of the Authority's Bond Counsel (or other appropriate nationally recognized bond counsel) that upon deposit of funds with the Escrow Agent, serving as such pursuant to the Escrow Agreement, that the 2007 B Bonds refunded bonds are no longer deemed to be "Outstanding" under the Indenture; and
- (d) Such other agreements, certificates, notices, opinions or other items as may reasonably be required by the Authority, its Bond Counsel or the Attorney General of the State.

1.2 Approval of Escrow Agreement.

Any Authorized Officer is hereby authorized and directed to execute, acknowledge and deliver and any other Authorized Officer is hereby authorized and directed to affix and attest the official common seal, if necessary, to the Escrow Agreement in substantially the form presented to this meeting, with such insertions and changes therein (including, without limitation, the date

thereof and any covenants or provisions that may be required by any lender, underwriter, bond insurer or rating agency rating the GCIA Bonds issued to effect the Refunding or any portion thereof) and any supplements thereto as the Authorized Officer executing the same may approve with the advice of the Attorney General of the State and Bond Counsel, such approval to be evidenced conclusively by such Authorized Officer's execution thereof.

The Trustee is hereby appointed by the Authority to serve as the escrow agent under the Escrow Agreement (the "Escrow Agent"), and shall signify acceptance of the duties and obligations imposed upon it by the Escrow Agreement by the Escrow Agent's execution thereof and receipt of the funds deposited thereunder.

ARTICLE II

MISCELLANEOUS

2.1 Authorization Relating to Investment in Certain Funds.

Any Authorized Officer is hereby authorized to direct the Escrow Agent to invest proceeds of the GCIA Bonds or other moneys provided by the University as directed by the University in either (a) United States Treasury Obligations, State and Local Government Series ("SLGS") or (b) open market U.S. Treasury Obligations, which were purchased pursuant to competitive bidding procedures conducted in accordance with applicable federal tax rules and which qualify as permissible defeasance obligations pursuant to the Indenture (the "Refunding Securities") provided that the Authority has received a Verification Report verifying the sufficiency of the Refunding Securities to refund and defease the 2007 B Bonds to be refunded. Notwithstanding the foregoing, nothing contained herein shall prohibit an Authorized Officer of the Authority from subscribing for SLGS to the extent necessary or required via SLGSafe pursuant to the regulations promulgated therefor set forth in 31 C.F.R. Part 344. Bond Counsel and the Escrow Agent are hereby authorized to act as agent(s), if so directed by an Authorized Officer of the Authority, on behalf of the Authority for the subscription of SLGS.

2.2 Incidental Actions.

(a) The Authorized Officers are hereby authorized to effect the Refunding. The Authorized Officers are hereby further authorized to provide such instructions to the Trustee to provide notices of redemption and/or defeasance of such 2007 B Bonds to be refunded and take all other necessary action to effect the Refunding as are directed by the University in consultation with its financial advisor, their underwriter, their bond counsel, the Authority and the Authority's Bond Counsel.

(b) The Authorized Officers are hereby authorized and directed to execute and deliver such other documents, certificates, directions and notices, and to take such other action as may be necessary or appropriate in order; (i) to effectuate the Refunding and the redemption and/or defeasance of the 2007 B Bonds to be refunded, including the use of funds or securities held with the Trustee to effectuate the Refunding; (ii) to effectuate the execution and delivery of the

Escrow Agreement; and (iii) to maintain the tax-exempt status of the interest on the 2007 B Bonds.

2.3 Prior Resolutions.

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

2.4 Effective Date.

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

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

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

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

McCarter & English, LLP
Draft #3
May 22, 2017

ESCROW DEPOSIT AGREEMENT

Dated as of [July 1], 2017

among

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY,

THE BANK OF NEW YORK MELLON, as Escrow Agent

and

ROWAN UNIVERSITY

New Jersey Educational Facilities Authority Revenue Refunding Bonds
Rowan University Issue, Series 2007 B

ESCROW DEPOSIT AGREEMENT

THIS ESCROW DEPOSIT AGREEMENT (this "Agreement"), dated as of [July 1], 2017 by and among the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (the "Authority"), THE BANK OF NEW YORK MELLON, a banking corporation organized and existing under the laws of the State of New York, as Escrow Agent (the "Escrow Agent"), and ROWAN UNIVERSITY (the "University");

WITNESSETH:

WHEREAS, the Authority has previously issued and sold its Revenue Refunding Bonds, Rowan University Issue, Series 2007 B (the "Series 2007 B Bonds") pursuant to a Resolution adopted by the Authority on December 15, 2006 (the "Bond Resolution") and a Trust Indenture, dated as of April 1, 2007 (the "Indenture"), by and between the Authority and The Bank of New York Mellon (as successor to The Bank of New York) (capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Indenture); and

WHEREAS, the Series 2007 B Bonds were issued in the original aggregate principal amount of \$121,355,000; and

WHEREAS, the Indenture provides, in part, that upon deposit of money or Investment Securities in the necessary amount to pay the principal or Redemption Price, if applicable, and interest due and to become due on any Outstanding Bonds on and prior to the redemption date or maturity date thereof, and upon the provision of instruction to the Trustee for the giving of notice of redemption for such Outstanding Bonds shall have been made, such Outstanding Bonds shall no longer be deemed Outstanding under the Indenture; and

WHEREAS, The Gloucester County Improvement Authority (the "GCIA"), on behalf of the University, is now issuing its Revenue Refunding Bonds (Rowan University Project) Series 2017 (Tax-Exempt) [and Revenue Refunding Bonds (Rowan University Project) Series 2017 (Taxable)] ([collectively,]the "Series 2017 Bonds") to provide for, among other things, the financing of the refunding of [all][a portion] of the outstanding Series 2007 B Bonds, as more fully described in Schedule A attached hereto (collectively, the "Refunded Bonds"); and

WHEREAS, the GCIA and University have directed the transfer of a portion of the proceeds of the Series 2017 Bonds and other available funds of the University for deposit with the Escrow Agent which, together with investment income to be earned on such proceeds, if any, will be sufficient to pay (i) the interest accrued and to accrue on the Refunded Bonds maturing on and after July 1, 2019 (the "Refunded Bonds to be Redeemed") to [____], 2017 (the "Redemption Date"), or, with regard to the Refunded Bonds maturing on July 1, 2018 (the "2018 Defeased Bond Maturity") to July 1, 2018 (the "2018 Maturity Date"), as such interest becomes due on or prior to the Redemption Date or 2018 Maturity Date, as the case may be; (ii) the Redemption Price of the Refunded Bonds to be Redeemed on the Redemption Date; and (iii) the principal of the 2018 Defeased Bond Maturity on the 2018 Maturity Date; and

WHEREAS, upon the deposit with the Escrow Agent of moneys (including proceeds of the Series 2017 Bonds and a cash deposit of the University) which, together with investment income to be earned thereon, will be sufficient to pay (i) the interest accrued and to accrue on the Refunded Bonds to be Redeemed to the Redemption Date, or, with regard to the 2018 Defeased Bond Maturity, to the 2018 Maturity Date, as such interest becomes due on or prior to the Redemption Date or 2018 Maturity Date, as the case may be; (ii) the Redemption Price of the Refunded Bonds to be Redeemed on the Redemption Date; and (iii) the principal of the 2018 Defeased Bond Maturity on the 2018 Maturity Date, and the giving of certain irrevocable instructions by the Authority to the Escrow Agent as herein provided, the Refunded Bonds shall no longer be deemed Outstanding under the Indenture.

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

SECTION 1. There is hereby created and established with the Escrow Agent a special and irrevocable escrow fund (the "Escrow Fund"), to be held by the Escrow Agent as a trust fund for the benefit of the holders of the Refunded Bonds. The Escrow Fund shall be held by the Escrow Agent separate and apart from all other funds of the Authority and the Escrow Agent. [SECTION 1, MAY ALTERNATIVELY PROVIDE FOR THE ESTABLISHMENT OF TWO (2) SEPARATE ESCROW FUNDS, WITH ONE ESCROW FUND TO BE FUNDED WITH AVAILABLE FUNDS OF THE UNIVERSITY CONSISTING OF THE CASH DEPOSIT AND APPLIED TO THE DEFEASANCE OF THE 2018 DEFEASED BOND MATURITY, AND ONE ESCROW FUND TO BE FUNDED WITH PROCEEDS OF THE 2017 BONDS AND APPLIED TO THE REFUNDING OF THE REFUNDED BONDS TO BE REDEEMED. IF TWO ESCROW FUNDS ARE ESTABLISHED, THE AGREEMENT SHALL BE FURTHER REVISED AS NECESSARY TO EFFECT THE FOREGOING.]

SECTION 2. The Escrow Agent hereby acknowledges receipt from (or at the direction of) the GCIA (of bond proceeds from the Series 2017 Bonds in the amount of \$ _____) and the University (from a cash deposit from the University in the amount of \$ _____) of immediately available funds in the aggregate amount of \$ _____, consisting of a portion of the proceeds of the Series 2017 Bonds.

SECTION 3. (a) The Escrow Agent shall immediately deposit the amounts set forth in Sections 2 (\$ _____) hereof in the Escrow Fund.

(b) The Escrow Agent shall apply \$ _____ from the Escrow Fund on _____, 2017 to the purchase of the securities listed in Exhibit A attached hereto (the "Defeasance Securities") and shall hold \$ _____ uninvested in cash.

(c) In sole reliance on the computations attached hereto as Exhibit B-1 and verified by [VERIFICATION AGENT], as described in the verification report attached hereto as Exhibit B-2, the Authority represents that the amounts so deposited in the Escrow Fund, together with the income from the investment thereof, if any, to be retained therein pursuant to this Agreement, will provide sufficient funds to pay (i) the interest accrued and to accrue on the Refunded Bonds to be Redeemed to the Redemption Date, or, with regard to the 2018 Defeased Bond Maturity, to

the 2018 Maturity Date, as such interest becomes due on or prior to the Redemption Date or 2018 Maturity Date, as the case may be; (ii) the Redemption Price of the Refunded Bonds to be Redeemed on the Redemption Date; and (iii) the principal of the 2018 Defeased Bond Maturity on the 2018 Maturity Date, as set forth on Schedule A.

SECTION 4. The Escrow Agent agrees that the amounts deposited in the Escrow Fund pursuant to Section 3 hereof and the investment income to be earned thereon, if any, and any other moneys and investments deposited in the Escrow Fund, if any, will be held in trust for the benefit of the holders of the Refunded Bonds. The Escrow Agent shall have no liability for the payment of the principal of and interest on the Refunded Bonds pursuant to this Section and the Indenture, except for the application of moneys and obligations available for such purposes in the Escrow Fund. The Escrow Agent shall not be liable for any loss resulting from any investment made in accordance with the provisions of this Agreement, nor shall it be required to risk or expend its own funds hereunder.

SECTION 5. (a) Except as otherwise expressly provided herein, the Escrow Agent shall have no power or duty to invest any moneys held hereunder or to make substitutions of the Defeasance Securities, if any, held hereunder or to sell, transfer or otherwise dispose of the Defeasance Securities acquired hereunder, or to pay interest on any such moneys not required to be invested hereunder; provided however, that at the written direction of the Authority and the University and upon compliance with the conditions hereinafter stated, the Escrow Agent shall have the power to sell, transfer, otherwise dispose of, or request the redemption of, the Defeasance Securities acquired hereunder, if any, and to substitute therefor other Defeasance Securities which are non-callable. Any substituted Defeasance Securities or cash shall be a part of and credited to the Escrow Fund. The Authority and the University each hereby covenants that and agrees that it will not request the Escrow Agent to exercise any of the powers described in the preceding sentences in any manner which would cause the Series 2007 B Bonds to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations promulgated thereunder in effect on the date of such request and applicable to the Series 2007 B Bonds. The Escrow Agent shall purchase such substitute Defeasance Securities with the proceeds derived from the sale, transfer, disposition or redemption of the Defeasance Securities and with any other funds available for such purpose. From time to time, Defeasance Securities may be sold, transferred, redeemed or otherwise disposed of and replaced by other Defeasance Securities subject to the same conditions. Any amounts received from the sale or redemption of Defeasance Securities and not needed or used to purchase substitute Defeasance Securities shall be transferred by the Escrow Agent as directed in writing by the Authority and the University. The foregoing transactions may be effected only if: (i) a recognized firm of certified public accountants shall certify that after such transaction the principal amount of, and interest income on, the substituted Defeasance Securities or cash will, together with any moneys or securities in the Escrow Fund reserved for such purpose, be sufficient to pay when due (whether at stated maturity or at the optional redemption date, as applicable) the principal of, and interest and redemption premium, if any, on, the Refunded Bonds; (ii) the amounts and dates of the anticipated payments from the Escrow Fund to the holders of such Refunded Bonds in accordance with their terms will not be diminished or postponed thereby; (iii) the Escrow Agent shall receive an opinion of nationally recognized bond counsel to the effect that such disposition and substitution or purchase is permitted under the

Indenture and this Agreement, and it would have no adverse effect on the exclusion from gross income for federal income tax purposes of the interest on the Refunded Bonds; and (iv) the University pays all costs incident to the transactions. If United States Treasury Securities, State and Local Government Series are to be purchased as substitute Defeasance Securities, the Escrow Agent, at the request of the Authority and the University, shall prepare and file the appropriate application therefor. The Escrow Agent shall incur no liability for complying with the provisions of this Section except for its own negligence or willful misconduct.

(b) The Authority and the University each hereby covenants that it will not authorize or permit the Escrow Agent to use directly or indirectly any part of the moneys or funds at any time in the Escrow Fund to acquire any investment property, the acquisition of which would cause any of the Series 2007 B Bonds to be “arbitrage bonds” as defined in Section 148(a) of the Code as then in effect.

SECTION 6. The Authority and the University each hereby irrevocably instructs the Escrow Agent and the Escrow Agent hereby agrees: (i) to redeem the Refunded Bonds to be Redeemed on the Redemption Date, in the amount and at the Redemption Price set forth on Schedule A, and to apply amounts held in the Escrow Fund to the payment of the Redemption Price of such Refunded Bonds to be Redeemed as the same become due on the Redemption Date, as set forth on Schedule A; (ii) to apply amounts held in the Escrow Fund to the payment of the interest accrued and to accrue on the Refunded Bonds to be Redeemed to the Redemption Date, or, with regard to the 2018 Defeased Bond Maturity, to the 2018 Maturity Date, as such interest becomes due on or prior to the Redemption Date or the 2018 Maturity Date, as the case may be, as set forth on Schedule A; (iii) to mail to the holders of the Refunded Bonds to be Redeemed a notice of redemption substantially in the form attached hereto as Exhibit C and in accordance with Section 3.03 of the Indenture no less than thirty (30) days prior, to the Redemption Date; and (iv) to mail to the holders of the 2018 Defeased Bond Maturity and to publish in an Authorized Newspaper (which the Authority hereby designates as either The Times of Trenton or The Star-Ledger, and not The Bond Buyer) a notice of defeasance substantially in the form attached hereto as Exhibit D, as soon as practicable and in accordance with Section 10.03(b) of the Indenture. The University hereby consents to the aforementioned actions as directed by the Authority and agreed to by the Escrow Agent.

SECTION 7. On July 15, 2018, after payment of the principal of and interest on the 2018 Defeased Bond Maturity, all remaining moneys and securities in the Escrow Fund shall be transferred by the Escrow Agent to the University, who shall, thereafter, apply such funds to the payment of the principal of and interest on the Series 2017 Bonds.

SECTION 8. The Escrow Fund created hereby shall be irrevocable and the holders of the Refunded Bonds shall have an express lien on and security interest in all amounts deposited in the Escrow Fund, including all amounts representing principal of and interest on the Defeasance Securities, if any, on deposit in the Escrow Fund until used and applied in accordance herewith. The Authority shall cause financing and continuation statements to be filed with respect to this Agreement in such manner and in such places as may be required by law to protect fully the security of the holders of the Refunded Bonds and the right, title and interest of the Escrow Agent to all amounts deposited in the Escrow Fund and the principal and interest with respect to

the Defeasance Securities, if any, and shall take or cause to be taken all action necessary to preserve the aforesaid security interest so long as any of the Refunded Bonds remain unpaid.

SECTION 9. (a) Unless otherwise provided by contract, the Escrow Agent shall be compensated for its reasonable fees, expenses and disbursements, including reasonable legal fees, incurred with respect to services rendered hereunder, based upon itemized invoices submitted to the University for payment. This right to receive compensation notwithstanding, the Escrow Agent acknowledges that it has no claim against or lien on the moneys or securities on deposit in the Escrow Fund for any such payment. The compensation of the Escrow Agent provided in this Section 9(a) shall survive termination of this Agreement pursuant to Section 11 hereof.

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

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

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

(e) In the event that a successor Escrow Agent is not appointed within 60 days following the date of resignation or removal of the Escrow Agent, the Escrow Agent may apply to any court of competent jurisdiction for the appointment of a successor Escrow Agent.

SECTION 10. (a) The University agrees to pay the fees and expenses of the Authority and the Escrow Agent in connection with the performance of their respective obligations under and during the term of this Agreement, and in connection with defeasance and redemption of the Refunded Bonds. The obligation of the University to pay or cause to be paid the amounts payable under this Agreement shall be absolute and unconditional.

(b) To the extent permitted by law, the University shall indemnify and hold harmless the Authority and the Escrow Agent for and against any loss, liability or expense incurred, without negligence or willful misconduct on the Escrow Agent's part, arising out of or in connection with their respective performance under this Agreement or in connection with the refunding of the Refunded Bonds or the issuance of the Series 2017 Bonds, including, without limitation, the reasonable costs and expenses (including the reasonable fees and expenses of its counsel) of defending their directors, officers, agents and employees against any such claim or liability in connection with their exercise or performance of any of their duties hereunder and of enforcing this indemnification provision. The indemnification of the Escrow Agent provided for in this Section 10 shall survive termination of this Agreement.

SECTION 11. Except as provided in Section 7, Section 9(a) and Section 10(b) hereof, this Agreement shall terminate when the principal or Redemption Price of and interest on all the Refunded Bonds have been fully paid; provided that moneys held by the Escrow Agent in the Escrow Fund for the payment and discharge of any of the Refunded Bonds which remain unclaimed shall be held in compliance with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq.*, and in accordance with the Escrow Agent's escheat policies and procedures, which must not be in conflict with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq.*

SECTION 12. This Agreement shall not be repealed, revoked, rescinded, altered, amended or supplemented in whole or in part without the written consent of the holders of one hundred percent (100%) in principal amount of the unpaid Refunded Bonds at the time such election is made; provided, however, that the Authority, the University and the Escrow Agent may, without the consent of or notice to the holders of the unpaid Refunded Bonds, enter into such agreements supplemental to this Agreement as shall not adversely affect the rights of such holders and shall not be inconsistent with the terms and provisions of this Agreement, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Agreement; or

(b) to grant to or confer upon the Escrow Agent for the benefit of the holders of the Refunded Bonds any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Escrow Agent.

The Escrow Agent shall be entitled to rely conclusively upon an unqualified opinion of nationally recognized bond counsel with respect to the matters provided for in this Section 12, including the extent, if any, to which any change, modification, addition or elimination affects the rights of holders of the Refunded Bonds or that any instrument executed hereunder complies with the conditions or provisions of this Section 12. Notwithstanding anything in this paragraph to the contrary, no change shall be made to any provision of this Agreement regarding the investment or other use of the proceeds of the Series 2017 Bonds without an unqualified opinion of nationally recognized bond counsel to the effect that such change and the investment or other use of the proceeds of the Series 2017 Bonds in accordance with such change will not (i) adversely affect the exclusion of interest on the Refunded Bonds from gross income provided under Section 103 of the Code; or (ii) cause any of the Refunded Bonds to be deemed "Outstanding" within the meaning of Section 1.01 of the Indenture.

SECTION 13. In accordance with P.L. 2005, c. 92, the Escrow Agent covenants and agrees that all services performed under this Agreement by the Escrow Agent shall be performed within the United States of America.

SECTION 14. The Escrow Agent hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c. 271, section 3) if the Escrow Agent enters into agreements or contracts such as this Agreement, with a public entity, such as the Authority, and receives compensation or fees in excess of \$50,000 or more in the aggregate from public entities, such as the Authority, in a calendar year. It is the Escrow Agent's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

SECTION 15. The Escrow Agent represents and warrants that all information, certifications and disclosure statements previously provided in connection with P.L. 2005, c. 51, which codified Executive Order No. 134 (McGreevey 2004), are true and correct as of the date hereof and all such statements have been made with full knowledge that the Authority and the State of New Jersey will rely upon the truth of the statements contained herein in engaging the Escrow Agent, as escrow agent in connection with the Series 2007 B Bonds. The Escrow Agent agrees that it shall maintain continued compliance with P.L. 2005, c. 51 and regulations promulgated thereunder during the term of this Agreement. The Escrow Agent acknowledges that upon its failure to make required filings thereunder or the making of a contribution prohibited thereunder, the Escrow Agent may be removed as Escrow Agent under this Agreement and any remedies available may be exercised against the Escrow Agent at law or in equity.

SECTION 16. This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers as of the date first above written.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By: _____
Jeremy A. Spector
Executive Director

THE BANK OF NEW YORK MELLON
as ESCROW AGENT

By: _____
[Name]
[Title]

ROWAN UNIVERSITY

By: _____
[Name]
[Title]

SCHEDULE A

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
 REVENUE REFUNDING BONDS, ROWAN UNIVERSITY ISSUE,
 SERIES 2007 B

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>	<u>Redemption Price</u>
July 1, 2018	\$ 4,125,000	5.500%	646066VZ0	
July 1, 2019	\$ 4,505,000	5.000%	646066WA4	100%
July 1, 2020	\$ 3,415,000	4.000%	646066WB2	100%
July 1, 2021	\$ 3,405,000	4.000%	646066WC0	100%
July 1, 2022	\$ 5,995,000	4.000%	646066WD8	100%
July 1, 2023	\$ 6,030,000	4.000%	646066WE6	100%
July 1, 2024	\$ 6,815,000	4.000%	646066WF3	100%
July 1, 2025	\$ 6,610,000	4.125%	646066WG1	100%
July 1, 2026	\$ 6,920,000	4.125%	646066WH9	100%
July 1, 2027	\$ 7,900,000	3.000%	646066WJ5	100%
July 1, 2028	\$ 8,015,000	3.000%	646066WK2	100%
July 1, 2029	\$ 8,265,000	3.000%	646066WL0	100%
July 1, 2034	\$20,230,000	4.250%	646066WM8	100%

EXHIBIT "A"

Defeasance Securities

EXHIBIT "B-1"

Computations

EXHIBIT "B-2"

Verification Report of [VERIFICATION AGENT]

EXHIBIT "C"

NOTICE OF OPTIONAL REDEMPTION
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS, ROWAN UNIVERSITY ISSUE, SERIES 2007 B

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
July 1, 2019	\$ 4,505,000	5.000%	646066WA4
July 1, 2020	\$ 3,415,000	4.000%	646066WB2
July 1, 2021	\$ 3,405,000	4.000%	646066WC0
July 1, 2022	\$ 5,995,000	4.000%	646066WD8
July 1, 2023	\$ 6,030,000	4.000%	646066WE6
July 1, 2024	\$ 6,815,000	4.000%	646066WF3
July 1, 2025	\$ 6,610,000	4.125%	646066WG1
July 1, 2026	\$ 6,920,000	4.125%	646066WH9
July 1, 2027	\$ 7,900,000	3.000%	646066WJ5
July 1, 2028	\$ 8,015,000	3.000%	646066WK2
July 1, 2029	\$ 8,265,000	3.000%	646066WL0
July 1, 2034	\$20,230,000	4.250%	646066WM8

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Trust Indenture dated as of April 1, 2007 (the "Indenture"), by and between the New Jersey Educational Facilities Authority (the "Authority") and The Bank of New York Mellon (as successor to The Bank of New York) (the "Trustee"), the above-referenced bonds (the "Bonds") have been called for redemption on _____, 2017 (the "Redemption Date"), at a redemption price of 100% of the principal amount thereof, plus interest accrued to the Redemption Date. You are hereby notified that the Bonds should be presented for redemption at the corporate trust office of the Trustee located at:

Mailing Address

The Bank of New York Mellon
 111 Sanders Creek Parkway
 P.O. Box 396
 East Syracuse, NY 13057

Hand Delivery

The Bank of New York Mellon
 111 Sanders Creek Parkway
 East Syracuse, NY 13057
 Attn: Debt Processing Window

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

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

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By: The Bank of New York Mellon, as Trustee

IMPORTANT NOTICE

Under provisions of the Jobs and Growth Tax Relief Reconciliation Act of 2003 (the "Act"), the Trustee may be obligated to withhold 28% from payments of the Redemption Price to individuals who have failed to furnish the Trustee with a valid Taxpayer Identification Number. Holders of the Series 2007 B Bonds who wish to avoid the application of these provisions should submit certified Taxpayer Identification Numbers on form W-9 when presenting their Series 2007 B Bonds.

EXHIBIT "D"

DEFEASANCE NOTICE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS, ROWAN UNIVERSITY ISSUE, SERIES 2007 B

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP</u>
July 1, 2018	\$ 3,935,000	5.500%	

NOTICE IS HEREBY GIVEN to the holders of the outstanding bonds listed above (the "Refunded Bonds") that there have been deposited with The Bank of New York Mellon, as Escrow Agent, moneys and investment securities[(consisting of direct obligations of the United States of America)] the principal of and interest on which when due will provide moneys which, together with moneys deposited with the Escrow Agent at the same time, will be sufficient to pay (i) the interest accrued and to accrue on the Refunded Bonds to July 1, 2018 (the "Maturity Date"), as such interest becomes due on or prior to the Maturity Date; and (ii) the principal of the Refunded Bonds on the Maturity Date. The Refunded Bonds are no longer deemed Outstanding under the Trust Indenture dated as of April 1, 2007, by and between the New Jersey Educational Facilities Authority and The Bank of New York Mellon (as successor to The Bank of New York).

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

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

**RESOLUTION AUTHORIZING ALL NECESSARY APPROVALS,
CONSENTS AND DOCUMENTS FOR MONTCLAIR STATE
UNIVERSITY TO IMPLEMENT THE AGREEMENTS RELATING TO
THE USE OF YOGI BERRA STADIUM**

Adopted: May 23, 2017

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

WHEREAS, by Resolution duly adopted on April 16, 1997, the Authority approved the interim financing, construction and operation by Floyd Hall Enterprises, L.L.C. ("Floyd Hall") of an arena and stadium on real property owned by the Authority and leased by the Authority to Montclair State University (the "University"); and

WHEREAS, ultimately, Floyd Hall provided permanent financing and to effect the transaction, the Authority leased the real property to the University pursuant to a Lease and Agreement dated as of May 1, 1997 (the "Lease Agreement"); and the University, the Authority and Floyd Hall entered into an agreement dated as of May 1, 1997 (the "Three-Party Agreement") for the development, acquisition and use of a baseball stadium (the "Stadium") and ice hockey arena (the "Arena") at the University and a related agreement for joint use of the Stadium and Arena by the University and Floyd Hall; and

WHEREAS, the Stadium (known as Yogi Berra Stadium) was subleased by the University to Floyd Hall under a Sublease Agreement dated as of May 1, 1997 as amended on October 12, 2013 (the "Stadium Sublease") and is operated by Floyd Hall under an Operating Agreement with the University dated as of May 1, 1997 (the "Operating Agreement"); and

WHEREAS, Floyd Hall entered into a Sub-Sublease Agreement with Friends of Yogi, Inc. dated May 1, 1997 to permit the construction and operation of Yogi Berra Museum within the Stadium ("FOYI Agreement"); and

WHEREAS, by a resolution adopted by the Authority on December 13, 2016, at the request of the University, the Authority approved the (i) amendment of the Stadium Sublease and the Arena Sublease (the "Subleases") to provide for their termination on or about January, 2017 and March, 2020, respectively in order for the interest of Floyd Hall in the Stadium and the Arena to revert to MSU and for MSU to acquire all of Floyd Hall's interest in the Stadium and the Arena; (ii) the amendment of the Operating Agreement and (iii) the amendment of the Three-Party Agreement to permit termination of the Three-Party Agreement upon the termination of the Subleases; and

WHEREAS, the University expects to execute the Termination Agreement for the Stadium Sublease in May of 2017; and

WHEREAS, the University has advised the Authority that it has negotiated an agreement for the use of the Stadium with University Sports & Entertainment, LLC (“US&E”), the future owner of the Jackals, by which the University will permit US&E and its affiliated sports team and others to occupy and use the Stadium (“US&E Agreement”); and

WHEREAS, the University also approved the assignment from Floyd Hall of the FOYI Agreement in order to become a sub-sublandlord to Friends of Yogi, Inc.; and

WHEREAS, by resolution of the Executive Committee of the Board of Trustees of the University adopted on April 27, 2017, the University has approved any and all such actions as may be necessary or appropriate to effect entry into, and execution and delivery of the US&E Agreement and the transaction contemplated thereby, subject to the Authority’s approval and consent; and

WHEREAS, as the owner of the property for the Stadium, the University has requested that the Authority approve and consent to the entry by the University into the US&E Agreement and assignment of the FOYI Agreement, and the transactions contemplated thereby, particularly as such transaction relates to the use of the Stadium; and

WHEREAS, in order to approve and consent to the US&E Agreement and FOYI Agreement, Section 14.2 of the Lease Agreement needs to be amended to allow for the subletting of the Stadium to a party other than Floyd Hall; and

WHEREAS, Section 14.2 of the Lease Agreement is hereby amended to authorize the subletting of the Stadium to a party other than Floyd Hall with the prior written consent of the Authority; and

WHEREAS, the University has advised the Authority that it has determined that the entering into of the US&E Agreement for the use of the Stadium and assignment of the FOYI Agreement is beneficial to the University and its students; and

WHEREAS, the Members of the Authority have determined that it is necessary and advisable to agree to the actions requested by the University as they relate to entry into and implementation of the transaction contemplated by the US&E Agreement.

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

Section 1. Approval of Amendment of Lease Agreement. The Members hereby agree to the amendment of Section 14.2 of the Lease Agreement to authorize the subletting of the Stadium to a party other than Floyd Hall with the prior written consent of the Authority in the form attached hereto as Exhibit A.

Section 2. Approval and Consent. The Members, in order to assist the University in implementation of the transaction contemplated by the US&E Agreement, hereby approves

and consents to: (i) the entry by the University into the US&E Agreement in substantially the form attached hereto as Exhibit B, (ii) assignment to the University of the FOYI Agreement in substantially the form attached hereto as Exhibit C, and (iii) the implementation by the University of the transaction contemplated by the US&E Agreement and FOYI Agreement as generally described herein. The Authority hereby authorizes the execution and delivery of such documents, certificates and instruments as may be necessary or useful to evidence such approval and consent, in such forms as may be approved by the Authorized Officer (as hereinafter defined) executing same with the advice of the Attorney General.

Section 3. Authorization of Action by Authorized Officers. The Authority hereby authorizes and directs the Chair, Vice Chair, Executive Director, Deputy Executive Director, Secretary, Assistant Treasurer or an Assistant Secretary of the Authority and any such officers designated as “acting” or “interim” (each an “Authorized Officer”) to: (a) execute and deliver such documents, certificates and instruments as described in Section 2 above to implement the transaction contemplated by the US&E Agreement and FOYI Agreement, in such form as shall be approved by the Authorized Officer executing same with the advice of the Attorney General; (b) execute and deliver any and all other approvals and consents as may be necessary or useful; and (c) take any and all such other actions as may be necessary or appropriate to implement the transaction contemplated by the US&E Agreement and FOYI Agreement. The Authorized Officers are hereby authorized to execute, attest and affix the official common seal of the Authority, as applicable, to all documents, certificates and instruments necessary or useful for the implementation of the transaction contemplated by the US&E Agreement, in the form approved by the Authorized Officer executing same with the advice of the Attorney General. Approval of the form of all documents executed pursuant to this Resolution shall be conclusively evidenced by the execution thereof.

Section 4. Effective Date. This Resolution shall take effect in accordance with the provisions of the Act.

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

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

NAY: None

ABSTAIN: None

ABSENT: None

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

MSU Yogi Berra Stadium - 5/23/17

EXHIBIT A

THIS FIRST AMENDMENT is made this ____ day of June, 2017, by and between the:

New Jersey Educational Facilities Authority (“Authority” or “Landlord”)

and

Montclair State University (“University” or “Tenant”).

BACKGROUND:

A. Landlord and Tenant are parties to a certain Lease and Agreement dated May 1, 1997 (the “Lease”), pursuant to which Tenant leased from Landlord certain property, as more particularly described in the Lease (the “Property”), and undertook to build a baseball stadium (the “Yogi Berra Stadium”) on a portion of the Leased Premises.

B. Tenant is a party to a Sublease Agreement with Floyd Hall Enterprises, LLC (“FHE”) for the use of Yogi Berra Stadium dated May 1, 1997 (the “Sublease Agreement”).

C. FHE is a party to a Sub-Sublease Agreement with Friends of Yogi, Inc. for use of Yogi Berra Museum within Yogi Berra Stadium dated May 1, 1997 (the “Sub-Sublease Agreement”);

D. Tenant and FHE have agreed to an early termination of the Sublease Agreement (the “Agreement for Termination”) and assignment by FHE of the Sub-Sublease Agreement to Tenant;

E. Tenant intends to enter into a Sublease Agreement with University Sports & Entertainment, LLC (“US&E”) to permit its use of Yogi Berra Stadium;

F. This First Amendment to Lease is to permit the University to enter into a Sublease Agreement with US&E and to accept an assignment of the Sub-Sublease Agreement.

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

1. Section 14.2 of the Lease is hereby amended to authorize the subletting of the Property to a party other than Floyd Hall with the prior written consent of the Authority.

2. This First Amendment shall be binding upon and shall inure to the benefit of the parties hereto and to their respective heirs, executors, administrators, successors and permitted assigns.

3. This First Amendment may be executed in counterparts each of which when so executed and delivered shall be deemed to be an original, but all such counterparts shall constitute one and the same agreement, binding on the parties as if the parties had signed one document on the same signature page, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended or attached to, any other counterpart.

In witness whereof, the parties have executed this First Amendment as of the date first set forth above.

Montclair State University

By: _____
Name: Jon Rosenhein
Title: Vice President for Finance
And Treasurer

New Jersey Educational Facilities Authority

By: _____
Name: Jeremy A. Spector
Title: Executive Director

EXHIBIT B

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT (this "**Agreement**") is made as of _____, 2017 (the "**Effective Date**"), between **MONTCLAIR STATE UNIVERSITY**, a public institution of higher education of the State of New Jersey having offices at College Hall, Normal Avenue, Upper Montclair, New Jersey 07043 ("**Landlord**" or the "**University**"), and University Sports & Entertainment, LLC, a New Jersey limited liability company ("**Tenant**") having offices at _____.

WITNESSETH:

WHEREAS, the University holds a leasehold interest in and to a portion of the real property located within part of Lot 1 in Block 250 as indicated on the tax map for the Township of Little Falls and located within the University's campus and (the "**Property**") pursuant to that certain Lease and Agreement between and among the New Jersey Educational Facilities Authority (the "**EFA**" or "**Authority**") and the University, dated as of May 1, 1997 (as amended, the "EFA Lease"); and

WHEREAS, Landlord is the owner of a baseball stadium located on a portion of the Property commonly known as Yogi Berra Stadium (as further defined in Article 1 hereof, the "**Stadium**"); and

WHEREAS, Tenant owns and operates a baseball team that is a member of the Canadian American Association of Professional Baseball known as the Jackals;

WHEREAS, Landlord and Tenant desire to enter into this Agreement to establish the terms and conditions of Tenant's use of the Stadium for Jackals home baseball games and other events as allowed herein, as well as Landlord's right to use the Stadium for Landlord's home baseball games and other events, as set forth herein.

NOW, THEREFORE, in consideration of the premises, the rents payable hereunder and the terms, covenants and conditions hereinafter set forth, Landlord hereby (i) demises and leases to Tenant, and Tenant does hereby lease from Landlord the Stadium to conduct Jackals' professional baseball games, practice sessions and related activities in the CanAm League, and Tenant Other Events, during the Term of this Agreement, all as more particularly described herein, and (ii) grants unto Tenant and the Tenant does hereby take from Landlord the right to use and occupy the portion of the Stadium and its related facilities consisting of, inter alia, certain storage space, locker room space, coaches and training room space, and certain parking spaces during the Term of this Agreement, all as more particularly described herein.

TOGETHER WITH the right of ingress and egress to and from the Subleased Premises (as defined below) for the aforesaid purposes.

SUBJECT AND IN ALL RESPECTS SUBORDINATE TO the terms and conditions of the EFA Lease and that certain Agreement between the New Jersey Educational Facilities Authority, Montclair State University and Floyd Hall Enterprises, Inc. for the Development, Acquisition and Use of a Baseball Stadium and Ice Hockey Arena at Montclair State University dated December 11, 1997 (the "**Tri-Party Agreement**"), Tenant expressly acknowledging and agreeing that all of the right, title and interest that Tenant is acquiring pursuant to this Agreement in and to the Property and the Stadium are derived from the EFA Lease.

Landlord and Tenant hereby mutually covenant and agree to perform each and every one of the following terms, covenants and conditions on their respective parts to be performed.

ARTICLE 1
DEFINED TERMS; INTERPRETATION

Section 1.1 Definitions. In this Agreement, unless a different meaning clearly appears from the context:

"**Additional Rent**" shall have the meaning assigned to it in Section 6.1(e).

"**Adjustment Ticket Price**" shall have the meaning assigned to it in Section 6.1(c).

"**Attendance Rent**" shall have the meaning assigned to it in Section 6.1(c).

"**Available Dates**" shall have the meaning assigned to it in Section 5.1(b).

"**Base Ticket Price**" shall have the meaning assigned to it in Section 6.1(d).

"**Baseball Event**" shall mean any Tenant Baseball Event, Tenant Sponsored Event, University Baseball Event or University Sponsored Event played or conducted at the Stadium during the Term of this Agreement.

"**Baseball Field**" shall mean the baseball field and foul territory and bullpen area located within the Stadium.

"**Baseball Game**" as used herein means the game itself played by Tenant's CanAm League Team in the Stadium or the University's baseball team as the case may be or the context of this Agreement requires.

"**Baseball Season**" shall mean a period which shall commence on 12:01 A.M. of the day which is the earlier to occur of either:

(i) the day on which the first Exhibition Game is played by Tenant's CanAm League Team at the Stadium immediately preceding the then current CanAm League Season; or

(ii) the day of the first scheduled Regular Season Home Game of the then current

CanAm League Season and shall end at midnight on the date of the last scheduled Home Game of the then current CanAm League Season,

(iii) but in no event earlier than May 1 of any Sublease Year and ending on the day following the day when the last Home Game is played but no later than September 30 of any Sublease Year, subject to MSU's right's to use the Stadium as set forth herein.

"CanAm League" shall mean the Canadian American Association of Professional Baseball as constituted under its Constitution and By-Laws existing on the date hereof or as it may hereafter be constituted or organized.

"CanAm League Baseball Franchise or Team" shall mean a professional baseball franchise approved by the CanAm League as a member of the CanAm League.

"CanAm League Baseball Games" shall mean professional baseball games between members of the CanAm League, including any "all-star game", Exhibition Game, Playoff Game or Championship Game.

"CanAm League Rules" shall mean all CanAm League rules, regulations, rulings, by-laws, articles, and contracts which at the time in question govern the rights, duties, privileges and obligations of members of the CanAm League including without limitation the provisions of the CanAm League constitution, CanAm League By-Laws, and CanAm League resolutions, actions and decisions of the CanAm League Board of Directors and the CanAm League commissioner.

"CanAm League Season" shall mean the schedule of CanAm League Baseball Games played or to be played during any one Baseball Season, including all regular and post-season Baseball Games.

"Capital Improvement and Repair Fund" shall have the meaning assigned to it in Section 6.1(d).

"Casualty Event" shall have the meaning assigned to it in Section 8.2.

"Championship Game" shall mean each Home Game which, under the CanAm League Rules, is part of the competition for the championship of the CanAm League, in accordance with a championship schedule promulgated by the CanAm League.

"Commencement Conditions" shall have the meaning assigned to it in Section 2.2(a).

"Commencement Conditions Outside Date" shall have the meaning assigned to it in Section 2.2(c).

"Commencement Date" shall have the meaning assigned to it in Section 2.1.

"Concession Revenues" shall mean all of the Gross Revenue from income, fees, charges, rents, receipts and revenues received by Tenant from any and all concessions operated by Tenant

or third-party concessionaires at the Stadium from the sale of food, beverages, goods, wares and merchandise and services related or incidental thereto described in Article 4.

“**Control**” shall mean, when used with respect to any specific Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person whether through ownership of voting securities, beneficial interests, by contract or otherwise. The definition is to be construed to apply equally to variations of the word “Control” including “Controls”, “Controlled,” “Controlling” or “Controlled by.”

“**Default Rate**” shall mean an annual rate of interest equal to the “Prime Rate” as published in the “Money Rates” column of the eastern edition of The Wall Street Journal on the most recent date prior to the event for which the Default Rate is being applied plus Eight Percent (8%).

“**Dispute**” shall have the meaning assigned to it in Section 17.1(a).

“**Early Termination Date**” shall have the meaning assigned to it in Section 2.3.

“**Early Termination Fee**” shall mean the amount to be determined in accordance with Section 2.4.

“**EFA Lease**” shall have the meaning provided in the Recitals.

“**Exclusivity Provision**” shall have the meaning assigned to it in Section 9.1(k)(i).

“**Exhibition Game**” shall mean any Home Game which is not a Regular Season Home Game, Playoff Game or Championship Game, and which is allowed under Section 5.2(d).

“**FHE**” shall mean Floyd Hall Enterprises, LLC.

“**FHE Arena Sublease**” shall mean that certain Sublease Agreement dated as of May 1, 1997 by and between Montclair State University, as sublandlord and Floyd Hall Enterprises, LLC for Floyd Hall Arena, as subtenant

“**FHE Stadium Sublease**” shall mean that certain Sublease Agreement dated as of May 1, 1997 by and between Montclair State University, as sublandlord and Floyd Hall Enterprises, LLC for Yogi Berra Stadium, as subtenant

“**Force Majeure**” shall have the meaning assigned to it in Section 11.1.

“**Force Majeure Event**” shall have the meaning assigned to it in Section 11.2(a).

“**Guarantor**” shall mean any Person executing a guaranty in connection with this Agreement (or an assignment thereof).

“**Gross Revenue**” shall mean an amount or amounts equal to any and all of the gross income, amounts, fees, charges, payments, consideration, rents, receipts and revenues whatsoever,

received by Landlord or Tenant, less any applicable Sales Tax.

“Home Game” shall mean (a) in the case of the Tenant, each Baseball Game which under the CanAm League Rules is designated as a Jackals Home Game or which is played by the Jackals at the Stadium, or any Baseball Game in which the Jackals are either identified as the “Home Team” or play in such capacity, and shall include each Regular Season Home Game, Exhibition Game, Playoff Game, Championship Game and each postponed or rescheduled game, in all cases scheduled, authorized, arranged, approved, permitted or confirmed by the CanAm League and (b) in the case of the Landlord, each Baseball Game which is played by the University.

“Home Territory” shall mean the Jackal’s Home Territory as defined in the Constitution and Bylaws of the CanAm League, as that definition is currently understood as of the date of this Agreement.

“Initial Term” shall have the meaning assigned to it in Section 2.1.

“Jackals” shall mean the professional baseball team owned by Tenant which is a member of the CanAm League and which is currently known as the **Jackals**, its successors and assigns, if and only to the extent allowed under this Agreement.

“Landlord” shall mean the Montclair State University, its successors and assigns.

“Landlord Advertising” shall have the meaning assigned to it in Section 9.1(c).

“Landlord and Other Advertising Contracts” shall have the meaning assigned to it in Section 9.1(k).

“Minimum Attendance Rent” shall have the meaning provided in Section 6.1(a).

“Museum” shall mean the Yogi Berra Museum and Learning Center, which is located immediately adjacent to the Stadium.

“Museum Space” shall mean that portion of the Stadium subleased to Friends of Yogi, Inc. (“FOYI”) for the exclusive use of the Museum, and includes the Museum Skybox.

“Museum Space Sublease” shall mean that certain Sub-Sublease Agreement dated May 1, 1997 between FHE and Friends of Yogi, Inc. (“FOYI”) for the use and occupancy of the Museum Space and any assignment to MSU.

“Naming Rights” shall mean the right to sell or license to (and to enter into a binding contract or contracts authorizing), any third party or parties the right to name and rename the Stadium and/or the Baseball Field or other areas located within the Stadium.

“Net Revenue” shall mean the Gross Revenue from the sale of New Stadium Advertising [as defined in Section 9.1(g)] less direct expenses incurred by Tenant in (i) the construction of such New Stadium Advertising, and (ii) the payment of out-of-pocket commissions paid to third

parties for the sale of such advertising.

“New Scoreboard” shall have the meaning assigned to it in Section 2.8(a).

“Non-Baseball Event” shall mean any Tenant Other Event or University Other Event.

“OFAC List” shall mean the list of specially designated nationals and blocked persons subject to financial sanctions that is maintained by the U.S. Treasury Department, Office of Foreign Assets Control and accessible through the internet website www.treas.gov/ofac/tl1sdn.pdf.

“Parking Areas” shall have the meaning assigned to it in Section 3.1.

“Parking Fee” shall have the meaning assigned to it in Section 3.3.

“Percentage Increase” shall have the meaning assigned to it in Section 6.1(c).

“Person” shall mean any individual, corporation, partnership, joint venture, estate, trust, limited liability company, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing, and any of the heirs, executors, legal representatives, successors and assigns of any of the foregoing, as applicable.

“Player Housing Agreement” shall mean that certain agreement pursuant to which Landlord shall make on-campus housing available for up to sixteen (16) of Tenant’s players during the Baseball Season.

“Playoff Game” shall mean each Home Game which, under CanAm League Rules, is part of the playoff competition for the championship of the CanAm League and each division and conference thereof, in accordance with a playoff schedule promulgated by the CanAm League.

“Playoff Game List” shall have the meaning assigned to it in Section 5.2(c).

“Policies and Procedures Manual” shall have the meaning assigned to it in Section 7.1(f).

“Pre-Existing Advertising Commitments” shall have the meaning assigned to it in section 9.1(k)(ii).

“Prohibited Person” shall mean any Person identified on the OFAC List or any other Person with whom a U.S. Person may not conduct business or transactions by prohibition of Federal law or Executive Order of the President of the United States of America.

“Pro-Rata Adjustment” shall mean upon termination or expiration of this Agreement, or as provided in Sections 8.2 and 11.2 below, with respect to any amounts paid or to be paid to Tenant or Landlord pursuant to this Agreement that such payment shall be equitably adjusted to reflect the actual performance by Landlord and/or Tenant under this Agreement. All adjustments

shall be made by converting the total dollar amount received by the Tenant or Landlord, as applicable, for the applicable Sublease Year to a per diem amount and multiplying that amount by the number of days the parties performed under the Agreement prior to the date of termination or expiration. If this Agreement terminates as of the end of a Baseball Season (which usually occurs in September of any calendar year), it shall be assumed that both parties performed pursuant to this Agreement up to and including the last day of the Baseball Season during such calendar year. Any Pro-Rata Adjustment to be paid by either party shall be paid within ten (10) days of termination or expiration of this Agreement.

“Regular Season” shall mean the total of all of the Baseball Games which, under the CanAm League Rules, comprise the regular season baseball schedule promulgated by the CanAm League, including Exhibition Games, “all-star games”, Playoff Games and Championship Games.

“Renewal Term” shall have the meaning assigned to it in Section 2.1.

“Rent” shall have the meaning assigned to it in Section 6.1.

“Restaurant” shall have the meaning assigned to it in Section 2.8(b).

“Sale of Naming Rights” shall have the meaning assigned to it in Section 9.3.

“Tax” shall mean any tax, fee, impost, excise, duty, charge, levy, assessment or withholding of any nature whatsoever, (excluding any late payment interest, penalties and additions with respect thereto) imposed by the State of New Jersey, any other state, the Federal government, any foreign country, any political subdivision or agency of the foregoing, or any governmental or taxing authority having jurisdiction (excluding from the foregoing Landlord or any successor to Landlord).

“Sony” shall have the meaning assigned to it in Section 2.8(a).

“Stadium” shall mean the outdoor spectator stadium and its present and future improvements, fixtures, and adjacent perimeter walkways within the Subleased Premises, owned by NJEFA or Landlord and currently known as Yogi Berra Stadium, located at the Montclair State University campus in Little Falls, New Jersey. The term “Stadium” shall not include any Museum Space.

“Stadium Advertising” shall have the meaning assigned to it in Section 9.1.

“Stadium Advertising Locations” shall have the meaning assigned to it in section 9.1(a).

“Stadium Repair and Maintenance Fund” shall have the meaning assigned to it in Section 7.6.

“Sublease Year” shall mean the period commencing each November 1 through October 31 of the following year during the Term of this Agreement, except that the first Sublease Year shall run from the date of this Sublease through October 31, 2017.

“Subleased Premises” shall mean that portion of the Property, as set forth in Exhibit A attached hereto, which contains the Stadium and those improvements shown on or described in Exhibit A. Such term shall not include the Museum Space.

“Tenant” shall mean the Tenant as defined in the introduction to this Agreement and its successors and assigns, if and to the extent allowed under this Agreement.

“Tenant Baseball Event” shall mean any Home Game played by the Jackals at the Stadium during the Term of this Agreement and sanctioned by the CanAm League and any other Tenant Sponsored Event.

“Tenant’s CanAm League Team” shall mean the Jackals.

“Tenant Other Event” shall mean by way of example but not by limitation, any public or private event, exhibition, contest, game, practice, sports activity, concert, entertainment, presentation, meeting, assemblage, convention or other similar use of the Stadium, or any part thereof, by Tenant, as allowed under this Agreement, but excluding therefrom any Tenant Baseball Event or Tenant Sponsored Event. Tenant shall obtain Landlord's prior consent to the holding of Tenant Other Events as set forth in Section 5.1 below.

“Tenant Sponsored Event” shall mean (i) activities incidental to a Jackals Home Game such as pre-game and between inning shows, which may include baseball-related contests, exhibitions, entertainment and post-game media activities incidental to such Home Game, and (ii) events sponsored by Tenant which are held at times other than during a Home Game, but which shall occur on the day of a Home Game and for which no separate admission is charged.

“Term” shall have the meaning assigned to it in Section 2.1.

“Termination Date” shall have the meaning assigned to it in Section 2.1.

“University Baseball Event” shall mean any Home Game played by the University baseball teams at the Stadium during the Term of this Agreement and any other University Sponsored Event.

“University Other Event” shall mean by way of example but not by limitation, any public or private event, exhibition, contest, game, practice, sports activity, concert, entertainment, presentation, meeting, assemblage, convention or other similar use of the Stadium, or any part thereof, by the University, but excluding therefrom any University Baseball Event or University Sponsored Event.

“University Products” shall have the meaning assigned to it in Section 4.2.

“University Sponsored Event” shall mean (i) activities incidental to a University Home Game such as pre-game and between inning shows, which may include baseball-related contests, exhibitions, entertainment and post-game media activities incidental to such University Home

Game, and (ii) events sponsored by Landlord which are held at times other than during a University Baseball Event, but which shall occur on the day of a University Home Game and for which no separate admission is charged.

“Yogi Berra Stadium Naming Rights Agreement” shall mean that certain License Agreement dated May 1, 1997 between FHE and LTD Enterprises (“LTD”), as assigned to Landlord and amended.

“Yogi Berra Museum Naming Rights Agreement” shall mean that certain License Agreement dated December 1, 1998 between FOYI and LTD.

Section 1.2 Captions and Headings. The captions and headings in this Agreement are inserted only as a matter of convenience and for reference and shall in no way be held or deemed to define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement.

Section 1.3 The Agreement. The words “hereof”, “herein”, “hereunder”, and words of similar import refer to this Agreement as a whole, together with all exhibits, if any, hereto.

Section 1.4 Governing Law. This Agreement is made in, and shall be construed in accordance with the laws of the State of New Jersey applicable to agreements made and to be wholly performed within such state.

Section 1.5 Recitals. The recitals set forth above are incorporated herein by reference and made a part of this Agreement as if set forth in full in the body of this Agreement rather than in the recitals.

Section 1.6 Agreement Subject to EFA Lease. Notwithstanding anything to the contrary in this Agreement, Tenant acknowledges that the rights it is hereby acquiring in and to the Subleased Premises are derived from the EFA Lease and that the rights, terms and conditions of this Agreement are in all respects subordinate and subject to the terms and conditions of the EFA Lease. Tenant agrees to be bound by each term, condition and covenant of the EFA Lease that governs the use of the Subleased Premises, and to perform with respect to the Subleased Premises each and every obligation of Sublessor pursuant to the EFA Lease, as if each such term, condition, covenant and obligation were set forth in full in this Agreement. Notwithstanding anything to the contrary herein, it is further agreed that, in the event the EFA Lease terminates for any reason other than in connection with a transfer of the Property by NJEFA to MSU, this Agreement and all rights of Tenant in and to the Subleased Premises shall automatically terminate on the date the EFA Lease terminates, and Landlord shall not have any liability to Tenant whatsoever as a result of such termination; provided, that Landlord shall not voluntarily terminate the EFA Lease with respect to the Subleased Premises during the Initial Term hereof, unless satisfactory arrangements are made for Tenant to occupy the Subleased Premises in accordance with this Agreement on financial terms no less favorable to Tenant than this Agreement.

ARTICLE 2
TERM: STADIUM FACILITIES

Section 2.1 Term. The term of this Agreement (the “**Initial Term**”) shall commence upon the satisfaction of the Commencement Conditions (as defined in Section 2.2 below) (the “**Commencement Date**”) and end on midnight October 31, 2025, (the “**Termination Date**”), unless this Agreement is sooner terminated pursuant to its terms. Tenant shall have the option of requesting renewal of this Agreement for four additional three (3) year terms (each, a “**Renewal Term**” and collectively, the “**Renewal Terms**”), with each Renewal Term to commence on the first day following the last day of the previous term and first Renewal Term to end on midnight of the date of the last scheduled Jackals Home Game of the Baseball Season that ends in October, , including any Playoff and Championship Games, the exercise of said options being subject to there being no event of default by Tenant of this Agreement. Tenant may exercise its option to request renewal of the Initial Term, or first, second and third Renewal Term, by giving Landlord written notice of Tenant's request to renew on or before May 1st in the year in which the Initial Term or the first, second and third Renewal Terms end. For example, Tenant must provide Landlord with written notice of Tenant’s intent to renew the Initial Term on or before May 1, 2025. In the event that Tenant wishes to renew this Agreement for a Renewal Term, Tenant must provide Landlord with written notice of Tenant’s intent to renew the Term on or before May 1, 2025, , May 1, 2028, May 1, 2031, and May 1, 2034 respectively. If Landlord determines not to accept a Renewal Term due to Tenant’s Event of Default during the Term or any Renewal Term, it shall so notify Tenant in writing within ninety (90) days of Landlord’s receipt of Tenant’s renewal request. The Renewal Term shall be on the terms and conditions set forth herein. (The Initial Term and the Renewal Term are hereinafter collectively referred to as the “**Term**”).

Section 2.2 Conditions Precedent.

(a) Conditions Precedent to Sublease Effectiveness. Neither Landlord nor Tenant shall have any obligation to perform any of their respective obligations under this Agreement to be performed during the Term unless and until each of the conditions described in this Section 2.2(a) (the “**Commencement Conditions**”) have been satisfied or waived in writing by the party entitled to the benefit of such condition. The Commencement Conditions are set forth below:

(i) The Board of Trustees of the Landlord shall have approved this Agreement, and an assignment to MSU of the Museum Space Sublease, Yogi Berra Stadium Naming Rights Agreement and the President or Vice President for Finance and Treasurer of the Landlord shall have been authorized to execute and deliver this Agreement by all necessary legal actions.

(ii) The New Jersey Educational Facilities Authority shall have approved this Agreement as to form and substance as required pursuant to the terms of the EFA Lease and any statute, regulation or rule of law applicable to the proceedings of the New Jersey Educational Facilities Authority.

(iii) If Landlord determines that approval by the New Jersey State House Commission is required, the New Jersey State House Commission shall have approved this Agreement as to form and substance.

(iv) If Landlord determines that approval by the New Jersey State Comptroller’s

Office is required, the New Jersey State Comptroller shall have approved this Agreement as to form and substance.

(v) Tenant shall have provided all materials, items and disclosures required by statute, regulation or rule of law or the governing documents of the University, including, without limitation a NJ Business Registration Certificate, Form AA-302, ownership disclosure statement, political contribution disclosure submission and annual ELEC disclosure filing, disclosure evidencing no investment activities in Iran, all in form and substance satisfactory to Landlord, and the State of New Jersey as required.

(vi) The FHE Stadium Sublease shall have been terminated upon terms satisfactory to Landlord in the sole discretion of Landlord.

(vii) All of the right, title and interest of FHE as sublandlord under the Museum Space Sublease shall have been assigned to the Landlord and assumed by Landlord subject to amendments as required by the Landlord.

(viii) All of the right, title and interest of FHE and FOYI, respectively, under the Yogi Berra Stadium Naming Rights Agreement shall have been assigned to the Landlord and assumed by Landlord subject to amendments as required by the Landlord.

(ix) The FHE Arena Sublease shall have been amended to terminate effective March 31, 2020 upon terms satisfactory to Landlord in the sole discretion of the Landlord.

(x) Tenant shall have received an assignment of the PILOT Agreement between FHE and the Township of Little Falls or have entered into a new PILOT Agreement with the Township of Little Falls.

(xi) Tenant shall have purchased the Jackals and such purchase shall have been approved by the CanAm League to the extent required.

(b) Confirmation. Following the satisfaction of the Commencement Conditions and the establishment of the Commencement Date or the Initial Term, the Landlord and Tenant shall promptly execute a memorandum confirming the Commencement Date and Termination Date.

Section 2.3 Early Termination. Neither Landlord nor Tenant shall have the right to terminate this Agreement during the first nine (9) years of the Initial Term. Thereafter, notwithstanding Section 2.1 hereinabove, Tenant shall have the right to terminate this Agreement prior to the expiration of the then Renewal Term subject to payment of the early termination fee defined in 2.4 below. In the event that Tenant elects to terminate the Agreement, other than in connection with the filing of a condemnation action or violation of the terms of Section 5.1(c) which terminations shall be effective immediately, it shall first furnish written notice to Landlord of its intent to so terminate. Upon such notification and payment of the Early Termination Fee by Tenant as applicable, the Term of this Agreement shall automatically end on midnight of the date of the last scheduled Jackals Home Game, including Playoff and Championship Games, of the next succeeding Baseball Season (the "**Early Termination Date**"). For example, if the Tenant

serves a termination notice on March 1, 2022, then the Term will end automatically on midnight of the date of the last Jackals Home Game, including Playoff and Championship Games, of the 2022 Baseball Season, because that is the later date. Landlord may terminate this Agreement effective at the end of any of the Renewal Terms which termination shall only be effective if notice of termination is provided prior to the commencement of such Renewal Term.

Section 2.4 Early Termination Fee. (a) Should Tenant exercise its right to terminate this Agreement in accordance with Section 2.3 above, in consideration of such early termination right and the other rights granted to Tenant in this Agreement, Tenant shall be obligated to pay to Landlord, on or before the Early Termination Date, and as a condition of the effectiveness of the early termination, a one-time Early Termination Fee as follows:

- (a) In the event notice of Early Termination occurs during year 10 of the Term, the Termination Fee shall be \$150,000;
 - (b) In the event notice of Early Termination occurs during year 11 of the Term, the Termination Fee shall be \$125,000;
 - (c) In the event notice of Early Termination occurs during year 12 of the Term, the Termination Fee shall be \$100,000;
 - (d) In the event notice of Early Termination occurs during year 13 of the Term, the Termination Fee shall be \$75,000;
 - (e) In the event notice of Early Termination occurs during year 14 of the Term, the Termination Fee shall be \$50,000;
- In the event notice of Early Termination occurs during year 15 of the Term and any year thereafter, the Termination Fee shall be \$25,000.

Section 2.5 Survival of Early Termination Fee. The provisions of Section 2.4 pertaining to the payment of an Early Termination Fee shall survive the termination of this Agreement. In the event Tenant fails to pay the Early Termination Fee as set forth above, in addition thereto, Tenant shall pay to Landlord all costs and expenses incurred by Landlord in seeking to collect such payment including, but not limited to, court costs and reasonable attorneys' fees and disbursements.

Section 2.6 Stadium. Landlord and Tenant acknowledge and agree the Stadium has, and at all times throughout the Term of this Agreement will have, a seating capacity for Home Games for a minimum of 5,284 spectators, consisting of 3,784 permanent seats and 1,500 lawn or standing room only seats, unless there is an adjustment in such seating arising from Stadium Improvements described in Section 2.8 or as a result of a Casualty Event pursuant to Section 8.2 or a Force Majeure Event pursuant to section 11.2. Tenant represents that it is a sophisticated business entity in the business of owning and operating minor league baseball teams and acknowledges that it has inspected the Subleased Premises and the Stadium and agrees to accept possession thereof in their then "as is" physical condition on the Commencement Date.

Section 2.7 Stadium Facilities. Tenant shall, at Tenant's sole cost and expense, cause the Stadium and Baseball Field to be equipped, operated and maintained at all times for Home Games in accordance with CanAm League and then-current NCAA Baseball Rules which are applicable to Tenant and all other members of the CanAm League and the University, respectively,

and in accordance with commercially reasonable provisions for player and spectator safety and cleanliness. Without limiting the generality of the foregoing, Tenant shall cause the Stadium to contain the equipment identified in Exhibit B as team equipment and vendor equipment, and the following equipment and facilities: (i) a Baseball Field of at least minimum CanAm League and NCAA dimensions, and equipment and fixtures incidental and accessory thereto and necessary for the playing of Baseball Games; (ii) a baseball scoreboard and video display to be configured, installed and maintained in accordance with Section 7.1(c) below, (iii) a fully operational public address system; (iv) adequate press facilities; (v) safe and adequate dugouts and bullpen areas for players and coaches; (vi) an adequate number of concession stands and facilities protected by adequate safety equipment; (vii) adequate media facilities for the purposes of filming, taping and broadcasting Home Games, each to be fully equipped with all reasonable electrical and other reasonable utility lines necessary for the media to operate its facilities (as determined by Landlord and Tenant collectively); and (viii) lockers, benches, blackboards and other moveable furnishing and furniture in each locker room. Notwithstanding the foregoing and without making any representation of the functionality, operability or condition, Landlord owns and shall make available to Tenant the equipment identified in Exhibit B, "as is", for Tenant's use and Tenant shall be responsible to maintain, repair and replace such equipment at Tenant's sole cost and expense ("Stadium Equipment"). Title to Stadium Equipment shall remain with the Landlord and must be returned by Tenant to Landlord in the condition in which it was delivered, normal wear and tear excepted, at the expiration of the Term. Title to equipment purchased by Tenant during the Term that replaces the Stadium Equipment or for improvements provided by the Tenant in or at the Stadium shall be owned by and automatically transferred to Landlord at the expiration of the Term and any Renewal Term. Title to the equipment listed in Exhibit B shall remain with Tenant, or Tenant's third party vendors as the case may be, at the expiration of the Term.

Section 2.8 Stadium Improvements. During Year 1 of the Initial Term, Tenant shall undertake and complete improvements to the Stadium in an amount not to exceed \$400,000.00 that shall include, at a minimum, the following: 1) removal of the existing trash platform and renovation of the existing dumpster storage area to provide for the handling of trash in accordance with all applicable local and State laws and in a manner that ensures safety to individuals and the Subleased Premises; 2) renovations to the existing dugout areas within the Stadium by either modifying the existing area to create a sunken dugout or installing rails and netting as safety barriers; 3) installing additional netting and replacing netting around spectator and concession areas; 4) renovating the existing locker rooms, including bath and shower areas within the locker rooms in the Stadium; and (5) effect repairs to the batting cages. During Year 2 of the Initial Term and every 5 years thereafter, Landlord and Tenant shall jointly develop and agree upon a schedule of improvements to be undertaken and paid by Tenant over the succeeding 5 year period, and create a budget estimate in accordance with anticipated funding to be placed in the Stadium Repair and Maintenance Fund pursuant to Section 7.6. Any improvements undertaken by the Tenant shall, upon expiration or termination of the Agreement, become the property of Landlord at no additional cost to Landlord, in accordance with Section 8.1(b). The Stadium Improvements shall be paid by Tenant during Year 1, and thereafter by Tenant from funds held in the Stadium Repair and Maintenance Fund as set forth in this Agreement.

(a) Scoreboard and Video Display. Landlord and Tenant shall enter into negotiations with Sony Professional Solutions of America, a Division of Sony Electronics, Inc.

(“Sony”) to specify, supply and install a new scoreboard with video display at the Stadium pursuant to a Master Purchase Agreement between the University and Sony dated July 1, 2015, together with all electrical and other equipment incidental thereto so as to conform to the standards of the scoreboards used in in other minor league professional baseball stadiums and located and installed in such a location as to be visible to the players and spectators and so as not to block the view of the Baseball Game from any more than a *de minimis* number of seats in the Stadium (the “**New Scoreboard**”). Promptly following the determination of the cost of the New Scoreboard, Landlord and Tenant shall enter into good faith negotiations for the sharing of costs for the New Scoreboard, it being understood and agreed that neither Landlord nor Tenant shall have any obligation to incur any costs in connection with the New Scoreboard pursuant to the terms of this Agreement. Any and all Gross Revenue generated by the New Scoreboard shall be divided evenly between Landlord and Tenant, after such costs as sales commissions, graphic design, production and implementation are deducted. The name of the University and of the Stadium shall be prominently displayed at all times on the scoreboard at no additional cost to Landlord or to LTD. The failure by the Landlord and Tenant to enter into an agreement for the installation and operation of a New Scoreboard shall not constitute an Event of Default under this Agreement.

(b) New Restaurant. Landlord and Tenant shall jointly investigate the feasibility of establishing a year-round restaurant located either within or adjacent to the Stadium (the “**Restaurant**”) in accordance with applicable laws. In the event that Landlord and Tenant jointly agree that the development of a Restaurant should proceed, Landlord and Tenant shall negotiate and execute an amendment to this Agreement establishing the parties’ rights and obligations with respect to the development, construction, operation, maintenance and revenues related to the Restaurant. The failure of the Landlord and Tenant to enter into a definitive agreement with respect to the establishment of the Restaurant shall not constitute an Event of Default under this Agreement.

Section 2.9 Stadium Space.

(a) Home Locker Room Space. Tenant shall have the exclusive use of the locker rooms for Tenant Baseball Events except that the University shall have priority to use of the locker rooms for University Baseball Events during any month of May during the Term.

(b) Team Offices. Tenant shall, at its sole cost and expense, maintain and service any team offices maintained by Tenant at the Stadium. Tenant shall have exclusive use of the team offices space on a year round basis. Tenant shall equip, decorate, furnish, maintain and operate the team office space at its own expense.

Section 2.10 Player Housing. For a fee to be set annually, pursuant to the terms of a separate agreement between the parties, Landlord shall make on-campus housing available for up to sixteen (16) of Tenant’s players during the Baseball Season (the “**Player Housing Agreement**”). For avoidance of doubt a breach of the Player Housing Agreement by either Landlord or Tenant shall not constitute an Event of Default under this Agreement.

Section 2.11 Internships. Tenant and Landlord shall establish a program under which Tenant shall provide at least ten (10) University undergraduate or graduate students annually with

an unpaid or paid internship during the baseball season in the areas of public relations, sports marketing, radio, journalism or other similar areas related to Tenant's baseball operations. The details of the internship program shall be memorialized in a separate agreement. The failure by Landlord and Tenant to enter into a definitive agreement for internships shall not constitute an Event of Default under this Agreement.

Section 2.12 Student and Alumni Access. Landlord and Tenant agree to coordinate efforts to publicize and promote upcoming Baseball and Non-Baseball Events at the Stadium to University students, alumni and employees via internet-based media, social media, traditional media and other forms of written or oral communication. Tenant shall provide regular email blasts to students, alumni and University staff concerning upcoming Home Games and Non-Baseball Events being held at the Stadium.

ARTICLE 3

PARKING

Section 3.1 Parking Area. The surface parking lot identified by Landlord as T2 on its parking map attached hereto as Exhibit "C" shall be available during the conduct of Tenant Baseball Events for use by Tenant and the Jackals coaches, players and opponents. The surface parking lots identified by Landlord on its parking map as Lots 21, 22, 23 and 24, and the CarParc Diem parking garage shall be available, in common with other users and on a non-exclusive basis, during the conduct of Tenant Baseball Events, Tenant Sponsored Events and Tenant Other Events for the use by Tenant, its vendors and or concessionaires and its patrons and its and their vehicles. The aforesaid parking facilities shall be referred to herein as the "**Parking Areas**". Tenant acknowledges that Landlord may alter, increase or decrease the Parking Areas during the Term, provided, however that Landlord shall exercise commercially reasonable efforts to maintain a substantially similar number of parking spaces for such non-exclusive use by the Tenants and Tenant's patrons and invitees.

Section 3.2 Perimeter Parking. During the Term of this Agreement, Landlord will allow Tenant exclusive use of ten (10) surface parking spaces in surface parking lot T2 at no additional charge to Tenant from May through September of each Sublease Year. From October through April, such use shall be non-exclusive. Landlord reserves the right to relocate the Perimeter Parking Spaces as necessary to address security or access issues. Landlord will use reasonable efforts to cause any relocated spaces to be either adjacent to or within a short walking distance of the Stadium.

Section 3.3 Parking Fees. For Tenant Baseball Events and Tenant Sponsored Events, Tenant shall not pay a Parking Fee. For Tenant Other Events, and subject to the terms of any agreement between Landlord and a third party providing parking services to Landlord, Tenant may charge a parking fee to patrons, which fee shall be subject to the prior approval of the University, and Tenant shall pay to Landlord ten percent (10%) of the gross parking revenue collected for such events ("Parking Fee"). On or before February 1 of each year, Tenant shall provide to Landlord a schedule for Tenant Home Games. In accordance with said schedule, and any notice received from Tenant concerning the scheduling of a Tenant Other Event pursuant to Section 5.2(c), and

subject to the terms of any agreement between Landlord and a third party providing parking services to Landlord, the University shall direct its parking services vendor to suspend enforcement of parking fees and violations in the Parking Areas two hours before and during Tenant Home Games and Tenant Other Events. Tenant shall provide staffing for the operating of the Parking Areas during Tenant Baseball Events, Tenant Sponsored Events and Tenant Other Events. Tenant shall provide traffic control and shall not separately charge patrons for parking during Tenant Baseball Events. The Parking Fee due to Landlord shall be paid by Tenant on the fifth day of each calendar month during the Term, together with all other payments required by this Agreement. Payment shall be made based upon Tenant's preliminary settlement of the Parking Fee collected and charged during the immediately preceding 30 day period. Final settlement of the Parking Fee shall be performed by Tenant within the 30 days immediately following payment of the Parking Fee. Any adjustments required as a result of the final settlement shall be reflected in payment of the Parking Fee due on the 5th day of the month immediately following preliminary settlement. Landlord may elect to waive the Parking Fee in its sole discretion upon request by Tenant. In conjunction with the aforesaid payment, Tenant shall provide Landlord with a monthly report, in the format attached as Exhibit D or otherwise approved by Landlord, detailing the Parking Fees collected by Tenant, along with any accounting information or documentation deemed necessary by Landlord.

Section 3.4 Operation of Parking Areas. Except as otherwise noted in Section 3.3 above, Landlord shall operate the Parking Areas referred to in this Article 3 in accordance with the University's parking regulations, the agreement between the Landlord and its parking service concessionaire and in accordance with prevailing parking rates. Tenant shall indemnify and hold the University and the University's parking concessionaire harmless from any damages to, and individuals who use the Parking Areas incurred during Tenant's supervision and operation of parking during Tenant Baseball Events, Tenant Sponsored Events and Tenant Other Events, excluding damages directly related to Landlord's obligations under this Agreement. Tenant shall procure and maintain garage keeper's liability insurance in the amount of \$2 million dollars during the Term of this Agreement.

ARTICLE 4

CONCESSIONS

Section 4.1 Concession Operations. Tenant shall be responsible for equipping, maintaining, repairing and operating the food and concession areas within the Stadium with sufficient equipment, supplies, inventory and personnel to service the expected level of patrons for all Baseball and Non-Baseball Events. Tenant may offer for sale and/or sell (and retain the profits thereof except as may otherwise be provided herein) all goods, wares and merchandise and services related or incidental hereto, including, without limitation, the following: (i) all foods and beverages, including alcoholic beverages, whether served at counters or vended at stands or dispensed by itinerant vendors or dispensed from vending machines; and (ii) novelties, souvenirs or other items, including such items provided by the University as set forth below, related to the Jackals and/or other CanAm league teams and, to the extent allowed under the Yogi Berra Stadium Naming Rights Agreement, related to Yogi Berra or Yogi Berra Stadium. However, during

University Baseball Events, University Sponsored Events and University Other Events, the sale of alcoholic beverages shall be prohibited in accordance with NCAA regulations and University policy. Tenant shall be responsible, at its sole cost, for obtaining, renewing and maintaining any permits or licenses required by State or local law governing the sale and/or consumption of alcoholic beverages at the Stadium. Tenant shall also be responsible, at its sole cost, for compliance with all State or local health and/or food safety laws and regulations. In the event that Landlord enters into any future "pouring rights" agreement, with respect to food, beverages or other similar items, Tenant agrees that concessions sold at the Stadium shall be subject to any such agreement, and Tenant shall provide for compliance with any such agreement in Tenant's agreements with vendors and suppliers at the Stadium.

Section 4.2 Tenant Concession Sales. Landlord shall have the non-exclusive right to provide to Tenant or Tenant's designated concessionaire for resale at Baseball Events on a consignment basis programs, souvenirs, souvenir books, yearbooks and similar printed materials and all other goods or wares relating to the University or the University Baseball Team ("**University Products**"). Landlord shall have the right to receive one hundred percent (100%) of the gross revenue from the sale of University Products provided on consignment to Tenant or Tenant's designated concessionaire(s), and this requirement shall be included in a written agreement(s) between Landlord and such concessionaire. Landlord shall have the right to all revenue resulting from advertising contained in all University Products. Tenant agrees to request that its concessionaire prominently feature University Products and Yogi Berra-branded merchandise and other CanAm League products as approved by Landlord. Tenant agrees to offer for sale University Products in the stadium store and University bookstore. Landlord agrees the University's third party bookstore vendor may make available for sale no more than eight (8) different Jackals-branded items for a total of 160 pieces in the University's bookstore on campus.

Section 4.3 Discounted Concessions. Tenant shall provide food and beverage prices discounted by 10% to University students presenting current valid University IDs during Tenant Baseball Events and Tenant Sponsored Events and to University staff on the same basis it is provided to the general public.

Section 4.4 Revenue Sharing. Tenant shall pay to Landlord an amount equal to ten percent (10%) of all Concession Revenues in excess of Three Hundred Thousand Dollars (\$300,000.00) received by Tenant during each Sublease Year as a result of food and concession sales from all Baseball and Non-Baseball Events held at the Stadium, but not including gross revenues from the sale of University Products. Payments owed to Landlord for Concession Revenue shall be made by Tenant on the fifth day of each month with all other payments due under this Agreement. Payment shall be made based upon Tenant's preliminary settlement of the Concession Revenue collected and charged during the immediately preceding 30 day period. Final settlement of the Concession Revenue shall be performed by Tenant within the 30 days immediately following payment of the Concession Revenue. Any adjustments required as a result of the final settlement shall be reflected in payment of the Concession Revenue due on the 5th day of the month immediately following preliminary settlement. In conjunction with the aforesaid payment, Tenant shall provide Landlord with a monthly report, in the format attached as Exhibit D or otherwise approved by Landlord, detailing the Concession Revenue collected by Tenant or Tenant's concessionaires, along with any accounting information or documentation deemed

necessary by Landlord.

ARTICLE 5

USE AND OCCUPANCY OF STADIUM; SCHEDULING

Section 5.1 Permitted Use

(a) Permitted Use. Tenant shall use the Subleased Premises and the Stadium solely for Tenant Baseball Events, Tenant Sponsored Events and Tenant Other Events.

(b) Baseball Exclusivity. So long as Tenant shall remain known as the Jackals and is a member of the CanAm League in good standing, Landlord, during the Term of this Agreement, shall not permit any other professional baseball team to use or play any of its baseball games at the Stadium without the prior consent of Tenant, which consent Tenant may withhold in its sole discretion. Notwithstanding the foregoing, each year Landlord shall be entitled to schedule an exhibition or one-off regular season game for a major league or major-league affiliated team in the New York metropolitan area.

(c) CanAm League Membership. Tenant covenants that Tenant shall remain the owner of the baseball team, and Al Dorso shall hold a majority membership interest in the Tenant and act as manager of Tenant ("Key Member") during the first seven (7) years of the Initial Term, subject to the following. After the first seven (7) years of the Initial Term Al Dorso may transfer all or part of his interest and position as manager on the condition that Michael Dorso and Al Dorso, Jr. jointly own a majority interest in the Tenant and one or both of them act a manager of Tenant. In the event that Al Dorso should die prior to the seventh anniversary date of the commencement of the Initial Term, there shall not be a default of this covenant and this Agreement if the interest of Al Dorso in Tenant and as manager is owned and assumed by Michael Dorso and/or Al Dorso, Jr. Tenant further covenants that the team will remain the Jackals (or such other name that is appropriate in a family oriented and/or politically neutral environment consistent with community standards unless otherwise approved by Landlord) and the team will remain a member of the CanAm League (or such other league that is of a quality equal to or better than the CanAm League unless otherwise approved by Landlord) in good standing during the Term of this Agreement. When required by this Agreement, Landlord's advance written consent to either a team name change or Tenant's transfer to another baseball league, including any successor league to the CanAm League, may be granted or withheld in Landlord's sole discretion. In the event that Tenant no longer owns the Jackals or Al Dorso is no longer a Key Member (subject to the above), Landlord shall have the unilateral right to terminate this Agreement.

Section 5.2 Stadium Event Schedule.

(a) Tenant Regular Season Home Games. Tenant shall play CanAm League Regular Season and Playoff or Championship Home Games and conduct practice sessions at the Stadium during the Baseball Season, i.e., from May 15th through September of each calendar year, during the Term of this Lease. Tenant acknowledges and agrees that during the month of May, Tenant's scheduling of Jackals Home Games, Exhibition Games and practice sessions must

accommodate and give first priority to the scheduling requirements of the University's Red Hawks baseball team, and Tenant may not schedule a Jackals Home Game, Exhibition Game or a practice session when doing so would conflict or interfere with a University Baseball Event. At a minimum, Tenant may not schedule any Jackals Home Game, Exhibition Game or practice session to end later than "2" hours before or start "2" hours after a University Baseball Event or University Sponsored Event.

(b) University Use of Stadium. Landlord shall have priority use of the Stadium from October through April of each calendar year. Landlord may schedule University Other Events from May through September of each calendar year during times when the Stadium is not scheduled for use by Tenant for a Tenant Baseball Event, Exhibition Game, practice session or Tenant Other Event.

(c) Tenant Other Events. Tenant shall have the right to schedule Tenant Other Events from May through September of each calendar year, and Tenant acknowledges and agrees that during the month of May, Tenant's scheduling of Tenant Other Events must accommodate and give first priority to the scheduling requirements of the University's Red Hawk's baseball team, and Tenant may not schedule a Tenant Other Event when doing so would conflict or interfere with a University Baseball Event. Tenant shall also have the right to schedule Tenant Other Events from October through April of each calendar year. All Tenant Other Events are subject to the prior written approval of Landlord. Tenant shall give Landlord at least thirty (30) days prior written notice of its intent to schedule a Tenant Other Event.

(d) Schedule Coordination. Prior to the commencement of each CanAm Baseball Season, Landlord shall advise Tenant of the projected home schedule for the University Red Hawks baseball team and shall furnish a list of all available dates on which Tenant can play its Home Games for the ensuing Baseball Season (the "**Available Dates**"). Prior to the commencement of each CanAm Baseball Season, Tenant shall provide Landlord no later than February 1st a schedule of Tenant's Home Games and practice sessions for the ensuing Baseball Season. In addition, and subject to Landlord's right of priority to use the Stadium in May for University Baseball Events, the Landlord agrees to cooperate with the Tenant in reserving tentative dates for CanAm Playoff Games, Championship Games, Exhibition Games and any CanAm League All Star Game to be played at the Stadium and agrees that it will grant to Tenant, at its request, up to two (2) Exhibition Game dates as may be mutually agreed upon to precede the ensuing CanAm Regular Season Home Game schedule.

(e) Playoff Dates. No later than February 1st prior to each CanAm Baseball Season, Tenant shall provide Landlord with a list of all dates immediately following each Regular Baseball Season which the CanAm League has advised Tenant are Tenant's Playoff Game dates ("**Playoff Game List**"). In the event the Tenant's Playoff Game List extends beyond September 30, Landlord agrees to use its best efforts (which best efforts shall include cancellation or rescheduling of University Other Events if reasonably and economically possible for Tenant's use as required for Playoff Games, and to include on such Playoff Game List a Tuesday or Wednesday date, a Friday, Saturday, or Sunday evening in each calendar week during such period. So long as the Jackals shall have remaining Playoff Games to play from September 1, to September 30,

Landlord agrees that it shall make the Stadium available to Tenant for its use on the terms and conditions provided in this Agreement on each and every date selected by Tenant on the aforesaid Playoff Game List. In the event that said Playoff Game List shall be changed at the request of Tenant or the CanAm League, Landlord shall be under no obligation to have had reserved those substituted dates absent Landlord's agreement to same.

(f) Practice Dates. Subject to the schedule provided by Tenant in accordance with 5.2(d) and the applicable provisions of this Agreement, during the Baseball Season, Tenant (and visiting CanAm League teams) shall be entitled to use the Stadium as a practice facility, provided no University Baseball Event, University Sponsored Event or University Other Event which would interfere with such use of the Stadium as a practice facility has been scheduled for the time during which Tenant wishes to use the Stadium as a practice facility and there are no other circumstances which in Landlord's reasonable judgment would prevent such use of the Stadium during such time.

(g) Cancellation of Home Games or Practice Sessions. If any of Tenant's scheduled Home Games are canceled for reasons beyond Tenant's control, Landlord agrees to cooperate with Tenant to select a substituted date. If any of Tenant's scheduled practice sessions are canceled for reasons beyond Tenant's control, Landlord agrees to cooperate with Tenant to select a substituted date, which does not conflict with any University Baseball Events, University Sponsored Events, and University Other Events previously committed for the Stadium.

(h) Summer Camps. Tenant shall cooperate with Landlord and FOYI in the scheduling of baseball summer camps at the Stadium for dates on which no Tenant Baseball Event, Tenant Sponsored Event, Playoff Game, Exhibition Game or Tenant Other Event is scheduled.

(i) Jointly Sponsored Other Events. Tenant and Landlord shall cooperate on the scheduling of jointly-sponsored Other Events on terms to be agreed to by the Parties in the future.

ARTICLE 6

PAYMENTS AND FINANCIAL OBLIGATIONS

Section 6.1 Rent. Tenant shall pay to Landlord rent (the "**Rent**") as follows:

(a) For each Sublease Year beginning with the 2017 Baseball Season (the "**Initial Year**"), Tenant shall pay Landlord One Dollar (\$1.00) for each Tenant Baseball Event ticket sold by Tenant. With respect to each Baseball Season, Tenant shall make a guaranteed Minimum payment of Attendance Rent (as defined below) in the amount of One Hundred Thousand (\$100,000) notwithstanding the actual number of tickets sold to Tenant Baseball Events (the "**Minimum Attendance Rent**"). One twelfth of the Minimum Attendance Rent shall be paid to the Landlord on the fifth day of each month in any Sublease Year along with all other payments required by this Agreement. In no event may Tenant distribute more than 7,500 Tenant Baseball Event tickets per Sublease Year at a \$0.00 face value ("**Complimentary Tickets**"). Payment shall be made based upon Tenant's preliminary settlement of the Minimum Attendance Rent during the immediately preceding 30 day period. Final settlement of the Minimum Attendance Rent shall be

performed by Tenant within the 30 days immediately following payment of the Minimum Attendance Rent. Any adjustments required as a result of the final settlement shall be reflected in payment of the Minimum Attendance Rent due on the 5th day of the month immediately following preliminary settlement. In conjunction with the aforesaid payment, Tenant shall provide Landlord with a monthly report, in the format attached as Exhibit D or otherwise approved by Landlord, detailing the Minimum Attendance Rent collected by Tenant, along with any accounting information or documentation deemed necessary by Landlord.

(b) If the total number of Tenant Baseball Event tickets sold or distributed, not including Complimentary Tickets, exceeds 105,000 during any Baseball Season in any Sublease Year, Tenant shall pay to Landlord increased payments in accordance with Exhibit "E" attached hereto

(c) The Rent payable pursuant to Section 6.1 (a) and 6.1 (b) above (the "**Attendance Rent**") shall be adjusted annually to reflect increases in ticket prices for Tenant Home Games as follows: (i) the average ticket price for the first Sublease Year shall be deemed to be Twelve Dollars (\$12.00) (the "**Base Ticket Price**"). The Base Ticket Price shall be subtracted from the weighted average ticket price for full-price tickets sold by Tenant in each subsequent Sublease Year (the "**Adjustment Ticket Price**") and (ii) the difference shall be calculated so as to determine the percentage increase between the Base Ticket Price and the Adjustment Ticket Price (the "**Percentage Increase**"). The Percentage Increase shall never be a negative number. The Percentage Increase shall be applied to the Attendance Rent annually to result in an increase to the Attendance Rent. After the initial calculation of the Attendance Rent the Adjustment Ticket Price for the prior Sublease Year shall become the Base Ticket Price for purposes of the calculation of the Percentage Increase for the next following Sublease Year. For example, if the Adjustment Ticket Price is \$13.25, the Percentage Increase would be ten and forty-two hundredths percent (10.42%) ($\$13.25 \text{ minus } \$12.00 = \$1.25$; $\$1.25 \text{ divided by } \$12.00 = 10.42\%$). Accordingly, the Minimum Attendance Rent would increase to \$110,420 and the increased payments in Exhibit E would also increase by the same percentage.

(d) For Tenant Other Events at the Stadium, Tenant shall pay to Landlord an amount equal to Ten Percent (10%) of Gross Revenue generated by the Tenant Other Event. Such payment shall be made on the fifth day of each month in any Sublease Year along with all other payments required by this Agreement, and with full supporting documentation. Additionally, Tenant will dedicate an amount equal to Five Percent (5%) of the annual Gross Revenues generated by Tenant Other Events into the Stadium Repair and Maintenance Fund in accordance with Section 7.6 of this Agreement. Payment of Landlord's share of Gross Revenue shall be made based upon Tenant's preliminary settlement of the Gross Revenue collected and charged during the immediately preceding 30 day period. Final settlement of Landlord's share of the Gross Revenue shall be performed by Tenant within the 30 days immediately following payment. Any adjustments required as a result of the final settlement shall be reflected in payment of the Landlord's share of Gross Revenue due on the 5th day of the month immediately following the preliminary settlement. In conjunction with the aforesaid payment, Tenant shall provide Landlord with a monthly report, in the format attached as Exhibit D or otherwise approved by Landlord, detailing the Landlord's share of Gross Revenue collected by Tenant, along with any accounting information or documentation deemed necessary by Landlord.

(e) In addition to the Attendance Rent, Tenant will pay and discharge when due, as additional rent (“**Additional Rent**”), all other amounts, liabilities and obligations which Tenant herein agrees to pay to Landlord, together with all interest, penalties and costs which may be added thereto pursuant to the terms of this Agreement; each such amount, liability and obligation, together with any interest, penalty and/or cost thereon, shall be deemed Additional Rent regardless of whether it is specifically referred to as Additional Rent in this Agreement. All sums of money that Tenant is obligated to pay to Landlord under this Agreement, whether characterized as Attendance Rent, Additional Rent or otherwise shall be deemed to be “Rent”, and Landlord shall have all the rights, powers and remedies provided for in this Agreement or at law or in equity or otherwise for failure to pay Additional Rent as are available for nonpayment of Rent.

(f) If any installment of Rent is not paid within five (5) days after it is due, Tenant shall pay to Landlord on demand, as Additional Rent, a late charge equal to four percent (4%) of the amount unpaid. In addition, any installment or installments of Attendance Rent or Additional Rent accruing hereunder which are not paid within ten (10) days after the date when due, shall bear interest at the Default Rate from the due date thereof until the date of payment, which interest shall be deemed Additional Rent hereunder and shall be payable upon demand by Landlord.

(g) Except as herein provided, Tenant hereby covenants and agrees to pay to Landlord during the Term, at Landlord’s address provided in Section 25.1, or such other place as Landlord may from time to time designate, in writing without any offset, set-off, counterclaim, deduction, defense, abatement, suspension, deferment or diminution of any kind (i) the Attendance Rent, without notice or demand, (ii) Additional Rent and (iii) all other sums payable by Tenant hereunder. Except as otherwise expressly provided herein, this Agreement shall not terminate, nor shall Tenant have any right to terminate or avoid this Agreement or be entitled to the abatement of any Attendance Rent, Additional Rent or other sums payable hereunder or any reduction thereof, nor shall the obligations and liabilities of Tenant hereunder be in any way affected for any reason. The obligations of Tenant under this Agreement shall be separate and independent covenants and agreements.

Section 6.2 Box Office. Tenant shall, at Tenant’s expense, be responsible for staffing, operation and maintenance of the box office at the Stadium. Tenant shall offer tickets for sale on-line on a 24 hours basis. The box office at the Stadium shall be open for business at least 1 hour prior to the start time of Home Games and shall be staffed by Tenant during such time period and such hours or times as noted by Tenant on the box office and in a manner that will maximize the sale of Baseball Event and Non-Baseball Event tickets. All expenses incurred in connection with the operation of the Stadium box office, including, without limitation the salaries and benefits for Stadium box office personnel shall be paid by Tenant without contribution from Landlord.

Section 6.3 Ticket Procedures.

(a) Tickets. Unless otherwise stated in this Agreement, Tenant shall have the right to establish the rates and charges for tickets, admission or the right to admission to or for Tenant Baseball Events, Tenant Sponsored Events and Tenant Other Events. Tenant shall be

entitled to retain the Gross Revenue from ticket sales for such events, subject to the Rent payment and other provisions of this Agreement. Tenant will at all times provide Landlord with current information as to Tenant's admission and ticket prices and policies. Landlord shall have the sole and exclusive right, to establish the rates and charges for tickets, admission or the right to admission to or for University Baseball Events, University Sponsored Events and University Other Events, and Landlord shall retain the Gross Revenue from ticket sales for such events.

(b) Discounted Tickets. Tenant agrees to provide a discounted ticketing program for all Tenant Baseball Events, Tenant Sponsored Events and Tenant Other Events, subject to availability. This program would include discounts for individual games, multiple games and large group purchases. The program would be made available to the students, faculty, staff and alumni of MSU, as well as to organizations serving the youth of Montclair, Little Falls, Clifton and Bloomfield. The parties shall agree annually upon the discount which shall, in no event, be less than 10% off the face value of each ticket.

Section 6.4 Press Passes. Tenant shall issue a reasonable number of press and related passes for all media personnel, including all persons engaged in the broadcasting and production of any Home Game and those persons necessary for the installation and removal of broadcast and reproduction equipment. All such persons shall be invitees of Tenant and shall be entitled to gain access to all areas of the Stadium which Tenant is authorized to use under this Agreement during the period of Tenant's use thereof, subject to the reasonable rules and regulations then promulgated by Landlord or Tenant.

Section 6.5 Ticket Receipts and Sales. Tenant agrees that from its Gross Revenues from ticket sales for each Tenant Baseball Event and Tenant Other Event it shall set aside sufficient sums to pay the Rent under Section 6.1 hereinabove due Landlord hereunder together with the reimbursement of Landlord's expenses, if any, and to fund the Stadium Repair and Maintenance Fund as may be required under the terms of this Agreement. Such portion of the Gross Revenues shall not be used by Tenant for any purpose other than payment of the Rent as aforesaid and any reimbursement of Landlord as aforesaid.

Section 6.6 Settlements. On the fifth day of each month and simultaneous with the payment of any sums due under this Agreement, Tenant shall provide to Landlord an accounting of the total Gross Revenue earned by Tenant during the prior 30 day period, and an explanation and full documentation to support the amounts specified as due to Landlord which shall be in, at a minimum, in the format as described in Exhibit D. Landlord may assign personnel to be present during any Tenant Baseball Event or Tenant Other Event to observe the collection of and any record-keeping with respect to Gross Revenue. Tenant and Landlord shall meet at least once every 3 months to review Tenant's preliminary and final settlement of all revenue earned, collected and due to Tenant and remitted to Landlord during the preceding quarter, and respond to reasonable request for information by Landlord.

(a) Ticket Proceeds On the fifth day of each month during the Term of this Agreement, Tenant shall turn over to Landlord a report describing all box office transactions relating to the Baseball Events, Tenant Other Events and University Other Events at the Stadium for the immediately preceding month, and the Gross Revenues received by Tenant from the sale

of tickets, concessions, parking and advertising or marketing for each such Baseball Event, Tenant Other Event and University Other Event. At the time of payment, Tenant shall give to Landlord a report which shall contain a preliminary settlement of all tickets sold or distributed at \$0.00 face value, concessions sold and parking fees collected, and advertising or marketing fees earned for each Baseball Event, Tenant Other Event and University Other Event. Tenant shall turn over to Landlord the Landlord's share of Gross Revenues received by Tenant due under this Agreement, plus any Additional Rent due under this Agreement, and Tenant shall pay to Landlord any amounts then owing to Landlord under the terms of this Agreement, less any amount which is due to Tenant under this Agreement. Final settlement shall be performed by Tenant within the 30 days immediately following payment of Landlord's share of Gross Revenue. Any adjustments required as a result of the final settlement shall be reflected in payment of the Landlord's share of Gross Revenue due on the 5th day of the month immediately following the preliminary settlement. In conjunction with the aforesaid payment, Tenant shall provide Landlord with a monthly report, in the format attached as Exhibit D or otherwise approved by Landlord, detailing the ticket revenue collected by Tenant, along with any accounting information or documentation deemed necessary by Landlord.

(b) Other Adjustments. From time to time during the Sublease Year, Landlord and Tenant shall schedule settlements (but not less frequently than monthly) which shall take place at the offices of Landlord. At each such settlement a periodic accounting shall be made by each party to the other to determine the exact amounts, if any, due to each under this Agreement. Any payment which one party shall be entitled to receive from the other party shall be due and payable by such party to the other party within five (5) days of such determination. Within four (4) weeks after the end of each Sublease Year, Landlord and Tenant shall schedule an end of the Sublease Year settlement which shall take place in the offices of Landlord. At such settlement an accounting shall be made by each party to the other to determine the exact amounts due to each under this Agreement for such Sublease Year. Any payment which one party shall be entitled to receive from the other party shall be due and payable by such party to the other party within five (5) days of such determination.

Section 6.7 Ticket Printing. Tenant shall be solely responsible for the cost and expense of ticket stock and the cost and expense of printing all box office tickets, group sales tickets, and season tickets for Baseball and Non-Baseball Events. Revenue from advertising on the frontside and backside of Tenant Baseball Event and Tenant Other Event tickets printed by Tenant shall be Stadium Advertising and shall be shared by Tenant with Landlord in accordance with Section 9.1(d) of this Agreement. The format of the advertising and the identity of the advertiser shall be subject to Landlord's prior approval in accordance with the approval criteria set forth in Section 9.1(f) below. Subject to space limitations upon characters and compliance with applicable NCAA regulations, all tickets must prominently include the name of the Landlord and the name "Yogi Berra Stadium".

Section 6.8 Taxes. Tenant shall timely pay all federal, state, local taxes, Sales Tax, or other tax obligations, including but not limited to real property taxes assessed against the Landlord or the owner of the Property, related to Tenant's usage of the Stadium, or payments in lieu of taxes that may be due and owing from Tenant pursuant to a written agreement between the Township of Little Falls and FHE dated December, 1998 or any new written payment in lieu of taxes agreement

between Tenant and the Township of Little Falls. Upon Landlord's request, Tenant shall furnish Landlord with proof of such payment in form reasonably satisfactory to Landlord.

The Owner of the Property is a third party beneficiary to the provisions of this Section 6.8 and shall be entitled to take any available action at law or at equity to enforce its provisions.

ARTICLE 7

MAINTENANCE AND REPAIR

Section 7.1 Stadium Operation, Maintenance and Repair. Except as otherwise provided to the contrary pursuant to the terms of this Agreement, Landlord and Tenant shall operate, maintain and repair the Stadium as follows:

(a) Landlord, at the sole cost and expense of the Landlord, shall maintain and repair all structural, electrical, mechanical, plumbing and other systems to the points of connections at the interior and exterior walls of the Stadium, the roof, all underground utility lines provided by Landlord to the Stadium and Museum, utility supply from each public utility source to the point where each public utility enters the Stadium, structural components and remove snow from walkways and parking areas adjacent to the exterior walls and entrance gate to the Stadium and that are necessary for Tenant's use of the Stadium in good order and repair and Landlord shall make all reasonable repairs and replacements thereto necessary to keep the same in good operating condition for the intended use thereof by Tenant; provided, however that in the event that the need for any maintenance or repair arises for the negligence or willful misconduct of Tenant, Tenant shall reimburse Landlord for the cost of such maintenance or repair not later than thirty (30) days following the receipt of an invoice therefor;

(b) Tenant shall, at the sole cost and expense of the Tenant, year round during the Term maintain and repair all structural, electrical, mechanical, plumbing and other systems from the points of connection at the interior and exterior of the walls of the Stadium, all equipment located within the Stadium necessary for Tenant's use of the Stadium, including but not limited to, public areas, fields, concession areas, home and visiting locker rooms, press box, team offices, ticket sales offices, seating areas, scoreboard and video display, lighting fixtures and equipment, and to the extent necessary, remove snow from the Baseball Field, seating areas and within the interior walls of the Stadium, and keep same in good order and repair. Tenant shall make all reasonable repairs and replacements thereto necessary to keep the same in good operating condition for the intended use thereof by Tenant. Tenant shall also, at the sole cost and expense of Tenant, be responsible for funding, managing, maintaining and ensuring the timely cleanup of the Stadium, along with any public or parking areas that might be used, within 4 hours after all Baseball Events and Non-Baseball Events to remove all trash from and within the Stadium and Parking Areas and in accordance with any applicable law. The Stadium and associated parking areas and walkways shall be cleaned by Tenant to ensure that all visible trash is removed within 4 hours immediately after the Event. In the event that Tenant either fails to perform the clean-up or fails to meet the clean-up performance standard, Landlord in its sole discretion may elect to perform the clean-up, in which case Tenant shall reimburse Landlord for all of Landlord's

reasonable costs incurred in performing the clean-up.

(c) Tenant shall, after consultation with Landlord, provide all personnel and consumable supplies reasonably necessary to adequately supervise and operate the Stadium for all Baseball Events and Non-Baseball Events. Without intending hereby to limit the generality of the foregoing, Tenant will:

(1) provide ushers, ticket-takers, ticket-sellers, scoreboard operators, security and first-aid personnel;

(2) provide personnel for maintenance of the Stadium and Baseball Field, including without limitation, the scoreboard, time clock, video display systems, lights, and public address system;

(3) maintain all seating in clean and working order before the start of, during and after each Home Game or Non-Baseball Event;

(4) manage, fund and ensure the removal of all refuse and garbage from the Stadium, stands, parking, and pedestrian areas during and after each Home Game or Non-Baseball Event;

(5) maintain patron lavatories clean, supplied, and in working order during Home Games and Non-Baseball Events;

(6) have the Baseball Field prepared and lined and the baseball bases, pitcher's rubber, infield tarp and safety netting properly installed and maintained;

(7) provide all uniforms for all personnel described above and the maintenance or cleaning thereof; and

(8) post-game maintenance including but not limited to sweeping out dugouts, removal and storage of bases, covering of pitcher's mound, security of the interior gates, press box, locker rooms and stands, stocking, cleaning and securing of locker rooms.

(d) All improvements and replacements to the Stadium, including but not limited to improvements made pursuant to Sections 2.8 and 8.1, shall be constructed and installed by Tenant in compliance with the then current CanAm League and NCAA facility standards which are reasonably applicable to all other venues or facilities hosting CanAm League and NCAA teams consistent with good business practices.

(e) The University's police department will be the first agency that is notified of and/or asked to respond to any public safety situations, issues or matters associated with the Stadium or its use by either the Tenant or the University. Landlord and Tenant shall jointly agree upon the number of University police officers and emergency response personnel to be present at

Tenant and University Events at least 60 days prior to each Baseball Season. Thereafter, Landlord and Tenant shall meet on a quarterly basis to discuss and develop plans for meeting the security, traffic control and emergency medical services needs associated with scheduled Baseball and Non-Baseball Events.

(f) Landlord will make security, traffic control and medical services personnel available to the Tenant for utilization during Tenant Home Games, Tenant Sponsored Events and Tenant Other Events. Tenant shall reimburse MSU for the costs of security, traffic control and emergency services personnel as follows: (i) at the rate of \$65.00 per hour per police officer with a required minimum of two (2) police officers attending at least two (2) hours per Event; (ii) at a rate of \$13.00 per hour per emergency personnel with a required minimum of two (2) persons per Event; and (iii) a flat fee of \$20.00 per Event for the presence of an ambulance. The rates charged by the Landlord may be adjusted by Landlord after the first year of the Initial Term, upon prior written notice to Tenant, for such personnel in an amount sufficient to reimburse Landlord for the annual wage and benefit increases associated with such categories of employees.

Section 7.2 Field Area Maintenance and Repair.

(a) Landlord and Tenant acknowledge and agree that the Baseball Field is presently composed of natural turf. Tenant shall maintain and repair the Baseball Field for so long as it is composed of natural turf and in a manner appropriate for college and professional baseball use, including but not limited to, regular mowing and grooming of the grass, appropriate grooming and addition of clay to the mound and home plate, repair of uneven areas in the outfield, and removal of goose or other animal feces. Landlord shall reimburse Tenant for Baseball Field and any other maintenance performed by Tenant pursuant to Article 7 at the rate of Two Hundred Dollars (\$200.00) for each University practice and Five Hundred Dollars (\$500.00) for each University Baseball Event, which shall not exceed the total amount of Thirty Thousand Dollars per year (\$30,000.00). Tenant shall submit an invoice to Landlord on the fifth day of each month identifying the total amount due from Landlord; and Landlord may elect to pay such amount to Tenant or direct Tenant to deduct or offset the amount due from the Gross Revenues due and owing to Landlord from Tenant.

(b) In the event the Landlord and Tenant agree in writing to install and share in the cost of installation of an artificial playing surface in the Baseball Field, Landlord shall maintain and repair the artificial playing surface subject to the parties entering into a written agreement that requires Tenant to reimburse Landlord for Tenant's share of the maintenance proportionate to Tenant's use. Tenant shall reimburse Landlord on the fifth day of each month for such maintenance and repair costs on a per practice and per game basis, in an amount to be separately agreed upon by the parties prior to the installation of the artificial playing surface but consistent with the intent set forth in Section 7.2(a).

Section 7.3 Tenant Expenses. Tenant shall, at the sole cost and expense of Tenant, provide or pay for an announcer for the public address system, the operation of the press box, commercial reproduction on any video reproduction system, baseball umpires, players, training or coaching staff, medical and first-aid personnel for baseball players, scoreboard operators and equipment for use by baseball players, entertainment, advertising or public relations services,

admission tickets, or any other services in connection with the ownership, management or operation of a professional baseball team which are not specifically and expressly assumed by Landlord hereunder. If Tenant requests Landlord to provide or procure such services and facilities, the reasonable costs of Landlord for same shall be reimbursed fully by Tenant.

Section 7.4 Utilities. Tenant shall be responsible for paying the utility charges incurred from May to September for and in connection with the operation of the Stadium, including but not limited to, hot and cold water, sewerage and electricity. Landlord shall be responsible for reimbursing Tenant its actual utility charges incurred from October to April, without markup, for and in connection with the operation of the Stadium, including but not limited to, hot and cold water, sewerage and electricity. Tenant shall under all circumstances procure and pay for its own telephones, telephone services, internet, and cable or satellite television throughout the entirety of any Sublease Year. Landlord and Tenant shall cooperate to investigate the feasibility of connecting the Stadium to the University's cogeneration system and/or electrical grid. In the event that Landlord and Tenant determine that a connection to the University's cogeneration system and/or electrical grid is feasible and potentially economically desirable, Landlord and Tenant shall enter into good faith negotiations for the University or UMM Energy Partners, LLC to provide electricity and thermal energy to the Stadium; provided, however, that neither Landlord nor Tenant shall have any obligation to enter into a definitive agreement with respect to the connection of the Stadium to the cogeneration system and/or electrical grid or the supply of electricity and thermal energy. Failure to do so shall not be an Event of Default.

Section 7.5 Game Personnel Admission. Tenant shall admit to each Baseball Event and Non-Baseball Event free of charge but without seat assignment all such personnel described in Section 7.1 on duty and all police officers or guards assigned by the University and any governmental authority to the Stadium for security, safety, traffic control or other purposes. It is understood that nothing in this Agreement is intended to or shall relieve any other governmental authority from any responsibility it may otherwise have to provide necessary law enforcement officers, at no additional cost to Landlord or Tenant, for security purposes within the Stadium or its parking and pedestrian areas, or provide the necessary officers required for traffic control and direction, incidental to Baseball Events and Non-Baseball Events.

Section 7.6 Maintenance and Repair Budget. Landlord and Tenant shall establish facility maintenance and repair standards, parameters, protocols and schedules which shall be no less than that set forth in Exhibit G and as required for a professional baseball stadium. Landlord and Tenant shall jointly approve an annual budget for Stadium maintenance and repairs identified in Section 2.8 of this Agreement no later than thirty (30) days following the Commencement Date. No later than the first anniversary date of this Agreement, Tenant shall undertake and complete the Stadium Improvements in Section 2.8 of this Agreement estimated to be Four Hundred Thousand Dollars (\$400,000.00). During Year 2 of the Initial Term and every year thereafter during the Term, the Tenant shall place five percent (5%) of Gross Revenue from Tenant Other Events in a bank account established by Tenant for the purpose of undertaking repairs to the Stadium ("Stadium Repair and Maintenance Fund"). The Stadium Repair and Maintenance Fund shall be held by Tenant in escrow for use to pay Stadium maintenance and repairs identified in Section 2.8 of this Agreement. The payments referenced in Section 6.1(d) of this Agreement shall be deposited in the Stadium Repair and Maintenance Fund annually. Disbursements from the

Stadium Repair and Maintenance Fund shall be made in accordance with the Stadium maintenance and repair parameters, protocols and schedule mutually agreed upon by Landlord and Tenant. Upon reasonable notice to Tenant, Landlord may audit the Stadium Repair and Maintenance Fund at Landlord's expense, and Tenant shall cooperate and provide reasonable assistance and information to Landlord in order to undertake such an audit. In connection with all improvements undertaken by Tenant, Tenant shall comply with the construction procedures attached as Exhibit H. Tenant's failure to complete the Stadium Improvements and/or fund the Stadium Repair and Maintenance Fund, as required by this Agreement, shall be an Event of Default.

ARTICLE 8

ALTERATIONS AND IMPROVEMENTS; CASUALTY

Section 8.1 Alterations, Additions and Improvements.

(a) In addition to the obligations in Section 7.6 and Exhibit H, Tenant may, at its own risk and expense, make additional alterations, additions and improvements to portions of the Stadium only as and when approved by Landlord in writing, except where this Agreement expressly provides that such prior approval is not required or the total cost of such improvements does not exceed twenty five thousand (\$25,000) dollars. Landlord agrees not to withhold its consent to non-structural alterations and improvements if the same is requested in order to comply with the reasonable requirements of the CanAm League and NCAA. Tenant shall pay all reasonable costs resulting from such alterations, additions and improvements, except where this Agreement otherwise imposes upon Landlord the obligation for such compliance and/or the payment of such costs.

(b) Any additions, improvements or fixtures made, installed or affixed to any portion of the Stadium by Tenant in such manner as not to be removable without permanent injury to the Stadium shall be and become the property of Landlord but otherwise shall be the property of Tenant.

(c) Any additions, improvements or fixtures made, installed or affixed to any portion of the Stadium by Tenant in such manner as to be removable without permanent injury to the Stadium, (other than New Stadium Advertising Locations referred to Section 9.1(g) below) shall be and remain the property of Tenant and may be removed or replaced by Tenant at any time during the Term of this Agreement and removed at the termination hereof, provided however, any damage to the Stadium in the course of such removal shall be repaired reasonably promptly by Tenant at Tenant's sole cost and expense.

(d) Prior to commencing construction of any alterations, additions or improvements to the Stadium, Tenant shall:

- i. Provide a concept plan to Landlord's Construction Official and other representatives designated by Landlord for Landlord's review and approval;
- ii. Provide Landlord with a development and construction schedule and

- update said schedule on a regular basis through conclusion of the project;
- iii. Provide Landlord with any design development documents and construction documents for the project, and any updates, bulletins or other revisions thereto;
 - iv. Tenant shall be responsible at its sole cost and expense, for obtaining all development approvals, courtesy reviews, permits or other similar approvals from any governmental entity with jurisdiction over a project; and Landlord will cooperate with Tenant in obtaining said approvals, and Tenant shall reimburse Landlord for its reasonable expenses, including attorney's fees and costs, incurred in providing such cooperation;
 - v. Where required by law, Tenant shall provide names and addresses of its proposed contractors, subcontractors, and design professionals to Landlord for Landlord's review and approval;
 - vi. Provide Landlord with Tenant's budget for the project and periodic updates on expenditures made by Tenant, with supporting documentation;
 - vii. Require all Tenant's contractors and subcontractors to procure and provide proof of insurance pursuant to Section 10.2;
 - viii. Tenant shall require any contractor or general contractor to obtain performance and payment bonds prior to commencing work on any alteration, addition or improvement; Landlord shall not be responsible for payments due under contracts between Tenant and any contractor, supplier or materialman of Tenant, and Landlord's leasehold interest in the Subleased Premises is not subject to a lien for any alteration, addition or improvement undertaken by the Tenant under this Agreement.
 - ix. Tenant shall promptly cause any construction lien or any other lien against either Tenant's or Landlord's interest in the Subleased Premises to be removed or satisfied of record, and Tenant shall indemnify Landlord and EFA in connection with defending against or removing any such lien, including the payment of any attorney's fees or costs.

Section 8.2 Casualty Damage.

(a) In the event of any damage or loss by fire or other casualty whatsoever to the Stadium or any part thereof or the Parking Areas appurtenant thereto, Landlord may, at its sole cost and expense, repair and restore the Stadium or the part thereof, and Parking Areas or the part thereof, so damaged as nearly as possible to the condition the same was in immediately prior to such damage.

(b) If as a consequence of such damage or loss, the Stadium, the Parking Areas appurtenant thereto or reasonable access thereto and therefrom shall be substantially destroyed or substantially rendered unfit or unavailable for use and occupancy by Tenant so that Tenant shall be prevented from using the Stadium or Parking Areas for the conduct of its Home Games, Tenant

Sponsored Events or Tenant Other Events as provided for herein (a “**Casualty Event**”), Tenant shall not be obligated to use the Stadium but shall have the right to play its Home Games in any other stadium during the time such Casualty Event continues or, pursuant to notice given by Landlord, has been estimated will continue (whichever date shall be later), as follows:

(i) Should the Casualty Event continue, or be estimated by Landlord to continue, for three (3) consecutive Home Games or less, Tenant shall be permitted to play its Home Games at another stadium during such time provided however, if the damage is repaired and restored prior to the commencement of the next succeeding Home Game, Tenant shall immediately return to the Stadium and play all of its remaining Home Games at the Stadium as required hereunder.

(ii) Should the Casualty Event continue, or be estimated to continue, for four (4) consecutive Home Games or more, Tenant shall be permitted to play its Home Games at another stadium that is not located on the Property during the time period that such Casualty Event continues, provided however, Tenant shall use all reasonable efforts in making such alternate arrangements to ensure that Tenant can return to the Stadium promptly upon notification by Landlord that such Casualty Event no longer exists (but in no event longer than thirty (30) days after Tenant's receipt of such notification).

(c) During the time that such Casualty Event continues or, pursuant to notice has been estimated will continue, and Tenant is permitted to play its Home Games elsewhere, the obligations of the parties, so far as they are affected by such Casualty Event, shall be suspended for all purposes of this Agreement (other than with respect to Landlord's and Tenant's respective rights and obligations under Section 2.3 above and their respective revenue sharing obligations less Tenant's costs for obtaining a replacement venue for such Home Games), including, but not limited to, the determination of the happening of an Event of Default as a result thereof and to the extent that an Early Termination Fee would apply, such Early Termination Fee shall be waived during such time period. Once such Casualty Event shall end, however, and provided the Term has not ended or this Agreement has not terminated pursuant to Section 2.3 or otherwise, Tenant shall be obligated to return to play its Home Games at the Stadium. Moreover, should Tenant fail to resume playing its Home Games at the Stadium as required above, in addition to any other remedy which Landlord may have, Landlord shall be under no obligation to pay to Tenant any monies to which Tenant would otherwise have been entitled had Tenant resumed playing its Home Games at the Stadium after the Casualty Event ended, including but not limited to advertising revenue, all of which shall be subject to Pro-Rata Adjustment.

(d) Notwithstanding anything to the contrary set forth above, Tenant shall have the following options with respect to a Casualty Event:

(i) Should the Casualty Event continue (or be estimated by Landlord to continue) for a period of two hundred ten (210) days or more and the Stadium not be available for Tenant's use for Home Games during such period, Tenant shall have the option (provided Tenant has not elected the option to play its Home Games elsewhere as provided in subsection (ii) below) to terminate this Agreement as set forth herein. Should Tenant elect to terminate this Agreement, written notice of Tenant's election shall be given to Landlord (a) at any time after the expiration of

the two hundred ten (210) day period or (b) within ninety (90) days of Landlord's written notice to Tenant, which notice shall be rendered as promptly as possible, that the Casualty Event is estimated to continue for a period of two hundred ten (210) days or more. Upon such termination as set forth above, Tenant shall have no further obligation to Landlord, including, without limitation, any obligation to pay the Early Termination Fee or any fees under this Agreement; or

(ii) Alternatively, if a Casualty Event arises during the course of a Baseball Season and in the reasonable judgment of Landlord (upon written notice to Tenant which notice shall be rendered as promptly as possible after the occurrence of a Casualty Event), it is anticipated that the Stadium will not be available to Tenant for the playing of its first scheduled Regular Season Home Game of the next succeeding Baseball Season (i.e., the Casualty Event continues from the end of one (1) Baseball Season through the beginning of the next succeeding Baseball Season), Landlord agrees that Tenant may have to make provisions to play its Home Games for that next succeeding Baseball Season in another stadium (the "**Succeeding Season Casualty Event Option**") and if it makes its provisions to so play its Home Games in another stadium, Tenant shall be excused from having to play any of its remaining Home Games at the Stadium for such succeeding Baseball Season without any obligation to Landlord, including, without limitation, any obligation to pay the Early Termination Fee or any fee under this Agreement. Should Tenant elect to exercise its Succeeding Season Casualty Event Option, Tenant must exercise such option no later than ninety (90) days after the date Tenant receives notification from Landlord as to the occurrence of the Casualty Event and the estimation that the Stadium will not be available until the next succeeding Baseball Season. Further, should such option be exercised, neither party shall be obligated to repair the damage or loss from such Casualty Event until April 1st of the year following the occurrence of the Casualty Event.

(e) In the event the Landlord is unable to repair and restore the Stadium within the time period set forth above or Landlord elects not to repair the Stadium, Landlord shall either: 1) assign to Tenant that portion of insurance received by Landlord representing the value of Stadium Improvements made by Tenant, or 2) reimburse Tenant for the amount Tenant paid for Stadium Improvements during the Term, amortized to the date of the casualty. Landlord shall not be held liable for any other damages sustained by Tenant on account of playing its Home Games at locations other than at the Stadium. Nothing set forth above shall be construed to mean that Tenant shall not be responsible to Landlord for any obligation arising prior to the date Tenant exercises its right to play at another stadium or terminate this Agreement, as set forth above.

ARTICLE 9

ADVERTISING; BROADCAST RIGHTS

Section 9.1 Stadium Advertising. (a) The following provisions shall govern the rights of Landlord and Tenant with respect to the manner, placement and sale of advertising, including rights to revenue therefrom, in or about the Stadium or on the persons of vendors or any receptacles they may carry and in the parking and pedestrian areas and otherwise, within the Stadium ("**Stadium Advertising**"). Stadium Advertising locations, dimensions and number of signs are referred to as ("**Stadium Advertising Locations**"). Landlord and Tenant acknowledge and agree that the revenue from Stadium Advertising shall not include revenue generated by the video

display or the New Scoreboard which shall be shared in accordance with Section 2.8(a).

(b) Tenant Rights and Obligations. Tenant shall have the right to engage in, or authorize any other persons to engage in, Stadium Advertising in accordance with this Article (“**Tenant Stadium Advertising**”). Tenant’s Stadium Advertising: (i) shall not interfere with the television media coverage of the game play at the Stadium; (ii) shall not be displayed in such manner as to interfere with spectators’ view of the playing field of the Stadium or the participants; (iii) shall not interfere with the use of the Baseball Field; (iv) shall not interfere with reasonable access of patrons to the Stadium; and (v) shall not interfere with Landlord’s right to use one (1) 20-foot length of the outfield wall for its own purposes. Tenant shall be responsible for all expenses related to Stadium Advertising at said Stadium Advertising Locations, including, but not limited to, construction costs, permitting, compliance with laws, installation expenses, production of advertising, repair, maintenance and replacement thereof.

(c) Landlord Rights and Obligations. With the exception of the one (1) 20-foot outfield wall provided to the Landlord by Tenant, the Landlord shall not, under any circumstances, place or engage in or authorize any other persons to place or engage in any other advertising or advertising matter, any promotional or advertising activity whatsoever in or about the Stadium, without the express prior approval of the Tenant, which approval may be withheld by Tenant for any reason whatsoever, except that Landlord may engage in Landlord Advertising as expressly set forth in this Article 9 of the Agreement. During the Term of this Agreement, Landlord shall be permitted to engage in Stadium Advertising and promotional activities (“**Landlord Advertising**”) in connection with the sale of advertising on, with the exclusive use and right to let, one (1) twenty-foot long outfield wall panel at a location to be agreed to be Landlord (the “**Landlord Advertising Inventory**”).

(d) Stadium Advertising Revenue. Landlord shall receive ten percent (10%) of the Gross Revenue received by Tenant from Stadium Advertising in excess of Three Hundred Thousand Dollars (\$300,000) during each Sublease Year.

(e) Advertising Rates. All advertising rates for Stadium Advertising Locations shall be commercially reasonable, with the intent of maximizing revenues for both Tenant and Landlord. Prior to February 1 of each Sublease Year, Tenant shall provide Landlord with a rate card setting forth the rates proposed to be charged by Tenant for the advertising inventory in the Stadium controlled by the Tenant.

(f) Additional Rights of Landlord. Notwithstanding Tenant's right to sell advertising at the Stadium Advertising Locations as provided in Section 9.1(a) above, in the event that fifty percent (50%) or more of said Stadium Advertising Locations remain unsold by Tenant by June 1 in each Sublease Year commencing in the second Sublease Year, Landlord shall have the right (in addition to Tenant) to market and sell such unsold advertising locations, which right shall continue for so long as, and at any time thereafter, that fifty percent (50%) or more of advertising at the Stadium Advertising Locations remains unsold. In the event that Landlord exercises its right to sell advertising at the Stadium Advertising Locations as set forth in this subsection, Landlord shall receive fifty percent (50%) of the Gross Revenue from such Stadium Advertising only, any such payment shall be made by Tenant to Landlord as soon as revenues from

such advertising is earned, and the making of such payment is not subject to the threshold limitation set forth in Section 9.1(d). The Gross Revenues from advertising sold by Landlord pursuant to this subsection shall not be included in calculating the threshold figure set forth in Section 9.1(d). Should Landlord chose to exercise its rights under this subsection, any advertising sold by Landlord hereunder shall not be considered Landlord Advertising or Landlord Advertising Inventory.

(g) New Stadium Advertising Locations. Tenant shall have the right to create and implement new signage locations or other opportunities for Stadium Advertising, which signage locations or other opportunities are not currently in existence in or at the Stadium or are not otherwise contemplated pursuant to the terms of this Agreement (“**New Stadium Advertising**”). Examples of such New Stadium Advertising shall include, but are not limited to, advertising on additional free standing kiosks, additional ATM machines, and Wi-Fi, hotspots or device charging stands. Landlord shall receive ten percent (10%) of the Gross Revenue from the sale of such advertising in accordance with Section 9.1(d). Notwithstanding the above, however, it is expressly agreed that Landlord shall not share in any revenue received by Tenant from fees charged to those who utilize kiosks, ATM machines, Wi-Fi, hotspots or device charging stands or other such facilities or equipment or from transaction fees received by Tenant, if any, it being the intention of the parties that Landlord shall receive payment only on that portion of revenues received by Tenant directly attributable to the sale of advertising on New Stadium Advertising locations.

(h) Payment of Advertising Revenue. Landlord, or Tenant in the event that Tenant shall have directly received the payment, shall pay to the other party all amounts to which that party is entitled under this Section 9.1 on the fifth day of each month with all other payments due under this Agreement. Payment shall be made based upon a preliminary settlement of the Advertising Revenue collected and charged during the immediately preceding 30 day period. Final settlement of the Advertising Revenue shall be performed within the 30 days immediately following payment of the Advertising Revenue. Any adjustments required as a result of the final settlement shall be reflected in payment of the Advertising Revenue due on the 5th day of the month immediately following the preliminary settlement. In conjunction with the aforesaid payment, Tenant shall provide Landlord with a monthly report, in the format attached as Exhibit D or otherwise approved by Landlord, detailing the Advertising Revenue collected by Tenant, along with any accounting information or documentation deemed necessary by Landlord.

(i) Content of Stadium Advertising. Landlord shall provide to Tenant, at least once per year, a list of advertising that is not permitted by NCAA regulation or existing contracts between Landlord, Tenant and other parties. In no event shall advertising: (i) be offensive to a general family audience; (ii) display advertising content for other higher education institutions or that is inappropriate for a university setting; (iii) advertise firearms, tobacco products or contain sexual content intended to appeal to prurient interests; (iv) advertise a political cause or party, or politician, or candidate for political office, or religion or (v) advertise content that is not permitted by NCAA regulations applicable to Landlord. Tenant shall terminate any advertising which violates the above within fifteen (15) days of written notice from Landlord.

(j) Restrictions. Tenant shall not sell advertising to or accept sponsorship

from any higher educational institution or provider, either public, private or for-profit, other than the University, nor shall Tenant allow any such higher educational institution or provider to sponsor or otherwise be associated in any way with the Jackals, concessions or the Stadium.

(k) Landlord and Other Advertising Contracts, Exclusivity. (i) No later than September 15 of each year, Landlord shall provide to Tenant a list of all of the current Stadium Advertising contracts and commitments which include or affect Stadium Advertising, to which Landlord or any other party holding Baseball or Non-Baseball Events in the Stadium is a party ("**Landlord and Other Advertising Contracts**"). With the exception of a Pouring Rights contract and advertising related to the delivery of healthcare that Landlord anticipates that it will enter into in the future, neither Landlord nor Tenant shall, in the future, enter into or permit, in the case of Landlord, any other party holding other events in the Stadium, to enter into any advertising contract or commitment which contains any provision that would prevent the other party from selling Stadium Advertising or Landlord Advertising as provided herein, or which would give the advertiser exclusivity rights with respect to the advertising of products or services by the other party, the advertising of which would otherwise be permitted as Stadium Advertising (an "**Exclusivity Provision**").

(ii) Landlord shall not agree or permit any other party holding other events in the Stadium, to renew or extend, or exercise any contractual right to renew or extend, any Landlord and Other Advertising Contracts, which contains an Exclusivity Provision, unless the Exclusivity Provision is deleted from such contract and of no further force and effect. Tenant shall not enter into any advertising contract which would in the reasonable opinion of Landlord, conflict with an Exclusivity Provision in Landlord and Other Advertising Contracts ("**Preexisting Advertising Commitments**"). Notwithstanding the above, this Section 9.1(k)(ii) shall not apply to the Sale of Naming Rights as referenced in Section 9.3, which agreement of sale may include an Exclusivity Provision. Additionally, the aforesaid provisions shall not apply to any future "pouring rights" agreement that Landlord may enter into or agreements with health care providers, and Tenant will comply with the provisions of any such future "pouring rights" agreement with respect to advertising at the Stadium, and Tenant's advertising contracts shall include appropriate provisions in anticipation of the execution of such a future "pouring rights" agreement and the University's agreements with healthcare providers for advertising.

(l) Tenant shall integrate the University into its marketing efforts by including the University name and logo on all tickets, mentioning the University by name during all broadcasts of Baseball Events and including prominent references to the University in Tenant's media kits and public relations materials, including any internet websites maintained by Tenant. Subject to Landlord's reasonable review and approval, Tenant shall: (i) identify "Montclair State University" as the home of Jackals in select marketing materials relating to those franchises and/or affiliates; and (ii) cite "Montclair State University" in select advertising, collateral and/or program materials used to advertise and promote the Baseball Events, Sponsored Events and Other Events that might take place at the Stadium. Within thirty (30) days of their execution of this Agreement, the parties shall meet and begin work on a mutually agreed upon set of marketing protocols and plans, with the goal having them finalized by no later than ninety (90) days after the Agreement's Commencement Date. These marketing protocols and plans will be reviewed and updated by the parties on an annual basis. Neither party may use the name or logo of the other without the other

party's prior written consent.

Section 9.2 Baseball Event Broadcast Rights. Tenant shall be entitled, without the consent of the Landlord, to the sole right to authorize the exhibition, recording and broadcasting of (whether by direct authorization or voluntarily through sale, licensing or assignment of its right) any Tenant Baseball Event by any form of communication. Tenant shall be entitled to retain exclusively for its own account, all income, sums and other revenues from such exhibition and broadcasting and shall have the exclusive broadcast and reproduction rights incident to each Tenant Baseball Event including, but not limited to radio, television, broadcasting, film or tape rights, closed circuit, cable or pay television rights and similar rights by whatever means now existing or hereafter developed for preserving, transmitting and reproducing for hearing and/or viewing any of the Tenant Baseball Event. Tenant shall not itself authorize or permit (and as to third parties, use its best reasonable efforts not to authorize or permit) the display, utilizing electronic or computer technology, of any advertising device, logo or any material pertaining to any advertiser during broadcasts of Tenant's Home Games in such manner which would make it appear to the viewer of the broadcast that the advertising device, logo or material was in place at the Stadium, or in any way that would alter the appearance of the Stadium, without the express written approval of Landlord. Tenant shall not itself authorize or permit, and as to third parties, use reasonable efforts not to authorize or permit such third parties to do anything to contribute to the creation of an impression that a relationship exists between any advertiser and Landlord, nor permit the display of any advertising device, logo or material of any advertiser whose product or service is competitive with that of any advertiser with whom Landlord has a contractual relationship.

Section 9.3 Naming Rights. Pursuant to the terms of the Yogi Berra Stadium Naming Rights Agreement, the Stadium is currently named "Yogi Berra Stadium." Nothing herein shall prohibit Landlord from amending or extending the term of the Yogi Berra Stadium Naming Rights Agreement, or from entering into a new Naming Rights agreement for the Stadium or any component thereof. In the event that Landlord is unsuccessful in the Sale of the Naming Rights and, consistent with the Yogi Berra Stadium Naming Rights Agreement and Yogi Berra Museum Naming Rights Agreement, Landlord may direct Tenant in writing to sell additional Naming Rights (the "Sale of Naming Rights"). Any resulting Sale of Naming Rights shall be subject to Landlord's review and approval of the party or parties securing the Naming Rights, the terms of the Naming Rights agreements, and the amount being paid for the Naming Rights. Landlord and Tenant agree that any additional Naming Rights agreement shall be subject to the terms and conditions of any existing Naming Rights agreement then in effect, including but not limited to any exclusivity provision or similar restriction, and that neither Landlord nor Tenant shall enter into any additional Naming Rights agreement that violates any such exclusivity provision or similar restriction, and any such agreement shall be void and of no effect. With the exception of revenue generated from the sale of concessions by Tenant, Landlord shall retain all revenues generated by any additional Sale of Naming Rights; provided, however that if Tenant is the sole procuring cause of the Sale of Naming Rights, the Tenant shall receive compensation equal to twenty percent (20%) of the net revenue received by the Landlord from the Sale of Naming Rights as such revenue is actually received by Landlord ("**Naming Rights Commission**"). Tenant shall not be entitled to any commission or compensation by reason of Landlord's amendment or extension of the Yogi Berra Stadium Naming Rights Agreement. Naming Rights Commission

shall either: (i) be paid to Tenant annually on the effective date of the Naming Rights agreement; or (ii) at Landlord's election, deducted from an amount due to Landlord from Tenant. After the effective date of any Naming Rights agreement, the Stadium and/or Baseball Field or other Stadium component shall not otherwise be designated by Tenant in any manner or in any publication, advertising or on any ticket, unless the Landlord first consents, in writing, to such other designation. Tenant shall similarly require that any Tenant agent refer to the Stadium and/or Baseball Field or other Stadium component by the name so designated in any such Naming Rights agreement in any printed material, Internet-based media or broadcast, or otherwise.

ARTICLE 10

INDEMNIFICATION AND INSURANCE

Section 10.1 Tenant shall secure and maintain in force for the Term, insurance coverage as provided herein. All insurance coverage is subject to the approval of the University and shall be issued by an insurance company authorized to do business in the State of New Jersey and which maintains an A.M. Best rating of A- (VII) or better. Tenant shall provide the University with current Certificates of Insurance for all coverage and renewals thereof which must contain the provision that the insurance provided in the certificate shall not be canceled for any reason except after thirty (30) days written notice to the University. All insurance required herein shall contain a waiver of subrogation in favor of the University. All insurance required herein, except Workers' Compensation, shall name the University, the State of New Jersey, and the New Jersey Educational Facilities Authority as additional insureds.

(a) **Commercial General Liability** insurance written on an occurrence form including liquor liability, independent contractor liability, products/completed operations liability, contractual liability, covering but not limited to the liability assumed under the indemnification provisions of this contract. The policy shall not include any endorsement that restricts or reduces coverage as provided by the ISO CG0001 form without the approval of the University. The minimum limits of liability shall not be less than a combined single limit of one million dollars (\$1,000,000) per occurrence, two million dollars (\$2,000,000) general aggregate, two million dollars (\$2,000,000) product/completed operations aggregate. A "per location or project endorsement" shall be included, so that the general aggregate limit applies separately to the location or project that is the subject of this contract.

(b) **Comprehensive Automobile Liability** covering owned, non-owned, and hired vehicles. The limits of liability shall not be less than a combined single limit of one million dollars (\$1,000,000) per occurrence.

(c) **Worker's Compensation** Insurance applicable to the laws of the State of New Jersey and other State or Federal jurisdiction required to protect the employees of the contracting party and any subcontractor who will be engaged in the performance of this contract. The certificate must so indicate that no proprietor, partner, executive officer or member is excluded. This insurance shall include Employers' Liability Protection with a limit of liability not less than one million dollars (\$1,000,000) bodily injury, each occurrence, one million dollars (\$1,000,000) disease, each employee, and one million dollars (\$1,000,000) disease, aggregate

limit. Lower primary limits will be accepted if employer's liability insurance is included under the umbrella insurance and the umbrella limit exceeds the employer's liability limit requirements.

(d) **Excess Liability**, umbrella insurance form, applying excess of primary to the commercial general liability, commercial automobile liability and employer's liability insurance shall be provided with minimum limits of five million dollars (\$5,000,000) per occurrence, five million dollars (\$5,000,000) general aggregate, and five million dollars (\$5,000,000) products/completed operations, where cost of work to be performed exceeds.

Section 10.2 Tenant shall require all contractors and subcontractors to comply with all of the insurance requirements described above. It is Tenant's option to determine the amount of excess liability it will require its contractors and subcontractors to carry. Tenant shall be responsible for obtaining certificates of insurance for all coverage and renewals thereof for each contractor or subcontractor prior to their beginning work on the project. Tenant shall provide copies of all contractor or subcontractor certificates of insurance to the University upon request.

Section 10.3 Tenant shall assume all risk of and responsibility for, and agrees to defend, indemnify and hold harmless the University, the New Jersey Educational Facilities Authority and the State of New Jersey, including their trustees, officers, employees, volunteers and agents from and against any and all claims, demands, suits, actions, recoveries, judgments, costs and expenses (including reasonable attorney's fees) in connection therewith on account of the loss of life, property, or injury or damage to the person, body or property, of any person or persons whatsoever, which shall arise from or result directly or indirectly from Tenant's exercise of its rights under this Agreement, excluding damages directly related to Landlord's obligations under this Agreement. This indemnification obligation is not limited by, but is in addition to, the insurance obligations contained in this Agreement.

Section 10.4 Landlord is an agency of the State of New Jersey. Any agreement or arrangement signed or entered into on behalf of the State of New Jersey by a State official or employee shall be subject to all of the provisions of the New Jersey Torts Claims Act, NJSA 59:1-1 et seq., the New Jersey Contractual Liability Act, NJSA 59:13-1, et seq., and the availability of appropriations. The State of New Jersey does not carry public liability insurance, but the liability of the State and the obligations of the State to be responsible for tort claims against its agencies and employees are covered under the terms and provisions of the New Jersey Tort Claims Act. The Tort Claims Act also creates a special self-insurance fund and provides for payment of claims against the State of New Jersey against its employees for which the State of New Jersey is obligated to indemnify against tort claims which arise out of the performance of their duties. Claims against the University or its employees should be referred for handling to the Attorney General, Division of Law, Claims Service Section, Richard Hughes Complex, Trenton, New Jersey 08625. Furthermore, the State of New Jersey self-funds for Workers Compensation and Disability.

ARTICLE 11

FORCE MAJEURE

Section 11.1 Force Majeure. If by reason of Force Majeure either party hereto shall be rendered unable wholly or in material part to carry out its obligations under this Agreement, then if such party shall give notice and full particulars of such Force Majeure in writing to the other party, including the estimated period of continuance thereof, within a reasonable time after occurrence of the event or cause relied on, the obligations of the party giving such notice, so far as they are affected by such Force Majeure, shall be suspended for all purposes of this Agreement (other than with respect to Landlord's and Tenant's respective rights and obligations under Section 2.5 and 8.2 of this Agreement and subject to Section 11.2 below), including, but not limited to, the determination of the happening of an Event of Default as a result thereof, during the continuance of the inability then claimed, which shall include a reasonable time for the removal of the effect thereof, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "**Force Majeure**", as employed in this Agreement, shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders or enactments of any kind of the Government of the United States or of the State of New Jersey or of any county or municipality in which the Stadium is situated or of any civil or military authority, insurrections, riots, acts of terrorism, epidemics, landslides, lightning, earthquakes, tornados, fires, hurricanes, storms, floods, washouts, droughts, arrests, civil disturbances, explosions, partial or entire failure of utilities, shortages of labor, material, supplies or transportation, or any other similar or different cause not reasonably within the control of the party claiming such inability. It is understood and agreed that the settlement of existing or impending strikes, lockouts or other industrial disturbances shall be entirely within the discretion of the party having the difficulty and that the above requirements that any Force Majeure shall be reasonably beyond the control of the party and shall be remedied with all reasonable dispatch shall be deemed to be fulfilled even though such existing or impending strikes, lockouts and other industrial disturbances may not be settled and could have been settled by acceding to the demands of the opposing person or persons. Any such notice to be provided by a party pursuant to this Section 11.1 shall be given in writing as promptly as possible after the occurrence of the Force Majeure.

Section 11.2 Use of Stadium.

(a) If as a consequence of such Force Majeure, the Stadium premises shall be rendered unfit or unavailable for the use and occupancy by Tenant as provided for hereunder so that Tenant shall be prevented from using the Stadium for the conduct of its Home Games ("**Force Majeure Event**"), the obligations of the parties shall be governed by Article 8.2.

Section 11.3 Opponent's Force Majeure. Notwithstanding anything else to the contrary in this Agreement, if and whenever the Baseball team of an opponent shall fail to appear for a Home Game of Tenant by reason of Force Majeure, and if and whenever a Home Game of Tenant shall be canceled under the then rules and regulations of the CanAm League due to a loss of players on Tenant's Baseball team or due to a loss of players on the opponent's Baseball team, Tenant shall not be obligated to play such canceled Home Game at the Stadium, and the obligations of Tenant, so far as they are affected by such Opponent's Force Majeure, shall be suspended for all purposes of this Agreement until a substitute Home Game is played, and Tenant shall have no obligation to make any payment to Landlord for damages or other charges by reason of failure to play such Baseball Game at the Stadium except those out-of-pocket event expenses incurred by Landlord.

Landlord shall use its best efforts to reduce or minimize said out-of-pocket event expenses following Tenant's notice to Landlord of cancellation.

ARTICLE 12

ACCESS

Section 12.1 Right of Entry and Inspection. Landlord and its agents and representatives shall, at all times during the Term of this Agreement, have the right to enter into and upon any and all parts of the Stadium provided however, such entry by Landlord does not interfere with Tenant's use of the premises as provided herein and further provided, except in emergency, if Landlord wishes to enter the coach's or training room, storage room or locker room of Tenant, Landlord shall first give Tenant advance written notice thereof and Landlord and Tenant shall be required to use reasonable efforts to arrange for Tenant or Tenant's agent or authorized employee to accompany Landlord during such entry.

ARTICLE 13.

COMPLIANCE WITH LAWS

Section 13.1 Tenant Compliance with Law.

(a) General Obligations. Tenant shall comply with all laws and regulations applicable to its specific use and occupancy of the Stadium provided for herein, provided, however, that Tenant shall be under no obligation to make or cause to be made repairs, improvements or structural changes to the Stadium, except as otherwise expressly provided herein.

(b) Americans With Disabilities Act. Tenant shall establish policies with regard to ticket pricing and sales that ensure that wheelchair users and their companions are offered a choice of ticket prices that are comparable to the choice of ticket prices offered to persons without disabilities. Ticket prices for floor locations for wheelchair users and their companions not using a wheelchair shall be no higher than the ticket prices for adjacent seats of persons without disabilities. If for any Baseball Event or Non-Baseball Event, Tenant imposes a restriction upon the number of tickets which a person without disability may purchase, the same restriction may be imposed upon the number of tickets which a wheelchair user (or person purchasing tickets for the use of a wheelchair user) may purchase. Accessibility of online content and functionality will be measured according to the W3C's Web Content Accessibility Guidelines (WCAG) 2.0 Level AA ("Benchmarks for Measuring Accessibility"). Tenant shall ensure that online content and functionality meet the Benchmarks for Measuring Accessibility or that equally effective alternate access can be provided that would ensure, to the maximum extent possible, individuals with disabilities receive the same benefits or services as their nondisabled peers.

Section 13.2 Landlord Compliance with Law. Anything to the contrary contained hereinabove notwithstanding, Landlord shall comply with all laws and regulations applicable to its ownership, operation and management of the Stadium, including compliance related to the use and occupancy of the Stadium by Tenant, where such compliance depends upon the performance

or failure of performance by Landlord of any of its obligations under this Agreement.

ARTICLE 14.

REPRESENTATIONS AND WARRANTIES

Section 14.1 Tenant's Representations and Warranties. Tenant hereby represents and warrants that:

(a) Tenant is a limited liability company duly organized and existing under the Laws of New Jersey and is authorized to do business in the State of New Jersey.

(b) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms of this Agreement, conflict with or result in a breach of the terms, conditions or provisions of any individual or corporate restriction or partnership agreement or any agreement or instrument to which Tenant or any of its partners is now a party or by which it is or they are bound, or constitute a default under any of the foregoing, or result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Tenant under the terms of any instrument or agreement. Tenant may sell, assign, convey, transfer and create or grant a lien or security interest upon, in and to all of its accounts receivable and proceeds received or to be received pursuant to this Agreement to any third party. Tenant may further assign this Agreement as security for financing to be received by Tenant so long as (i) such assignment is a condition for the granting of the financing (ii) Tenant shall have received all the requisite approvals from the CanAm League for such assignment, (iii) such assignee shall notify Landlord of the assignment and (iv) the financing documents provide that there may be no further assignment without compliance with the above conditions of assignment.

(c) Tenant has the right and authority to enter into this Agreement and to perform all the terms, covenants, provisions and conditions herein to be performed by Tenant.

(d) Tenant further represents and certifies to Landlord that:

(i) none of Tenant, any Guarantor, or any Person who owns any direct or indirect equity interest in or "Controls" Tenant or any Guarantor, currently is identified on the OFAC List or otherwise qualifies as a Prohibited Person, and Tenant has implemented procedures to ensure that no Person who now or hereafter owns an equity interest in Tenant or any Guarantor is a Prohibited Person or Controlled by a Prohibited Person;

(ii) Tenant is not engaged in this transaction, directly or indirectly, on behalf of, or instigating, or facilitating this transaction, directly or indirectly on behalf of, any Prohibited Person; and

(iii) none of Tenant or any Guarantor is in violation of any legal requirements relating to anti-money laundering or anti-terrorism, including, without limitation, legal requirements related to transacting business with Prohibited Persons or the requirements of

the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, U.S. Public Law 107-56, and the related regulations issued thereunder, including temporary regulations, all as amended from time to time.

(e) Tenant covenants and agrees that Tenant will immediately notify Landlord in the event Tenant, any Guarantor or any Person owning any direct or indirect equity interest in or Controlling Tenant qualifies as a Prohibited Person or is in violation of any legal requirements relating to anti-money laundering or anti-terrorism.

(f) Tenant hereby agrees to defend, indemnify and hold Landlord harmless from and against any and all claims, damages, loss, risks, liabilities and expenses (including attorney's fees and costs) arising from or related to any misrepresentation or wrongful certification in the provisions of Section 14.1(d) of this Article, or any default under the provisions of Section 14.1(e) of this Article.

(g) Any misrepresentation or wrongful certification in the provisions of Section 14.1(c) of this Article, or any default under the provisions of Section 14.1(e) of this Article shall be deemed a material event of default and shall give Landlord the immediate right to terminate the Lease.

Section 14.2 Landlord's Representations and Warranties. Landlord hereby represents and warrants that:

(a) Landlord is a State university of the State of New Jersey organized for public higher educational purposes teaching undergraduate and graduate students.

(b) Subject to the satisfaction of the Commencement Conditions, Landlord has the right and authority to enter into this Agreement and to perform all the terms, covenants, provisions and conditions herein to be performed by Landlord. It represents that it: i) has the right to use the Stadium and the land underlying the Stadium, the land comprising the parking areas referred to herein and the improvements thereon and the land underlying the internal roads of ingress and egress to and from the Stadium and that such lands and improvements are not encumbered with any mortgages or liens that would prevent Tenant's use or ii) it will obtain authorization from NJEFA to enter into this Agreement, and that the EFA Lease between Landlord and NJEFA is in full force and effect and shall not expire prior to the Term of this Agreement..

(c) All necessary action to authorize the execution and delivery of this Agreement on behalf of the Landlord has been duly and validly taken.

(d) Subject to satisfaction of the Commencement Conditions, Landlord is not a party and shall not be a party to any contract, bond, note or other agreement or restriction which impairs or might impair its ability to perform its obligations under this Agreement, and neither the execution and delivery of this Agreement, the consummation of the transaction contemplated hereby, nor the fulfilment of or compliance with the terms of this Agreement will conflict with or result in a breach of the terms, conditions or provisions of any agreements, bonds or notes or instruments to which the Landlord is now or in the future may be a party or by which it is or in the

future may be bound or constitutes a default under any of the foregoing.

ARTICLE 15

GENERAL COVENANTS

Section 15.1 Tenant Covenants. Tenant hereby covenants and agrees as follows:

(a) Except as expressly provided in this Agreement, Tenant shall play all of its Regular Season Home Games, Playoff Games and Championship Games, if any, at the Stadium. It is the specific intent of the parties that during the Term of this Agreement, Tenant and any successor owner of Tenant's CanAm League Baseball Franchise will play all of its Regular Season Home Games and applicable Playoff Games and Championship Games at the Stadium, notwithstanding future re-alignment of the divisions of the CanAm League, the sale, transfer or other conveyance of Tenant's CanAm League Baseball Franchise, or otherwise, except as specifically permitted herein.

(b) Tenant shall, during the Term of this Agreement, maintain its membership in the CanAm League or its successor in good standing or such other professional baseball association of comparable stature which Tenant may become a member as herein provided.

(d) If, and in the event, Landlord is named as a party defendant in any action or proceeding in any state or Federal court, wherein the basic cause of action is directed against Tenant or its related entities and results from any alleged acts or omissions of Tenant or its related entities or any of their officers, employees or agents, then, and in such event, if Landlord shall afford Tenant reasonable notice of and opportunity to defend the claim and if Landlord tenders to Tenant the full control of the defense of the claim with the full right to settle the claim in Tenant's sole discretion and if Tenant does not accept the tender, then Tenant agrees to reimburse Landlord for all necessary expenses, attorneys' fees and court costs incurred by Landlord in defending such action within sixty (60) days after receiving written notice from Landlord of the incurring of such expenses or costs. Tenant's agreement to reimburse Landlord for attorneys' fees and expenses shall include all necessary expenses, attorneys' fees, and court costs incurred as a result of Landlord's retention of separate counsel to defend any and all actions or proceedings whether or not Tenant encourages or permits Landlord to engage same.

Section 15.2 Indemnity Inapplicable. The indemnification and defense obligations in Sections 15.1 (c) and (d) do not apply when the same insurance company is obligated to defend both Landlord and Tenant.

ARTICLE 16.

DEFAULT; REMEDIES

Section 16.1 Default by Tenant. An "**Event of Default**" by Tenant shall be deemed to

have occurred hereunder if:

(a) Tenant fails to make any payment required to be made by Tenant to Landlord under this Agreement on the date when such payment is due and payable and any such default continues for a period of fifteen (15) days after service of a notice of such default.

(b) Tenant fails in any material respect to observe or perform any covenant, condition or agreement in this Agreement on the part of Tenant to be observed or performed for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, given to Tenant by Landlord, unless Landlord shall agree in writing to an extension of such time prior to its expiration (or in the case of any such default which is not curable under this Agreement or otherwise, or which cannot with due diligence be cured within such thirty day period, if Tenant shall fail to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence), it being intended in connection with such a default not susceptible of being cured with due diligence within the thirty (30) days that the time within which Tenant is to cure the same shall be extended to such period as may be necessary to complete the curing of the same with all due diligence. Notwithstanding the above, an event of default shall not be deemed to occur if Tenant fails in any material respect to observe or perform any covenant condition or agreement in this Agreement on the part of Tenant to be observed or performed if such failure is due to a Force Majeure for which notice has been given in accordance with Section 11.1

(c) There shall occur any of the following events, the consequence of which would materially impair the ability of Tenant to carry on its use of the Stadium and/or discharge its obligations under this Agreement: (i) dissolution or liquidation of Tenant or the filing by Tenant of a voluntary petition in bankruptcy, or (ii) failure by Tenant promptly to lift or stay any execution, garnishment or attachment in an amount of Five Hundred Thousand (\$500,000.00) Dollars or more within ninety (90) days of notice of such execution, garnishment or attachment, or (iii) adjudication of Tenant as a bankrupt, or (iv) general assignment by Tenant for the benefit of its creditors, or (v) the entry by Tenant into an agreement of composition with its creditors, or (vi) the judgment by a court of competent jurisdiction approving any plan for Tenant's reorganization under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any domestic or foreign jurisdiction which may now be in effect or hereafter enacted. The term "dissolution or liquidation of Tenant," as used in this subsection, shall not be construed to include the cessation of the corporate or partnership existence of Tenant resulting from a merger or consolidation of Tenant into or with another corporation or a dissolution or liquidation of Tenant following a transfer of all or substantially all of its assets, or from the reconstitution of a partnership existence of Tenant upon the death or disability of a partner provided that the resulting or surviving corporation or entity or the transferee shall assume all the obligations of Tenant hereunder.

(d) Tenant defaults in its obligations under this Agreement by either its intentional refusal to play its Home Games at the Stadium or the relocation of Tenant to another stadium to play its Regular Season Home Games, Playoff Games and Championship Games, if any. Notwithstanding the above, should Tenant comply with the Early Termination provisions of Sections 2.5 and 2.6 above, such intentional refusal or relocation shall not constitute an event of default.

Section 16.2 Landlord's Right to Terminate. Upon the occurrence of any Event of Default by Tenant in Section 16.1 and after applicable cure periods, Landlord shall have the right to give Tenant at least ten (10) days' notice of its intention to terminate this Agreement and all rights of Tenant hereunder on the date therein specified, and upon the effective date of such termination specified in such notice (unless such event of default has theretofore been cured by Tenant, if such event is curable under this Agreement or if within such ten (10) day period Tenant demands arbitration in accordance with section 17.1 below), the Term of this Agreement shall end as fully and completely as if that were the date herein fixed for the expiration of the Term of this Agreement, and any further obligation of Landlord or Tenant to pay or perform any other covenant, condition obligation or provision of this Agreement shall end, except for obligations of Landlord and Tenant to the other which accrued or were payable at or prior to such date of termination. In such event, Tenant shall relinquish its rights to use the Stadium and Tenant shall be liable as hereinafter set forth in this Article. Any such notice of intention to terminate must be given no later than the latest to occur of (i) six (6) months after Landlord has actual or constructive knowledge of the occurrence of the Event of Default under Section 16.1, (ii) if the event of default shall occur during a Baseball Season, sixty (60) days after the end of such Baseball Season, or (iii) if the event of default shall occur outside a Baseball Season, sixty (60) days after the end of the next Baseball Season; and, provided further, that the termination date set forth in such notice of intention to terminate shall be no later than the latest to occur of (i) two (2) years after the occurrence of the event of default, (ii) if the event of default shall occur during a Baseball Season, sixty (60) days after the end of the next Baseball Season, or (iii) if the event of default shall occur outside a Baseball Season, sixty (60) days after the end of the second Baseball Season occurring after the event of default. [

Section 16.3 Landlord's Rights Upon Termination and/or Default.

(a) In the event of termination of this Agreement in accordance with Section 16.2, Landlord may, without further notice, enter the premises with or without legal process and remove all persons and property therefrom, and Tenant hereby waives any notice provided by law or otherwise to be given in connection therewith. Any and all property belonging to Tenant or to anyone claiming by, through or under Tenant which may be found in the premises by Landlord upon such entry may be handled, removed or stored by Landlord at the expense of Tenant, and Landlord shall not be responsible for the preservation or the safekeeping thereof. Tenant shall pay to Landlord, upon demand, any and all expenses incurred in such removal and all storage charges against such property so long as the same shall be in Landlord's possession or under Landlord's control.

(b) If there is an event of default by Tenant under this Agreement or in the event of termination of this Agreement because of such default of Tenant, Landlord shall be entitled to recover from Tenant any and all damages (except consequential or punitive damages) sustained by Landlord as a result of Tenant's default. Landlord shall also be entitled to injunctive relief and such other legal or equitable remedies as may be appropriate in light of the nature of Tenant's default.

Section 16.4 Default by Landlord. An "Event of Default" by Landlord shall be deemed

to have occurred hereunder if:

(a) Landlord fails to make any payment, if any, required to be made by Landlord to Tenant under this Agreement on the date when such payment is due and payable and any such default continues for a period of fifteen (15) days after service of a notice of such default;

(b) Landlord fails in any material respect to observe or perform any covenant, condition or agreement in this Agreement on the part of Landlord to be observed or performed, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied, given to Landlord by Tenant, unless Tenant shall agree in writing to an extension of such time prior to its expiration (or in the case of any such default which is not curable under this Agreement or otherwise, or which cannot with due diligence be cured within such thirty (30) day period, if Landlord shall fail to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence (subject to Force Majeure as heretofore provided)), it being intended in connection with such a default not susceptible of being cured with due diligence within the thirty (30) days that the time within which Landlord is to cure the same shall be extended for such period as may be necessary to complete the curing of the same with all due diligence. Notwithstanding the above, an Event of Default shall not be deemed to occur if Landlord fails in any material respect to observe or perform any covenant, condition or agreement in this Agreement on the part of Landlord to be observed or performed if such failure is due to a Force Majeure for which notice has been given in accordance with Section 11.1.

(c) There shall occur any of the following events, the consequence of which would materially impair the ability of Landlord or its legal successor in interest to carry on its management of the Stadium and/or discharge its obligations under this Agreement: (i) dissolution or liquidation of Landlord or the filing by Landlord of a voluntary petition in bankruptcy, or (ii) failure by Landlord promptly to lift or stay any execution, garnishment or attachment in an amount of Five Hundred Thousand (\$500,000.00) Dollars or more within ninety (90) days of notice of such execution, garnishment or attachment, or (iii) adjudication of Landlord as a bankrupt, or (iv) general assignment by Landlord for the benefit of its creditors, or (v) the entry by Landlord into an agreement of composition with its creditors, or (vi) the judgment by a court of competent jurisdiction approving any plan for Landlord's reorganization under the provisions of the Federal Bankruptcy Act, as amended, or under any similar act in any domestic or foreign jurisdiction which may not be in effect or hereafter enacted, or (vii) Landlord defaults upon the EFA Lease.

Section 16.5 Tenant Rights on Default.

(a) Tenant Right to Terminate. Upon the occurrence of an Event of Default as set forth in Section 16.4 above and after applicable cure periods, Tenant shall have the right to give Landlord at least ten (10) days' notice of its intention to terminate this Agreement and all rights of Landlord hereunder on the date therein specified, and upon the effective date of such termination specified in such notice (unless such event of default has theretofore been cured by Landlord if said event is curable under the terms of this Agreement or if within such ten (10) day period Landlord demands arbitration in accordance with Section 17.1 below), the Term of this Agreement

shall end as fully and completely as if that were the date herein fixed for the expiration of the Term of this Agreement, and any further obligation of Tenant to pay or perform any other covenant, condition, obligation or provision of this Agreement shall end, except for obligations of Landlord and Tenant to the other which accrued or were payable at or prior to such date of termination. Any such notice of intention to terminate must be given no later than the latest to occur of (i) six (6) months after Tenant has actual or constructive knowledge of the event of default under Section 16.4, (ii) if the event of default shall occur during a Baseball Season, sixty (60) days after the end of such Baseball Season, or (iii) if the event of default shall occur outside a Baseball Season, sixty (60) days after the end of the next Baseball Season; and, provided further, that the termination date set forth in such notice of intention to terminate shall be no later than the latest to occur of (i) two (2) years after the occurrence of the event of default, (ii) if the event of default shall occur during a Baseball Season, sixty (60) days after the end of the next Baseball Season, or (iii) if the event of default shall occur outside a Baseball Season, sixty (60) days after the end of the second Baseball Season occurring after the event of default.

(b) Tenant Right To Play At Another Stadium. If as a consequence of an Event of Default by Landlord, the Stadium is not available for use and occupancy by Tenant as provided for hereunder so that Tenant shall be prevented from using the Stadium, Tenant shall not be obligated to use the Stadium and shall have the right as of the date of notice to Landlord of such default, to play its Home Games in any other stadium during the period that such Landlord event of default is existing. If it is reasonably anticipated that such event of default cannot be remedied within two (2) months of the occurrence of such Event of Default, Tenant shall have the right to play all of its remaining Home Games for the then current Baseball Season at such other venue, provided that Tenant has taken reasonable good faith efforts to provide in any agreement it entered into in order to obtain rights to an alternate facility during the time of the default that Tenant be permitted to terminate such obligation and return to the Stadium upon the cure of said Event of Default. During the period of time that Tenant plays its Home Games at another venue as permitted above, any obligation to Landlord pursuant to the terms of this Agreement shall be suspended during the period of default. To the extent that an Early Termination Fee would have applied due to Tenant's playing its Home Games outside of the State of New Jersey during the period of time that such default continues to exist, Tenant shall have no obligation to pay an Early Termination Fee provided, however, that once such Event of Default shall end, Tenant shall be obligated, as soon as reasonably possible but in no event more than thirty (30) days, to play its Home Games at the Stadium and, after such time period shall expire, shall once again be subject to the Early Termination Fee and be liable for other damages as provided for in this Agreement.

(c) Notwithstanding anything contained herein, Landlord's default shall not toll any of the time periods set forth in section 2.6 above. After the 2026 Baseball Season, Tenant may terminate this Agreement without payment of the Early Termination Fee whether or not Landlord was ever in default.

Section 16.6 Tenant's Rights Upon Termination and/or Default.

(a) In the event of a permitted termination of this Agreement in accordance with Section 16.5 above, Tenant shall be entitled to remove from the premises any and all property belonging to Tenant or anyone claiming by, through or under Tenant which is in the premises; and

(b) If there is an Event of Default by Landlord under this Agreement or in the event of termination of this Agreement because of a default by Landlord, Tenant shall be entitled to recover from Landlord any and all damages (except consequential or punitive damages) sustained by Tenant as a result of Landlord's default. Tenant shall also be entitled to injunctive relief and such other legal or equitable remedies as may be appropriate in light of the nature of Landlord's default.

ARTICLE 17

ARBITRATION

Section 17.1 Arbitration.

(a) Any dispute, controversy or claim between Landlord and Tenant related to this Agreement (a "**Dispute**"), including, without limitation, any Dispute arising out of, in connection with, or in relation to the interpretation, performance or breach of this Agreement, shall be settled by arbitration, rather than litigation. Such arbitration shall be the exclusive resolution mechanism for any Dispute under this Agreement.

(b) Arbitration may only be initiated by the delivery of a written notice of demand for arbitration by one party to the other within three (3) years after the date the Dispute has arisen, time being of the essence. The "**date**" the Dispute has arisen shall be the date that both parties have actual or constructive knowledge of the facts underlying the Dispute claimed. If neither party delivers a written notice of demand for arbitration within three (3) years after a Dispute has arisen, then the parties' rights with respect to such Dispute shall be deemed waived, and each party hereby releases and discharges the other party and its heirs, executors, administrators, successors and assigns from all actions, causes of action, suits, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims, and demands whatsoever in law or equity, which it ever had, or shall or may have for, upon or by reason of such Dispute.

(c) Unless the parties agree upon a single arbitrator, then within thirty (30) days after the date of delivery of the written notice of demand for arbitration, each party shall appoint an individual as arbitrator. If either party refuses or neglects to appoint an arbitrator within thirty (30) days, the other party may apply to the appointor hereinafter named to name an arbitrator on behalf of the other party. The two arbitrators so appointed shall appoint a third arbitrator. If the two arbitrators do not agree on a third arbitrator within thirty (30) days after their appointment (i.e., within thirty (30) days after the appointment of the second arbitrator), then either of them or either of the parties may apply to the appointor for the appointment of the third arbitrator.

(d) The "appointor" shall be the President (or if he or she is unavailable or it is inappropriate for him or her to act for any reason, the Senior Vice President and General Counsel)

of the American Arbitration Association (or its successor or in the absence of a successor, an institution or organization offering similar services).

(e) Unless the parties otherwise agree, any and each arbitrator hereunder shall be either (i) a retired judge of a trial or appellate court resident in New Jersey, selected from the “**Independent List**” of retired judges (or its then equivalent); or (ii) a member of the National Academy of Arbitrators (or its successor or in the absence of a successor, an institution or organization having a similar purpose) resident in New Jersey. No arbitrator, however selected, shall be a person who has previously acted in any capacity for either party, or who has a personal or financial interest in the result of the arbitration.

(f) The arbitration shall be conducted in the State of New Jersey, and, except as provided in this Article, shall be conducted in accordance with the most applicable then existing rules of the American Arbitration Association (or its successor or in the absence of a successor, an institution or organization offering similar services). The decision or award rendered by the single arbitrator or a majority of the three arbitrators, as the case may be, shall be in writing and shall be final and binding on both parties. Judgment upon any decision or award rendered by such arbitrator(s) may be entered by any federal or state court having jurisdiction thereof.

(g) Each party shall bear one half of the cost of any arbitrator and the arbitration hearing. Each party shall pay its own attorneys’ fees, expert fees and other costs incurred by the party in connection with its preparation for or prosecution of the arbitration.

ARTICLE 18

EXCULPATION

Section 18.1 Waiver of Personal Liability. All obligations and liabilities under this Agreement on the part of both parties are solely those of the entities that executed this Agreement and each party hereby releases each and every incorporator, trustee, officer, agent, director, partner and member of the other party of and from any personal or individual liability under this Agreement, and no incorporator, trustee, officer, agent, director or member of either party shall at any time or under any circumstances be individually or personally liable under this Agreement or for any action taken hereunder by Tenant or otherwise in connection therewith, or for or on account of any failure on the part of that party hereunder, except with respect to fraud or intentional misconduct.

ARTICLE 19

INDEPENDENT CONTRACTORS; NO JOINT VENTURE

Section 19.1 Landlord/Tenant as Independent Contractors. Landlord and Tenant shall each be and remain an independent contractor with respect to all rights obtained and services performed under this Agreement. Nothing herein contained shall make, or be construed to make, Landlord and Tenant partners of one another, nor shall this Agreement be construed to create a partnership or joint venture between any of the parties hereto or referred to herein.

ARTICLE 20

INTEGRATION

Section 20.1 Entire Agreement. This Agreement (including all exhibits, agreements and other documents and matters annexed hereto or made a part hereof by reference) contains all of the covenants, agreements, terms, provisions and conditions relating to the rights and obligations of Tenant and Landlord with respect to the Stadium hereunder; neither Tenant nor Landlord has made or is making, and neither Tenant nor Landlord in executing and delivering this Agreement is relying upon any warranties, representations, promises or statements by any official, agent or employee of Tenant or Landlord, except to the extent that the same may expressly be set forth in this Agreement and such exhibits, agreements and other documents and matters annexed to or made a part of this Agreement by reference. No alteration, agreement or modification hereof shall be valid, unless executed by an instrument in writing by the parties hereto with the same formality as this Agreement. This Agreement and the terms and conditions contained herein shall be effective as of upon execution hereof, and shall supersede any prior agreements among the parties.

ARTICLE 21

NO WAIVER

Section 21.1 Waiver of Covenants. The failure of Landlord or Tenant to insist in any one or more instances upon the strict performance of any of the covenants, agreements, terms, provisions or conditions of this Agreement or to exercise any election or option herein contained shall not be construed as a waiver or relinquishment for the future of such covenant agreement, term, provision, condition, election or option, but the same shall continue and remain in full force and effect. No waiver by Tenant or Landlord of any covenant, agreement, term, provision, condition or option of this Agreement shall be deemed to have been made unless expressed in writing and signed by the appropriate official on behalf of Landlord or by an officer of Tenant. Neither payment of money by Tenant to Landlord or by Landlord to Tenant nor the receipt and retention by Landlord or Tenant, as the case may be, of such money, with knowledge of the breach of any covenant, agreement, term, provision or condition herein contained shall be deemed a waiver of such breach.

ARTICLE 22

BOOKS AND RECORDS; AUDIT

Section 22.1 Books and Records; Audit. Landlord and Tenant shall each keep full, true and correct contracts, books and records in accordance with generally accepted accounting principles consistently applied (and shall require all of its concessionaires to keep such books and records of its transactions) upon which the calculation of payments to be made hereunder are to be computed. Such books and records of Landlord or Tenant (or of such concessionaires) shall be open to inspection and copying by the other parties' duly authorized representatives at all reasonable times but no less than once per year. Landlord and Tenant shall each furnish to the

other reports reasonably detailed as to such transactions in form sufficient so that the computations necessary to calculate the payments required to be made hereunder may be readily made using the form of report annexed hereto as Exhibit D. Landlord and Tenant and their respective representatives shall be vested with such reasonable right to examine and audit all such contracts, books, records and accounts of the other as may be necessary to determine and verify the amounts of monies payable from time to time under this Agreement. such contracts, books and records shall be maintained by Landlord and Tenant at such places in the State of New Jersey as shall be designated by each party and shall not be removed or destroyed for a period of five (5) years after expiration of the period for which the required accounting has been made or after the due date of the required payment. If the books and records of either Landlord or Tenant are computerized a standard software program shall be designed to facilitate the furnishing of the information required to be furnished by such party and such party shall furnish to the other party printouts of such information, together with the requisite coding information necessary to interpret such printouts.

ARTICLE 23

REASONABLENESS; DEEMED APPROVAL

Section 23.1 Consent or Approval. Except as otherwise provided in this Agreement, where either Landlord or Tenant is given the right to consent to or approve any action to be taken by the other, notice of such consent or approval in writing shall be promptly delivered to the other party and such consent or approval shall not be unreasonably withheld, conditioned or delayed.

ARTICLE 24

ASSIGNMENT; SUBLEASE

Section 24.1 Assignment. Tenant shall not assign this Agreement or its rights hereunder in full or in part to anyone without the express written consent of Landlord and, if applicable, NJEFA and the State House Commission; any purported assignment in contravention of this Section shall be void. Any future owner and/or operator of the Stadium or other successor to Landlord hereunder shall be required, prior to succeeding to such position, to execute and deliver to Tenant an instrument whereby such successor or assignee specifically assumes all of the obligations of Landlord under this Agreement. Tenant acknowledges and agrees that no assignment of this Lease or any sublease of all or any portion of the Subleased Premises will release or discharge Tenant or any successor tenant thereto from any liability under this Agreement and such party(ies) will continue to be liable under this Agreement for the payment of all monies due under this Agreement and for the performance of all other obligations to be performed by Tenant under this Agreement. Landlord has the option to waive the provisions of the preceding sentence at its discretion.

Section 24.2 Agreements, Licenses, etc. Tenant shall have the right, without the consent of the Landlord, at any time from time to time during the Term, to Sublease the Stadium to other promoters or operators in the ordinary course of business (i.e. on a daily or weekly basis, but not for a material portion of the remaining Term), to grant concession rights to vendors or other concessionaires for the sale of food, candy, cigarettes, beverages, non-university merchandise or

similar items, provided, however, that any exercise of such rights shall be made subject to all of the provisions of this Agreement and shall not discharge the Tenant of its obligations hereunder.

ARTICLE 25

NOTICES

Section 25.1 Notices. Every notice or other communication required or contemplated by this Agreement shall be in writing and sent by: (a) certified or registered mail, postage prepaid, return receipt requested, (b) nationally recognized overnight courier, such as Federal Express or UPS, or (c) or sent by email (followed by the delivery of such notice the next day by either of the methods in clauses (a) or (b) above), in each case addressed to the intended recipient at the address set forth hereinbelow or at such other address as the intended recipient previously designated by written notice to the other party. As of the Effective Date, notices or other communications required or contemplated by this Agreement shall be addressed as follows:

To Landlord:
Montclair State University

1 Normal Avenue
Montclair, New Jersey 07043
Attention: Vice President for Finance and Treasurer

with a copy to:
Montclair State University
Office of the President
1 Normal Avenue
Montclair, New Jersey 07043
Attention: University Counsel

With a copy to Counsel:
Windels Marx Lane & Mittendorf, LLP
120 Albany Street Plaza, 6th Floor
New Brunswick, New Jersey 08901
Attention: Anthony R. Coscia, Esquire

To Tenant:
University Sports & Entertainment, LLC
Street address
Municipality, State ZIP code

with a copy to:

Darryl Siss, Esq.
Teschon, Riccobene & Siss, PA
327 Godwin Ave

Midland Park, NJ 07432
P. 201-670-4400
Fx. 201-670-6023
email - darryl@trslawfirm.com

Notwithstanding the foregoing, all invoices and statements may be served by ordinary mail or otherwise delivered to Tenant or left at the Premises. Attorneys for a party shall be authorized to give notices on behalf of such party and any notice delivered by the attorney for Landlord or Tenant shall be deemed to be delivered by Tenant or Landlord, as the case may be.

ARTICLE 26

BROKERS

Landlord and Tenant each represents and warrants to the other that neither has had any dealings or entered into any agreements with any person, entity, realtor, broker, agent or finder in connection with the negotiation of this Agreement. Landlord and Tenant each hereby indemnify the other from all loss, cost, damage, liability or expense arising from any claim for any compensation, commission or charges claimed by any other realtor, broker, agent, or finder claiming to have dealt with either Landlord or Tenant, as the case may be, in connection with this Agreement.

ARTICLE 27

MISCELLANEOUS

Section 27.1 Successor and Assigns. The terms, covenants and conditions contained in this Agreement shall bind and inure to the benefit of Landlord and Tenant only (and not to the benefit of any third party and no such third party may rely on this Agreement), and their respective successors and, to the extent permitted herein, to their respective assigns.

Section 27.2 Survival of Terms. [Sections 2.6, 15.1(c), 15.1(e), 15.1(c), and 22.1] shall survive termination or earlier expiration of this Agreement.

Section 27.3 Condemnation. Tenant waives any right to a condemnation award in connection with the Stadium, along with any relocation expenses to which it may be entitled in a condemnation proceeding. In the event that a condemnation action is filed, the University shall have the unilateral right to terminate this Agreement.

Section 27.4 Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 27.5 No Surrender. No act or thing done by Landlord or Landlord's agents during the Term will be deemed an acceptance of a surrender of the Premises, and no agreement to

accept such surrender will be valid unless in writing and signed by Landlord. No employee of Landlord or Landlord's agents will have any authority to accept the keys to the Premises prior to the Termination Date and the delivery of keys to any employee of Landlord or Landlord's agents will not operate as an acceptance of a termination of this Lease or an acceptance of a surrender of the Premises.

Section 27.6 Statements and Bills. Landlord's failure to prepare and deliver to Tenant any statement, notice or bill will in no way cause Landlord to forfeit or surrender its rights to collect any amounts due and owing to Landlord.

Section 27.7 Liability of Landlord. The term "**Landlord**" as used in this Agreement, so far as the covenants and agreements on the part of Landlord are concerned, shall be limited to mean and include only the owner (or lessee, as applicable) or mortgagee(s) in possession at the time in question of the landlord's interest in this Lease. Landlord may sell its fee ownership or leasehold interest in the Stadium or the Property, or transfer or assign its rights under this Agreement, or both. In the event of any sale of such interest or transfer of such rights and upon the assumption, in writing, of the obligations of Landlord under this Agreement by such assignee or transferee, Landlord herein named (and in case of any subsequent transfer, the then assignor) shall be automatically freed and relieved from and after the date of such transfer of all liability in respect of the performance of any of Landlord's covenants and agreements thereafter accruing, and such transferee shall thereafter be automatically bound by all of such covenants and agreements, subject, however, to the terms of this Agreement; it being intended that Landlord's covenants and agreements shall be binding on Landlord, its successors and assigns, only during and in respect of their successive periods of such ownership or leasehold interest.

Section 27.8 Air Rights. This Lease does not grant Tenant any rights to a view or to light or to air or to any other property within the Campus other than within the Stadium, whether belonging to Landlord or any other person.

Section 27.9 Flood Zone Disclosure. Pursuant to N.J.S.A. 46:8-50, Landlord is required to inform Tenant if the Premises is located in, or if in the future the Premises is determined to be located in, a flood zone or area. To Landlord's knowledge as of the date hereof, the Premises is not located in a flood zone or area.

Section 27.10 Quiet Enjoyment. Provided Tenant is not in default hereunder, Tenant shall have quiet possession of the Premises for the entire Term hereof subject to all of the provisions of this Lease, without interference from Landlord or anyone claiming by, through or under Landlord.

Section 27.11 Business Registration (Contracts in excess of \$4,950). Tenant must obtain a Business Registration Certificate (BRC) from the Department of the Treasury, Division of Revenue prior to conducting business in the State of New Jersey. Tenant must provide proof of a valid and current business registration with the Division of Revenue to the University's Procurement Services Department before starting work under the Agreement. Any questions in this regard can be directed to the Division of Revenue at (609) 292-1730. Form NJ-REG. can be filed online at www.state.nj.us/njbgs/services/html. All sub-contractors of Tenant must provide Tenant with a copy of a current and valid Business Registration Certificate. Tenant must forward

the Business Registration Certificates of all subcontractors to Landlord prior to any subcontractor starting work under the Agreement.

Section 27.12 Prevailing Wage Act. The New Jersey Prevailing Wage Act, N.J.S.A. 34:11-56.26 et seq. is hereby made part of this Agreement. Tenant agrees that any contracts it enters into in connection with the construction of any alterations, additions or improvements shall comply with the New Jersey Prevailing Wage Act, to the extent applicable. Tenant shall be permitted to select its contractors without any requirement to submit the contracts for public bidding.

Section 27.13 Anti-Discrimination. –Tenant agrees not to discriminate in employment and agrees to abide by all anti-discrimination laws including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A.10:5-1 et seq. and N.J.S.A.10:5-31 through 10:5-38, and all rules and regulations issued thereunder. Tenant also agrees to the mandatory EEO/AA language for goods and services and professional services contracts or construction contracts awarded by a public agency, as applicable, as more fully set forth in N.J.A.C. 17:27-3.5 and 3.7, or N.J..A.C. 17:27-3.6 and 3.8 respectively, and as fully restated herein and as more fully stated on the University’s website at:

<http://www.montclair.edu/media/montclairedu/financetreasurer/forms/vendor/AA-for-Goods-and-Services.pdf> (attached as Exhibit F); and

<http://www.montclair.edu/media/montclairedu/financetreasurer/forms/vendor/AA-for-Construction.pdf> (attached as Exhibit F to this Agreement.)

Section 27.14 The Worker and Community Right to Know Act. The provisions of N.J.S.A. 34:5A-1 et seq. which require the labeling of all containers of hazardous substances are applicable to the Agreement. Therefore, all goods offered for purchase to Landlord must be labeled by Tenant in compliance with the provisions of the Act.

Section 27.15 Ownership Disclosure. As a condition precedent to this Agreement, Tenant shall complete an Ownership Disclosure Form, disclosing the names and addresses of all its owners holding 10% or more of the corporation or partnership's stock or interest. Refer to N.J.S.A. 52:25-24.2.

Section 27.16 Compliance with N.J.S.A. 19:44A-20.13 et seq. and Executive Order No. 7 “Pay to Play” Act. The University's Procurement Services Department will provide Tenant with a “Contractor's Certification and Disclosure of Political Contribution Form” to complete. The Procurement Services Department will forward the completed Form to the State Treasurer or his designee for review pursuant to the Act. In the event the State Treasurer determines that the Act precludes a contract award to the Tenant, the Agreement shall be null and void, ab initio. Tenant has a continuing duty to disclose all contributions that may be made during the term of the Agreement. In such event, the Tenant must immediately complete the Continuing Disclosure of Political Contributions Form and submit the completed Form to Landlord's Procurement Services Department. All forms and instructions are available from Landlord's Procurement Services Department.

Section 27.17 Performance Within United States. Contracts primarily for the performance of services shall require services to be performed under the contract or any subcontract to be performed within the United States unless: (a) the University’s Contracting Officer certifies in writing that the service cannot be provided within the United States; or (b) the University’s

Contracting Officer certifies in writing that performance of the services within the United States would violate the terms, conditions or limitations of any grant, funding or financial assistance from the federal government or any agency thereof.

Section 27.18 Political Contribution Disclosure by Tenant. If the contract is in excess of \$17,500, the Tenant shall comply with P.L. 2005, c.271, by completing and submitting to Landlord's Procurement Services Department the required Chapter 271 Political Contribution Disclosure Forms, before the effective date of the Agreement. Failure to comply with this political contribution disclosure requirement may result in the cancellation of the contract and/or imposition of financial penalties by the New Jersey Election Law Enforcement Commission ("ELEC"). Additional information about this requirement is available from ELEC at 888-313-3532 or at <http://www.elec.state.nj.us/>.

Section 27.19 Annual ELEC Disclosure Obligation. Tenant shall file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to P.L. 2005, c. 271, section 3 if Tenant receives contracts in excess of \$50,000 from a public entity in a calendar year. It is Tenant's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at <http://www.elec.state.nj.us/>

Section 27.20. Maintenance of Records. Tenant shall maintain records for the payment and construction of any alterations, additions or improvements, and payments made to and received from Landlord for a period of five (5) years from the date of termination of this Agreement. Such records shall be made reasonably available upon the request of any governmental agency for purposes of conducting an audit.

Section 27.21 Standards Prohibiting Conflicts Of Interest. The following prohibitions on Tenant activities shall apply to all contracts or purchase agreements made with the University, pursuant to Executive Order No. 189 (1988):

(a) Tenant shall not pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any University officer or employee or to any member of the immediate family, as defined by N.J.S.A. 52:13D-13i., of any such University officer or employee, or partnership, firm or corporation with which they are employed or associated, or in which such University officer or employee has an interest within the meaning of N.J.S.A. 52:13D-13g.

(b) The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any University officer or employee from the Tenant shall be reported in writing forthwith by Tenant to the Attorney General and the Executive Commission on Ethical Standards.

(c) Tenant may not, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in Tenant to, any University officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to the University, or with any person, firm or entity with which he or she is employed or associated or in which he or she has an interest within the meaning of N.J.S.A. 52:13D-13g. Any relationships subject to this provision shall be reported

in writing forthwith to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the University officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.

(d) Tenant shall not influence, or attempt to influence or cause to be influenced, any University officer or employee in his or her official capacity in any manner which might tend to impair the objectivity or independence of judgment of said officer or employee.

(e) Tenant shall not cause or influence, or attempt to cause or influence, any University officer or employee to use, or attempt to use, his or her official position to secure unwarranted privileges or advantages for the vendor or any other person.

(f) The provisions cited above shall not be construed to prohibit a University officer or employee from receiving gifts from or contracting with Tenant under the same terms and conditions as are offered or made available to members of the general public.

Section 27.22 Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Landlord and Tenant have duly affixed their signatures as of the ____ day of _____, 2017.

MONTCLAIR STATE UNIVERSITY

By:

Name: Jon Rosenhein
Title: Vice President for Finance and
Treasurer

UNIVERSITY SPORTS & ENTERTAINMENT
LLC

By:

Name: Al Dorso
Title: Managing Member

The New Jersey Educational Facilities Authority does hereby consent to the execution and delivery of the forgoing Agreement.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By: _____

Jeremy A. Spector, Executive Director

EXHIBIT "A"

The Property

EXHIBIT "B"

Team Equipment:

Maintenance Equipment

All equipment and vehicles, including:

Reel Mower
Quad
Tri-vehicle
Hand mower
Leaf blower
Power washer
Hoses
Rakes
Step ladders

PRESS BOX

Two CPUs, keyboard and monitors
Phones
Folding tables
Fans

CRAFT BEER ROOM

Tables with booth seating
Wall menu and signage
Stainless counter top
Bar enclosure
Portable hand sink

LOCKER ROOMS

Leisure furniture
Jackals logo chairs
Tables
Folding tables
Fans
Coolers/buckets

Tubs
Hoses
Water coolers
Coaches room furniture

RETAIL STORE

Display racks
Display cabinets
Display tables/cabinets/racks
Two POS computers
Retail Inventory (List attached)

CONCESSIONS ONE - 1st base

Grills
Fryers
Popcorn makers
Pretzel warmers
Hot plates
Hot dog rollers
Warming rack
Smoothie machine
Portable refrigerators
Carts
Coolers
Buckets
Safe

CONCESSIONS TWO - 3rd base

Grills
Fryers
Popcorn makers
Pretzel warmers
Hot plates
Hot dog rollers
Warming rack
Refrigerators - several sizes
Service carts
Ice Coolers

Buckets
Draft beer system
Cooking utensils
Storage racks
Mops/buckets
Hoses
Brooms
Portable Freezers
Napkin dispensers
Safe

OUTDOOR PICNIC AREAS

Tents
Beer/drink concession tubs/coolers
Plastic bins/coolers
Folding tables
Umbrellas
Grills
Tiki hut

OFFICES

Built in desks and dividers
Computers
Phones
Copiers, printers
Desks, chairs
Storage cabinets
Safe

TICKET BOOTH

Ticket System and printer
Three CPUs, keyboards, monitors

Vendor Equipment:

CRAFT BEER ROOM

Portable beer dispenser
Bar enclosure
Wall menu
Wall decorative features
Games

LOCKER ROOMS

Portable Pepsi refrigerators

CONCESSIONS ONE - 1st base

Pretzel oven
Beer taps and lines
Soda fountain system
Cheese dispensers
Smoothie machine
Coffee makers
Snack displays
Pepsi refrigerators
Beer carts

CONCESSIONS TWO - 3rd base

Pretzel oven
Beer taps and lines
Soda fountain system
Cheese dispensers
Smoothie machine
Coffee makers
Snack displays
Pepsi refrigerators
Beer carts

OUTDOOR PICNIC AREAS

Portable beer taps

EXHIBIT "C"

Parking Facilities

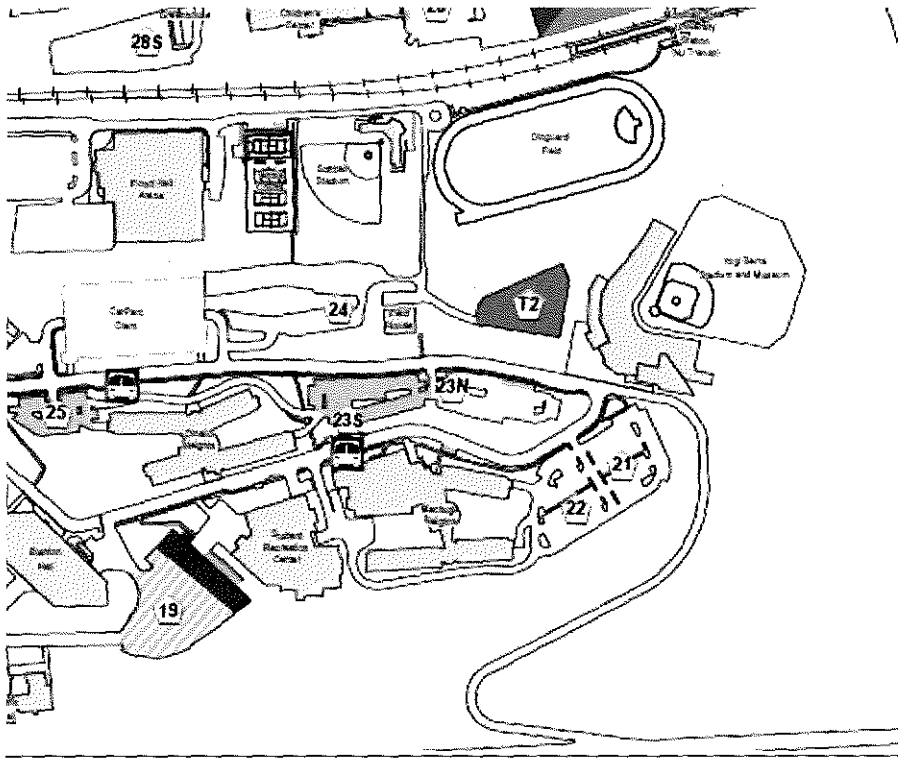


EXHIBIT "D"

Template for Reporting Revenue

EXHIBIT "E"

Baseball Attendance	Cumulative Annual Payments Made to the University (\$1.00 per ticket plus Minimum Attendance Rent payments)
≤ 50000	\$100,000
≤ 60000	\$100,000
≤ 70000	\$100,000
≤ 80000	\$100,000
≤ 90000	\$100,000
≤ 100,000	\$100,000
105,000	\$105,000
110,000	\$125,000
125,000	\$150,000
135,000	\$175,000
175,000	\$200,000
200,000	\$225,000
225,000	\$250,000
250,000	\$275,000
275,000	\$300,000
300,000	\$325,000
325,000	\$350,000

EXHIBIT "F"

Affirmative Action Requirements

(REVISED 4/10)

EXHIBIT A

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE

N.J.S.A. 10:5-31 et seq. (P.L. 1975, C. 127)

N.J.A.C. 17:27

GOODS, PROFESSIONAL SERVICE AND GENERAL SERVICE CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer, advising the labor union of the contractor's commitments under this chapter and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2.

EXHIBIT A (Cont)

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the targeted employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval

Certificate of Employee Information Report

Employee Information Report Form AA302 (electronically provided by the Division and distributed to the public agency through the Division's website at www.state.nj.us/treasury/contract_compliance)

The contractor and its subcontractors shall furnish such reports or other documents to the Division of Public Contracts Equal Employment Opportunity Compliance as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Public Contracts Equal Employment Opportunity Compliance for conducting a compliance investigation pursuant to **Subchapter 10 of the Administrative Code at N.J.A.C. 17:27.**

(REVISED 4/10)

EXHIBIT B

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE
N.J.S.A. 10:5-31 et seq. (P.L. 1975, C. 127)
N.J.A.C. 17:27

CONSTRUCTION CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, up-grading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer, pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

When hiring or scheduling workers in each construction trade, the contractor or subcontractor agrees to make good faith efforts to employ minority and women workers in each construction trade consistent with the targeted employment goal prescribed by N.J.A.C. 17:27-7.2; provided, however, that the Division may, in its discretion, exempt a contractor or subcontractor from compliance with the good faith procedures prescribed by the following provisions, A, B and C, as long as the Division is satisfied that the contractor or subcontractor is employing workers provided by a union which provides evidence, in accordance with standards prescribed by the Division, that its percentage of active "card carrying" members who are minority and women workers is equal to or greater than the targeted employment goal established in accordance with N.J.A.C. 17:27-7.2. The contractor or subcontractor agrees that a good faith effort shall include compliance with the following procedures:

EXHIBIT B (Cont)

(A) If the contractor or subcontractor has a referral agreement or arrangement with a union for a construction trade, the contractor or subcontractor shall, within three business days of the contract award, seek assurances from the union that it will cooperate with the contractor or subcontractor as it fulfills its affirmative action obligations under this contract and in accordance with the rules promulgated by the Treasurer pursuant to N.J.S.A. 10:531 et. seq., as supplemented and amended from time to time and the Americans with Disabilities Act. If the contractor or subcontractor is unable to obtain said assurances from the construction trade union at least five business days prior to the commencement of construction work, the contractor or subcontractor agrees to afford equal employment opportunities minority and women workers directly, consistent with this chapter. If the contractor's or subcontractor's prior experience with a construction trade union, regardless of whether the union has provided said assurances, indicates a significant possibility that the trade union will not refer sufficient minority and women workers consistent with affording equal employment opportunities as specified in this chapter, the contractor or subcontractor agrees to be prepared to provide such opportunities to minority and women workers directly, consistent with this chapter, by complying with the hiring or scheduling procedures prescribed under (B) below; and the contractor or subcontractor further agrees to take said action immediately if it determines that the union is not referring minority and women workers consistent with the equal employment opportunity goals set forth in this chapter.

(B) If good faith efforts to meet targeted employment goals have not or cannot be met for each construction trade by adhering to the procedures of (A) above, or if the contractor does not have a referral agreement or arrangement with a union for a construction trade, the contractor or subcontractor agrees to take the following actions:

(1) To notify the public agency compliance officer, the Division, and minority and women referral organizations listed by the Division pursuant to N.J.A.C. 17:27-5.3, of its workforce needs, and request referral of minority and women workers;

(2) To notify any minority and women workers who have been listed with it as awaiting available vacancies;

(3) Prior to commencement of work, to request that the local construction trade union refer minority and women workers to fill job openings, provided the contractor or subcontractor has a referral agreement or arrangement with a union for the construction trade;

(4) To leave standing requests for additional referral to minority and women workers with the local construction trade union, provided the contractor or subcontractor has a referral agreement or arrangement with a union for the construction trade, the State Training and Employment Service and other approved referral sources in the area;

(5) If it is necessary to lay off some of the workers in a given trade on the construction site, layoffs shall be conducted in compliance with the equal employment opportunity and non-discrimination standards set forth in this regulation, as well as with applicable Federal and State court decisions;

(6) To adhere to the following procedure when minority and women workers apply or are referred to the contractor or subcontractor:

EXHIBIT B (Cont)

(i) The contractor or subcontractor shall interview the referred minority or women worker.

(ii) If said individuals have never previously received any document or certification signifying a level of qualification lower than that required in order to perform the work of the construction trade, the contractor or subcontractor shall in good faith determine the qualifications of such individuals. The contractor or subcontractor shall hire or schedule those individuals who satisfy appropriate qualification standards in conformity with the equal employment opportunity and non-discrimination principles set forth in this chapter. However, a contractor or subcontractor shall determine that the individual at least possesses the requisite skills, and experience recognized by a union, apprentice program or a referral agency, provided the referral agency is acceptable to the Division. If necessary, the contractor or subcontractor shall hire or schedule minority and women workers who qualify as trainees pursuant to these rules. All of the requirements, however, are limited by the provisions of (C) below.

(iii) The name of any interested women or minority individual shall be maintained on a waiting list, and shall be considered for employment as described in (i) above, whenever vacancies occur. At the request of the Division, the contractor or subcontractor shall provide evidence of its good faith efforts to employ women and minorities from the list to fill vacancies.

(iv) If, for any reason, said contractor or subcontractor determines that a minority individual or a woman is not qualified or if the individual qualifies as an advanced trainee or apprentice, the contractor or subcontractor shall inform the individual in writing of the reasons for the determination, maintain a copy of the determination in its files, and send a copy to the public agency compliance officer and to the Division.

(7) To keep a complete and accurate record of all requests made for the referral of workers in any trade covered by the contract, on forms made available by the Division and submitted promptly to the Division upon request.

(C) The contractor or subcontractor agrees that nothing contained in (B) above shall preclude the contractor or subcontractor from complying with the union hiring hall or apprenticeship policies in any applicable collective bargaining agreement or union hiring hall arrangement, and, where required by custom or agreement, it shall send journeymen and trainees to the union for referral, or to the apprenticeship program for admission, pursuant to such agreement or arrangement. However, where the practices of a union or apprenticeship program will result in the exclusion of minorities and women or the failure to refer minorities and women consistent with the targeted county employment goal, the contractor or subcontractor shall consider for employment persons referred pursuant to (B) above without regard to such agreement or arrangement; provided further, however, that the contractor or subcontractor shall not be required to employ women and minority advanced trainees and trainees in numbers which result in the employment of advanced trainees and trainees as a percentage of the total workforce for the construction trade, which percentage significantly exceeds the apprentice to journey worker ratio specified in the applicable collective bargaining agreement, or in the absence of a collective bargaining agreement, exceeds the ratio established by practice in the area for said construction trade. Also, the contractor or subcontractor agrees that, in implementing the procedures of (B) above, it shall, where applicable, employ minority and women workers residing within the geographical jurisdiction of the union.

EXHIBIT "G"

Stadium Equipment:

PRESS BOX

Sound system

Microphones

Chairs

FIELD EQUIPMENT

All field equipment, including:

BP Backstop

BP Screens

Tarp

Bases

Winter Field Blanket

LOCKER ROOMS

Lockers

Massage tables

Storage closets

Ice machine

Stainless Steel Refrigerator

Coaches Desk

Garbage cans

CONCESSIONS ONE - 1st base

Walk-in freezer

Walk-in refrigerator

Overhead ventilation system

Cabinets and counters

Sinks and drying racks

CONCESSIONS TWO - 3rd base

Walk-in freezer

Walk-in refrigerator

Overhead ventilation system

Cabinets and counters

Sinks and drying racks

Convection Ovens

OUTDOOR PICNIC AREAS

Picnic tables

Plastic garbage cans

FIRST AID STATION

Lockers

Folding chairs

Bed

Desk

EXHIBIT "H"

Landlord Construction Procedures

1.2. Design Development Submissions; MSU Review.

a. Development Representatives. Prior to the commencement of any construction, Landlord and Tenant shall designate a qualified individual (the "Designated Representative") to act as their representative in connection with the construction of improvements. Each party shall be entitled to rely on consents, approvals and directions given in writing by their respective Designated Representative. Either party may change their Designated Representative by written notice to the other party.

b. Requests for Information. Landlord and Tenant shall promptly furnish to the other party such information as such party may reasonably request (and which is available to such party without hardship or expense) to facilitate the development of plans and specifications for the improvements. The foregoing shall not obligate either party to undertake or otherwise conduct any investigations, tests, studies or surveys or to incur out of pocket costs to third parties, except as provided herein.

c. Review of Plans and Specifications; Design Development Procedures. Tenant shall regularly consult with MSU with respect to the design and construction of improvements ("Improvements") before and after the formal submission of plans and specifications for review, comment and approval by MSU. The final plans and specifications shall be developed in accordance with the following procedures:

(i) Tenant shall submit to MSU concept plans of Improvements for review and approval, showing the location of the Improvements, the manner in which the Improvements will be integrated into existing improvements, a list or samples of finish materials to be used in connection with the Improvements, mock-ups of any signage, concept elevation drawings and such other information reasonably required by MSU to evaluate the concepts for the layout, location and appearance of the proposed Improvements (the "Sketch Plan"). If any changes are proposed to the Sketch Plans, MSU shall review and respond to the changes to the Sketch Plan within 14 (14) business days of receipt with comments or the approval of MSU. The parties shall exchange comments and iterations of the Sketch Plans as necessary to obtain the approval of MSU.

(ii) During the succeeding 60 day period following the approval of the Sketch Plan, Tenant shall cause to be prepared complete architectural drawings for the Improvements based upon the Sketch Plan (the "Architectural Drawings") and drawings for the electrical, mechanical, plumbing and fire protection for the Improvements as applicable (the "Engineering Drawings"). The Architectural Drawings and the Engineering Drawings are referred to collectively herein as the "Construction Drawings". The Construction Drawings shall include the following drawings at a minimum:

Title Sheet

Legend & General Notes

Removal Plan

Site Plan

Grading and Drainage Plan

Soil Erosion and Sediment Control Plan

Soil Erosion and Sediment Control Details

Sections

Site Details

Landscaping Plan

Landscaping Details

Structural Notes

Foundation Plan

Structural Details

Grandstand Plans

Electrical legend and General Notes

Electrical Site Plan

Electrical Single Line Diagrams

Electrical Details

(iii) Promptly upon the receipt of any Construction Drawings or any portion thereof (any portion of the Construction Drawings that are less than a complete set of Construction Drawings are referred to herein as “Design Documents”), MSU shall review each such Design Document or Construction Drawing, as the case may be (“MSU’s Review of Design Documents”). MSU’s Review of Design Documents shall be solely for (y) the compatibility of the Improvements with the Sketch Plan and existing campus Improvements, including without limitation, exterior design, parking capacity, paths of pedestrian travel and lines of sight and (z) conformity with (A) MSU Construction Standards; (B) legal requirements; and (C) insurance requirements. MSU’s rejection of any Construction Documents or Design Documents shall be limited to that portion of the Construction Documents or Design Documents which is deemed incompatible with the Sketch Plan or Design Documents previously reviewed and approved by MSU. MSU shall within twenty

one (21) days after receipt of each such Design Document or Construction Drawings, as the case may be, inform TENANT, in writing, of MSU's approval, which approval shall not be unreasonably withheld, conditioned or delayed, or request modifications to the Design Documents, stating the reasonable basis for ordering such modifications, which modifications shall relate solely to the matters set forth above. The final Construction Drawings shall include, without limitation, floor plans, reflected ceiling plans, power and communications (voice and data wiring) plans, mechanical plans, electrical plans, fire protection plans, plumbing plans and other details and schedules of all mechanical, electrical and fire protection equipment and of all custom millwork, finishes, partitions, doors, ceilings, lighting fixtures, switches, receptacles, outlets and other Improvements to be installed. The final Construction Drawings as approved by MSU shall be referred to herein as the "Final Plans". The Final Plans shall be used to bid or contract the Work and obtain the building permits for the construction of the Premises. Upon approval of the Final Plans by MSU and Tenant, Tenant will file the Final Plans with the appropriate governmental agencies to obtain building permits and exercise best efforts to achieve the issuance of the building permits so as to cause substantial completion of the Premises by a date that is not later than the completion date agreed to by the parties. The Final Plans shall not be revised without the prior written approval of MSU.

d. Pre-Construction and Construction Procedures.

(i) Tenant shall endeavor to provide no less than thirty (30) days' prior written notice to MSU of its intention to commence Work which notice shall provide such information and documentation pertaining to such Work as is described below in this Section (the "Work Plan"). The Work Plan shall include, without limitation, the following: (i) a narrative that describes in reasonable detail that portion of the Work to be performed and, in particular, involvement or impact on any parking area or pedestrian or vehicular access way; (ii) a written designation of the Work Zone; (iii) site security plan, including locations of fencing and ingress and egress into the Work Zone; (iv) Plans and Specifications (permit set) for such Work; (v) designated routes within the MSU campus for delivery of materials; (vi) locations of parking and path of access within the MSU campus for construction workers and (vii) such other matters as MSU may reasonably request be included based on the nature and scope of the Work being performed. MSU shall have the right to raise objections to the Work Plan to (collectively "Work Objections"). Tenant shall not commence that aspect of Work that involves a Work Objection until Tenant addresses as appropriate pursuant to the terms of this Agreement, the applicable Work Objection. Once approved, Tenant may proceed with the Work strictly in accordance with the approved Work Plan.

(ii) Tenant acknowledges that the Improvements upon completion will be located on the Yogi Berra Stadium of the MSU campus, and accordingly MSU has a material and substantial interest in the conformity of the Improvements to the Final Plans. During any Construction Period, Tenant shall provide the MSU Designated Representative and its consultants with reasonable access to the Work Zone and at off-site fabrication facilities to the extent applicable at times and in a manner sufficient to confirm the conformity of the Work in progress with the Final Plans and the performance of the Work in accordance with the Work Plan. Tenant shall keep in the field office for its Work and thereafter at its principal business office in the State of New Jersey so as to be available for inspection by MSU during business hours copies of all

documents and permits relating to the Work, including but not limited to the permit set of Final Plans, insurance certificates, photographs and video, inspection reports, project budgets, schedules, warranties, certificates of completion and certificates of occupancy. MSU's Designated Representative may attend any and all project meetings and MSU's Designated Representative shall be advised of the time and location of all project meetings in a manner intended to facilitate attendance by the MSU Designated Representative. Project meetings shall be held in the local field office or at such other mutually acceptable location as may be appropriate taking into consideration the agenda and the progress meeting attendees. Prior to the progress meeting, representatives of MSU may visit a Work Zone accompanied by representatives of Tenant or its consultants, contractors and subcontractors, as applicable, to inspect the progress of the Work. At the progress meeting, information gathered from the inspection or other sources may be reasonably evaluated by MSU to determine material compliance with Final Plans and Work Plan. Tenant or Tenant's Designated Representative shall prepare or cause to be prepared and distributed in no event later than with the delivery of the notice for the next scheduled progress meeting, an action item list compiled at the progress meeting for review by MSU. Such action item list shall be updated as part of the regular meeting agenda.

(iii) MSU may object to any portion of the Work in progress based on failure to conform to the Final Plans or comply with the Work Plan by written notice to Tenant (an "Objection Notice"). Any Objection Notice issued by MSU shall state the basis for the objection with particularity and the proposed remedial action. Upon receipt of an Objection Notice, Tenant shall take or cause to be taken appropriate remedial action.

(iv) In the event of a Work Objection or Objection Notice, MSU and Tenant shall cooperate to the best of their ability with each other and with other involved third parties with respect to resolution of issues involving the Work. In the event that the parties are unable to agree on the resolution of a dispute hereunder at the staff level, the Vice President of Operations of Tenant and the Vice President for Finance and Treasurer of MSU, or their respective designees, will meet within five (5) business days of either party's request therefor, to resolve the dispute. In the event that the Vice President of Operations of Tenant and the Vice President for Finance and Treasurer of MSU, or their respective designees are unable to resolve the dispute at such meeting, they may agree to further dispute resolution procedures.

(v) Following the Substantial Completion of the Work, Tenant shall conduct a final inspection of the Work with MSU representatives, including the MSU Designated Representative and other appropriate parties using the Final Plans as the basis for determining whether the Improvements have been constructed in accordance with the Final Plans. Tenant shall prepare jointly with MSU, a final punch list for the Improvements (the "Final Punch List"), including a schedule for the completion of same and distribute to the construction contractor or the appropriate subcontractors for necessary corrective action. Upon Final Completion, Tenant shall (A) deliver as-built plans and project manuals to MSU and (b) cause MSU to be named as an additional party to all guaranties and warranties to the extent necessary to permit MSU to protect its rights as Licensor under this Agreement of the Improvements. Following Final Completion, MSU shall cooperate with Tenant to the extent necessary to make and pursue any and all guaranty

or warranty claims. At the time the Improvements are accepted by and turned over to MSU at the termination of this Agreement, Tenant and MSU shall enter into a written agreement acknowledging the effective date of the turnover.

1.3. Documents on Completion. Upon completion of construction of the Improvements, TENANT shall, at its sole cost and expense, arrange for the preparation and delivery to MSU of detailed "as built" plans, and a detailed "as built" survey which shows in detail the footprint of the Improvements, including utilities, easements, landscaping, roads, location of ingress and egress to and from the Improvements, lighting and location of signs. TENANT shall also deliver to MSU at that time, copies of all warranties, service and maintenance agreements and equipment manuals related to the Improvements that are in the possession of TENANT.

1.4. Applications for Approvals, Permits and Consents. MSU agrees to cooperate with and to use its best efforts to assist TENANT in its pursuit of all necessary approvals, permits, consents and the like in connection with the construction, development, maintenance, operation and use of the Improvements (the "Approvals"). MSU further covenants and agrees that to the extent required by applicable law, the foregoing applications (or any of them) shall be made in the name of TENANT, or if permitted, MSU shall join in such applications and MSU shall promptly execute and deliver such further documents and/or instruments as may be necessary to confirm the foregoing. Notwithstanding the foregoing, MSU represents, warrants and covenants that it shall obtain, no later than the effective date of the Agreement, all permits and permissions required by government agencies to allow MSU to sign this Agreement to permit TENANT to construct the Improvements as contemplated herein.

1.5. Performance of the Work. All construction work for Improvements shall be done by contractors selected by TENANT in a good and workman like manner, in compliance with all applicable laws and shall result in a facility with a certificate of occupancy or approval as applicable. Phase 1 Improvements shall be completed by TENANT no later than the Construction Period for Phase 1 Improvements. In the event that TENANT exercises its option for the Renewal Period, the Phase 2 Improvements shall be completed by TENANT no later than the Construction Period for Phase 2 Improvements.

1.6. No Warranties by Either Party. Except as expressly stated herein, neither party makes any warranties or representations and accepts no liabilities or responsibilities with respect to, or for, the adequacy, sufficiency or suitability of, or defects in, or with respect to, the design or construction of the Improvements.

1.7. MSU's Files. TENANT shall have the right to consult all reports, documents and materials that are in the possession of, or are otherwise accessible to, MSU regarding the Premises or any improvements in, on, under or about the Premises pursuant to the requirements of the Open Public Records Act. In addition, TENANT shall have the right, at its sole cost and expense, to consult with any of the architects, engineers or other professionals that have undertaken work for MSU.

1.8. Letter of Credit, Performance Bonds and Other Guaranties. Unless otherwise agreed to by Landlord, during any Construction Period, TENANT shall provide an irrevocable letter of credit upon terms acceptable to MSU in an amount equal to the value of improvements payable to MSU permitting MSU to draw down upon it in the event of a default by TENANT. TENANT shall cause its contractors to maintain payment and performance bonds in the amount equal to the cost to TENANT of the services to be rendered by such contractor(s) to TENANT (as set forth in a written agreement between TENANT and each such contractor) naming NJEFA and MSU as obligees, each such bond to be issued by a surety reasonably satisfactory to MSU.

1.9. Default in Contractor's Performance. In the event of a default by any contractor or subcontractor under any contract made in connection with the development and construction of the Improvements, TENANT will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of TENANT, against the contractor or subcontractor in default and against each surety for the performance of such contractor or subcontractor, if any. In the event TENANT fails to promptly cure a contractor default after notice from MSU and an opportunity for TENANT to cure the default, it shall be a default by TENANT of this Agreement. In the event of such a default, the University may, in addition to any other Remedies available to MSU in the Event of Default by TENANT: 1) provide notice to the surety or issuer of performance bonds that contractor is in default and take such action as is necessary to complete the Improvement with the surety or bond issuer, and/or 2) terminate the agreement with the contractor and complete the Improvements with a contractor selected by the University; and/or 3) terminate the Agreement and direct TENANT to restore the Premises to its original condition. In such event, TENANT shall be responsible for reimbursing the University all costs and expenses associated with a default by the contractor.

1.10. TENANT Right to Alter the Improvements. Subject to MSU's approval, which shall not be unreasonably withheld, conditioned or delayed, TENANT shall have the right, at its sole cost and expense, to make such other alterations, additions, modifications and improvements thereto as in TENANT's judgment are necessary or desirable in connection with the License, provided that none of the foregoing shall in any way damage the Premises, Improvements, or unreasonably interfere with MSU's use thereof and shall be consistent with the Mission style architectural elements on MSU's campus.

EXHIBIT "F"

[Reserved for Future Use]

[REDACTED]

1.11.

EXHIBIT C

Sub-Sublease Recognition Agreement and Modification of Sub-Sublease

THIS SUB-SUBLEASE RECOGNITION AGREEMENT AND MODIFICATION OF SUB-SUBLEASE (this "**Agreement**") made as of _____, 2017, by and between:

Montclair State University ("**MSU**"), with an address of 1 Normal Avenue, Montclair, New Jersey 07043; and

Friends of Yogi, Inc. ("**FOY**"), a New Jersey corporation, with an address of _____

(MSU and FOY shall be referred to individually as a "Party" and jointly, as the context requires, as the "Parties").

Whereas, Floyd Hall Enterprises, L.L.C. ("**FHE**"), as subtenant, and MSU, as sublandlord, entered into a certain Amended and Restated Sublease Agreement – Yogi Berra Stadium dated as of May 1, 1997 (as amended, the "**Sublease**"), pursuant to which FHE leased from MSU certain real property, as more particularly described in the Sublease (the "**Leased Premises**"), and undertook to build a baseball stadium facility (the "**Stadium**") on the Leased Premises; and

Whereas, FHE, as sub-sublandlord, and FOY, as sub-subtenant, entered into a certain Sub-Sublease Agreement for the Yogi Berra Museum dated as of May 1, 1997 (the "**Sub-Sublease**"), pursuant to which FHE leased to FOY certain premises within the Leased Premises, more fully described in the Sub-Sublease (the "**Subleased Premises**"), for the construction and operation of the Yogi Berra Museum (the "**Museum**"); and

Whereas, FOY has completed the construction of, and currently operates, the Museum; and

Whereas, FHE, as sub-sublandlord, and FOY, as sub-subtenant, entered into a certain Operating Agreement dated as of May 1, 1997 (as amended, the "**Operating Agreement**") with respect to the day to day operations of the Museum; and

Whereas, FHE and MSU, subject to the consent of NJEFA, wish to terminate the Sublease, with the effect that the interests of FHE in the Leased Premises and the Stadium shall terminate, and shall revert to MSU; and

Whereas, the Parties wish to provide for: (a) the recognition by MSU of the rights of FOY as the subtenant under the Sub-Sublease and the Operating Agreement; (b) the attornment by FOY to MSU under the terms of the Sub-Sublease; and (c) the modification of the Sub-Sublease and the Operating Agreement as set forth herein;

NOW, THEREFORE, for and in consideration of the promises and mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Recitals. The Parties confirm that the foregoing recitals are full, true and accurate, and are incorporated in this Agreement as if fully set forth herein.

2. Representations and Warranties of FOY. FOY does hereby represent and warrant that:

(a) A true copy of the Sub-Sublease is attached as Exhibit 1. The Sub-Sublease Agreement has not been modified, either in writing, verbally, or by any course of performance, except as set forth in Exhibit 1.

(b) The Sub-Sublease is in full force and effect.

(c) It is not, and, to the best of its knowledge, FHE is not, in breach of its obligations under the Sub-Sublease.

(d) It has not, and, to the best of its knowledge, FHE has not, transferred, assigned, encumbered, subleased (except Concession Agreement from FOY to LTD Enterprises) or sublicensed the Subleased Premises or any part thereof, the Sub-Sublease or any of its rights under the Sub-Sublease.

(e) It does not have any offsets, defenses, abatement, claims, counterclaims or recoupments against FHE.

(f) A true copy of the Operating Agreement is attached as Exhibit 2. The Operating Agreement has not been modified, either in writing, verbally, or by any course of performance, except as set forth in Exhibit 2.

(g) The Operating Agreement is in full force and effect.

(h) It is not, and, to the best of its knowledge, FHE is not, in breach of its obligations under the Operating Agreement.

(i) The Sub-Sublease and the Operating Agreement are the sole documents and agreements that relate to the occupancy by FOY of the Subleased Premises and the Museum.

(j) It is not entitled to any payments from FHE, or to any rent concessions or abatements under the Sub-Sublease or under the Operating Agreement.

(k) FHE is not obligated to perform any alterations or improvements to the Subleased Premises or otherwise for the benefit of FOY.

(l) The cost of the Museum improvements have been fully paid by FOY.

(m) FHE is not holding any security deposit, or any other funds of FOY.

(n) FOY has not prepaid any rent or other sum due to FOY under the Sub-Sublease or under the Operating Agreement.

3. Recognition. Effective on the date of the termination of the Sublease, for so long as the Sub-Sublease, as herein modified, shall remain in force and effect, and subject to the continued performance by FOY under the terms of the Sub-Sublease as herein modified, and under the terms of the Operating Agreement, MSU as landlord shall recognize of the rights of FOY as direct subtenant of MSU under the terms of the Sub-Sublease as herein modified, and the Operating Agreement, and shall disturb or deprive FOY of its possession or its right to possession of the Subleased Premises or of any interest, right or privilege granted to or inuring to the benefit of Subtenant under the Sub-Sublease

4. Attornment. Effective on the date of the termination of the Sublease, FOY shall attorn to MSU as landlord, under the terms of the Sub-Sublease as herein modified.

5. No Greater Rights. Nothing in this Agreement shall be construed to create in FOY rights against MSU that are greater than the rights which the Sub-Sublease confers upon FOY.

6. No Offsets or Defenses. MSU shall not be: (a) subject to any offsets, defenses, abatements, claims, counterclaims or recoupments which shall have accrued to FOY against FHE prior to the effective on the date of the termination of the Sublease; (b) liable for the return of any rental security or other deposits paid by FOY to FHE in accordance with the Sub-Sublease, except to the extent such sums are actually received by MSU; (c) bound by any payment of rents, additional rents or other sums which FOY may have paid to FHE more than one (1) month in advance, unless such sums are actually received by MSU; (d) bound by any previous amendment or modification of the Sub-Sublease or the Operating Agreement not disclosed in and attached to this Agreement and consented to by MSU; and (e) liable for the payment or performance of any obligation of FHE which may have arisen under the Sub-Sublease or the Operating Agreement before the effective on the date of the termination of the Sublease, or which may arise as a result of acts or omissions occurring prior to the effective on the date of the termination of the Sublease.

7. Substitution of MSU for FHE. Effective on the date of the termination of the Sublease, references in the Sub-Sublease and in the Operating Agreement to FHE in its capacity as sub-sublandlord shall be amended to reference MSU in its capacity as sub-landlord of FOY.

8. Modification of Sub-Sublease. Effective on the date of the termination of the Sublease, the Sub-Sublease is hereby modified as follows:

(a) Section 2(A)(6)(c) is modified to provide as follows: "FOY shall conduct its operations at the Museum so as not to materially interfere with or conflict with the use of the Stadium by: (i) MSU; (ii) any temporary licensee of MSU utilizing the Stadium from time to time; (iii) University Sports & Entertainment, LLC (with any future or successor baseball team leasing or licensing the Stadium for minor league games to be played by such team, a "**Stadium Baseball Tenant**"); or (iv) any concessionaire of MSU or any Stadium Baseball Tenant.

(b) Section 3(C) is modified to provide as follows: The term of the Agreement shall commence on the date this Recognition Agreement is signed by all parties and continue for a

period of five (5) years. Thereafter, the Agreement shall automatically renew for a one year period unless terminated in writing upon notice to the party.

(c) Section 4(A)(3) is modified to provide as follows:

(d) The following is added as Section 4(A)(4): "FOY shall pay reasonable charges for water services provided to the Subleased Premises as shall from time to time be determined by MSU. Such amounts shall be additional rent."

(e) Section 5(A)(4) is deleted.

(f) Section 7(D)(2) is deleted.

(g) Section 8(B) is modified to replace the term "FHE" where it appears in the Section with "MSU and/or Stadium Baseball Tenant."

(h) Section 8(C) is modified to provide as follows: "MSU shall negotiate in good faith with FOY to allow FOY to use the Stadium for events under terms and conditions that are reasonably satisfactory to both MSU and FOY; provided, however, that such events shall not compete or materially interfere with the use of the Stadium by MSU or any Stadium Baseball Tenant.

(i) Section 8(F) is modified to provide that each reference to "FHE" shall be amended to "MSU and any Stadium Baseball Tenant."

(j) The first sentence of the second paragraph of Section 8(F) is modified to replace the term "FHE minor league baseball games" with "MSU and/or Stadium Baseball Tenant baseball games."

(k) Section 8(H) is added to the Sub-Sublease, as follows: "All rights of MSU to use of the Museum under this Agreement, including under Section 8(B), and under the Operating Agreement, may be assigned or transferred to a Stadium Baseball Tenant, which shall have the same rights as MSU in such regards to the extent of any such transfer or assignment."

(l) Section 9(H) is modified to provide that each reference to "FHE" shall be amended to "any Stadium Baseball Tenant."

(m) Section 10(A) is modified to provide that the reference to "FHE" shall be amended to "MSU," and to delete the last sentence of the Section.

(n) Sections 12(C)(1) and 12(C)(3) are deleted.

(o) Sections 12(D)(2), 12(D)(3) and 12(D)(5) are deleted.

(p) Article 14 is deleted.

(q) Without limiting the foregoing, in all provisions of the Sub-Sublease where reference is made to "FHE," the reference shall be amended to "MSU."

9. Modification of Operating Agreement. Effective on the date of the termination of the Sublease, the Operating Agreement is hereby modified as follows:

(a) References in the Operating Agreement to the "sub-Sublease Agreement" shall be the Sub-Sublease as herein modified.

(b) Section 3.2 is modified to delete subsection "5)".

(c) The first paragraph of Section 7.2 is modified to add the following at the end of the Section " , or in any window areas or interior areas readily observable from the exterior of the Museum."

(d) The second paragraph of Section 7.2 is modified to delete the second sentence.

(e) Without limiting the foregoing, in all provisions of the Operating Agreement where reference is made to "FHE," the reference shall be amended to "MSU."

10. Termination of Sub-Sublease; Effect on Concession Agreement. Upon any termination of the Sub-Sublease by MSU, or upon the expiration of the Sub-Sublease, the rights of LTD Enterprises under the Concession Agreement dated as of December 1, 2008 between FOY and LTD Enterprises shall terminate, and LTD Enterprises shall not maintain any rights in the Space (as defined in the Concession Agreement.)

11. The Sub-Sublease and the Operating Agreement are further modified by the addition of the provisions set forth in Exhibit 3.

12. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute but one and the same instrument.

In witness whereof, the Parties have executed this Sub-Sublease Recognition Agreement and Modification of Sub-Sublease as of the date first set forth above.

Friends of Yogi, Inc.

By: _____

Name:

Title:

Montclair State University

By: _____

Name:

Title:

The New Jersey Educational Facilities Authority does hereby consent to the execution and delivery of the forgoing Agreement.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By: _____

Jeremy A. Spector, Executive Director

Exhibit 1

Sub-Sublease Agreement

Exhibit 2

Operating Agreement

Exhibit 3

Additional "State" Provisions

For purposes of this Exhibit, Company and Contractor shall mean FOY.

1. BUSINESS REGISTRATION (Contracts in excess of \$4,950)

Company must obtain a Business Registration Certificate (BRC) from the Department of the Treasury, Division of Revenue prior to conducting business in the State of New Jersey. The Company must provide proof of a valid and current business registration with the Division of Revenue to the University's Procurement Services Department before starting work under the contract. Any questions in this regard can be directed to the Division of Revenue at (609) 292-1730. Form NJ-REG. can be filed online at www.state.nj.us/njbgs/services/html.

All sub-contractors of the Company must provide Company with a copy of a current and valid Business Registration Certificate. Company must forward the Business Registration Certificates of all subcontractors to MSU prior to any sub starting work under the contract.

2. ANTI-DISCRIMINATION –Company agrees not to discriminate in employment and agrees to abide by all anti-discrimination laws including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A.10:5-1 et seq. and N.J.S.A.10:5-31 through 10:5-38, and all rules and regulations issued there under. Company also agrees to the mandatory EEO/AA language for goods and services and professional services contracts or construction contract awarded by a public agency, as applicable, as more fully set forth in N.J.A.C. 17:27-3.5 and 3.7, or N.J.A.C. 17:27-3.6 and 3.8, as applicable, and as fully restated herein and as more fully stated on the University's website at: <http://www.montclair.edu/media/montclair.edu/financetreasurer/forms/vendor/AA-for-Goods-and-Services.pdf> and <http://www.montclair.edu/media/montclair.edu/financetreasurer/forms/vendor/aa-language-for-construction.pdf> attached as Exhibit A and B respectively.

3. PREVAILING WAGE ACT - The New Jersey Prevailing Wage Act, N.J.S.A. 34:11-56.26 et seq. is hereby made part of every contract entered into by MSU, except those contracts which are not within the scope of the Act. Company's acceptance of MSU's Standard Terms and Conditions is his guarantee that neither he nor any subcontractor he might employ to perform the work has been suspended or debarred by the Commissioner, Department of Labor for violation of the provisions of the Prevailing Wage Act.

4. AMERICANS WITH DISABILITIES ACT – Company shall comply with all provisions of the Americans With Disabilities Act (ADA), P.L. 101-336, in accordance with 42 U.S.C. 12101 et seq. Specifically, accessibility of online content and functionality will be measured according to the W3C's Web Content Accessibility Guidelines (WCAG) 2.0 Level AA ("Benchmarks for Measuring Accessibility. Contractor shall ensure that content and functionality meet the Benchmarks for Measuring Accessibility or that equally effective alternate access can be provided that would ensure, to the maximum extent possible, individuals with disabilities receive the same benefits or services as their nondisabled peers.

5. THE WORKER AND COMMUNITY RIGHT TO KNOW ACT - The provisions of N.J.S.A. 34:5A-1 et seq. which require the labeling of all containers of hazardous substances are applicable to the contract. Therefore, all goods offered for purchase to MSU must be labeled by the Company in compliance with the provisions of the Act.

6. OWNERSHIP DISCLOSURE – As a condition precedent to this contract, Company shall complete an Ownership Disclosure Form, disclosing the names and addresses of all its owners holding 10% or more of the corporation or partnership's stock or interest. Refer to N.J.S.A. 52:25-24.2.

7. COMPLIANCE - LAWS – Company shall comply with all local, state and federal laws, rules and regulations applicable to the contract and to the goods delivered and/or services performed under the contract.

8. COMPLIANCE WITH N.J.S.A. 19:44A-20.13 et seq. and Executive Order No. 7 (“Pay to Play” Act). The University’s Procurement Services Department will provide the Company with a “Contractor’s Certification and Disclosure of Political Contribution Form” to complete. The Procurement Services Department will forward the completed Form to the State Treasurer or his designee for review pursuant to the Act. In the event the State Treasurer determines that the Act precludes a contract award to the Company, the Agreement shall be null and void, ab initio.

Company has a continuing duty to disclose all contributions that may be made during the term of the Agreement. In such event, the Company must immediately complete the Continuing Disclosure of Political Contributions Form and submit the completed Form to MSU’s Procurement Services Department. All forms and instructions are available from MSU’s Procurement Services Department.

9. POLITICAL CONTRIBUTION DISCLOSURE BY COMPANY- If the contract is in excess of \$17,500, the Company shall comply with P.L. 2005, c.271, by completing and submitting to MSU’s Procurement Services Department the required Chapter 271 Political Contribution Disclosure Forms, before the effective date of the Agreement. Failure to comply with this political contribution disclosure requirement may result in the cancellation of the contract and/or imposition of financial penalties by the New Jersey Election Law Enforcement Commission (“ELEC”). Additional information about this requirement is available from ELEC at 888-313-3532 or at <http://www.elec.state.nj.us/>.

10. COMPANY ANNUAL ELEC DISCLOSURE OBLIGATION- Company shall file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission (ELEC), pursuant to P.L. 2005, c. 271, section 3 if Company receives contracts in excess of \$50,000 from a public entity in a calendar year. It is the Company’s responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at <http://www.elec.state.nj.us/>

11. PERFORMANCE WITHIN UNITED STATES – Contracts primarily for the performance of services shall require services to be performed under the contract or any

subcontract to be performed within the United States unless: a) the University's Contracting Officer certifies in writing that the service cannot be provided within the United States; or 2) the University's Contracting Officer certifies in writing that performance of the services within the United States would violate the terms, conditions or limitations of any grant, funding or financial assistance from the federal government or any agency thereof.

12. MAINTENANCE OF RECORDS - The Company shall maintain records for products and/or services delivered against the contract for a period of three (3) years from the date of final payment unless such payments exceed \$2 million, then the period of retention shall be five (5) years from the date of final payment. Such records shall be made available to the University upon request for purposes of conducting an audit or for ascertaining information regarding dollar volume or number of transactions.

13. DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN. As a condition precedent to this contract, Company shall complete a Disclosure of Investment Activities in Iran.

14. STANDARDS PROHIBITING CONFLICTS OF INTEREST

The following prohibitions on Company activities shall apply to all contracts or purchase agreements made with the University, pursuant to Executive Order No. 189 (1988):

- a. The Company shall not pay, offer to pay, or agree to pay, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other thing of value of any kind to any University officer or employee or to any member of the immediate family, as defined by N.J.S.A. 52:13D-13i., of any such University officer or employee, or partnership, firm or corporation with which they are employed or associated, or in which such University officer or employee has an interest within the meaning of N.J.S.A. 52:13D-13g. uuu
- b. The solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any University officer or employee from the Company shall be reported in writing forthwith by the Company to the Attorney General and the Executive Commission on Ethical Standards.
- c. The Company may not, directly or indirectly, undertake any private business, commercial or entrepreneurial relationship with, whether or not pursuant to employment, contract or other agreement, express or implied, or sell any interest in such Company to, any University officer or employee having any duties or responsibilities in connection with the purchase, acquisition or sale of any property or services by or to the University, or with any person, firm or entity with which he or she is employed or associated or in which he or she has an interest within the meaning of N.J.S.A. 52:13D-13g. Any relationships subject to this provision shall be reported in writing forthwith to the Executive Commission on Ethical Standards, which may grant a waiver of this restriction upon application of the University officer or employee upon a finding that the present or proposed relationship does not present the potential, actuality or appearance of a conflict of interest.

- d. No vendor shall influence, or attempt to influence or cause to be influenced, any University officer or employee in his or her official capacity in any manner which might tend to impair the objectivity or independence of judgment of said officer or employee.
- e. No vendor shall cause or influence, or attempt to cause or influence, any University officer or employee to use, or attempt to use, his or her official position to secure unwarranted privileges or advantages for the vendor or any other person.
- f. The provisions cited above shall not be construed to prohibit a University officer or employee from receiving gifts from or contracting with vendors under the same terms and conditions as are offered or made available to members of the general public.

STATE OF NEW JERSEY -- DIVISION OF PURCHASE AND PROPERTY
DISCLOSURE OF INVESTMENT ACTIVITIES IN IRAN

Quote Number: _____

Bidder/Offeror: _____

PART 1: CERTIFICATION

**BIDDERS MUST COMPLETE PART 1 BY CHECKING EITHER BOX.
FAILURE TO CHECK ONE OF THE BOXES WILL RENDER THE PROPOSAL NON-RESPONSIVE.**

Pursuant to Public Law 2012, c. 25, any person or entity that submits a bid or proposal or otherwise proposes to enter into or renew a contract must complete the certification below to attest, under penalty of perjury, that neither the person or entity, nor any of its parents, subsidiaries, or affiliates, is identified on the Department of Treasury's Chapter 25 list as a person or entity engaging in investment activities in Iran. The Chapter 25 list is found on the Division's website at <http://www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf>. Bidders must review this list prior to completing the below certification. Failure to complete the certification will render a bidder's proposal non-responsive. If the Director finds a person or entity to be in violation of law, s/he shall take action as may be appropriate and provided by law, rule or contract, including but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the party in default and seeking debarment or suspension of the party

PLEASE CHECK THE APPROPRIATE BOX:

I certify, pursuant to Public Law 2012, c. 25, that neither the bidder listed above nor any of the bidder's parents, subsidiaries, or affiliates is listed on the N.J. Department of the Treasury's list of entities determined to be engaged in prohibited activities in Iran pursuant to P.L. 2012, c. 25 ("Chapter 25 List"). I further certify that I am the person listed above, or I am an officer or representative of the entity listed above and am authorized to make this certification on its behalf. I will skip Part 2 and sign and complete the Certification below.

OR

I am unable to certify as above because the bidder and/or one or more of its parents, subsidiaries, or affiliates is listed on the Department's Chapter 25 list. I will provide a detailed, accurate and precise description of the activities in Part 2 below and sign and complete the Certification below. Failure to provide such will result in the proposal being rendered as non-responsive and appropriate penalties, fines and/or sanctions will be assessed as provided by law.

PART 2: PLEASE PROVIDE FURTHER INFORMATION RELATED TO INVESTMENT ACTIVITIES IN IRAN

You must provide a detailed, accurate and precise description of the activities of the bidding person/entity, or one of its parents, subsidiaries or affiliates, engaging in the investment activities in Iran outlined above by completing the boxes below.

EACH BOX WILL PROMPT YOU TO PROVIDE INFORMATION RELATIVE TO THE ABOVE QUESTIONS. PLEASE PROVIDE THOROUGH ANSWERS TO EACH QUESTION. IF YOU NEED TO MAKE ADDITIONAL ENTRIES, CLICK THE "ADD AN ADDITIONAL ACTIVITIES ENTRY" BUTTON.

Name _____	Relationship to Bidder/Offeror _____
Description of Activities _____ _____	
Duration of Engagement _____	Anticipated Cessation Date _____
Bidder/Offeror Contact Name _____	Contact Phone Number _____

ADD AN ADDITIONAL ACTIVITIES ENTRY

Certification: I, being duly sworn upon my oath, hereby represent and state that the foregoing information and any attachments thereto to the best of my knowledge are true and complete. I attest that I am authorized to execute this certification on behalf of the above-referenced person or entity. I acknowledge that the State of New Jersey is relying on the information contained herein and thereby acknowledge that I am under a continuing obligation from the date of this certification through the completion of any contracts with the State to notify the State in writing of any changes to the answers of information contained herein. I acknowledge that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification, and if I do so, I recognize that I am subject to criminal prosecution under the law and that it will also constitute a material breach of my agreement(s) with the State of New Jersey and that the State at its option may declare any contract(s) resulting from this certification void and unenforceable.

Full Name (Print): _____

Signature: _____

Title: _____

Date: _____

(REVISED 4/10)

EXHIBIT A

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE
N.J.S.A. 10:5-31 et seq. (P.L. 1975, C. 127)
N.J.A.C. 17:27

GOODS, PROFESSIONAL SERVICE AND GENERAL SERVICE CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer, advising the labor union of the contractor's commitments under this chapter and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2.

EXHIBIT A (Cont)

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job-related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the targeted employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

Letter of Federal Affirmative Action Plan Approval

Certificate of Employee Information Report

Employee Information Report Form AA302 (electronically provided by the Division and distributed to the public agency through the Division's website at www.state.nj.us/treasury/contract_compliance)

The contractor and its subcontractors shall furnish such reports or other documents to the Division of Public Contracts Equal Employment Opportunity Compliance as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Public Contracts Equal Employment Opportunity Compliance for conducting a compliance investigation pursuant to Subchapter 10 of the Administrative Code at N.J.A.C. 17:27.

(REVISED 4/10)

EXHIBIT B

MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE
N.J.S.A. 10:5-31 et seq. (P.L. 1975, C. 127)
N.J.A.C. 17:27

CONSTRUCTION CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer, pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

When hiring or scheduling workers in each construction trade, the contractor or subcontractor agrees to make good faith efforts to employ minority and women workers in each construction trade consistent with the targeted employment goal prescribed by N.J.A.C. 17:27.7.2; provided, however, that the Dept. of LWD, Construction BEO Monitoring Program may, in its discretion, exempt a contractor or subcontractor from compliance with the good faith procedures prescribed by the following provisions, A, B and C, as long as the Dept. of LWD, Construction BEO Monitoring Program is satisfied that the contractor or subcontractor is employing workers provided by a union which provides evidence, in accordance with standards prescribed by the Dept. of LWD, Construction BEO Monitoring Program, that its percentage of active "card carrying" members who are minority and women workers is equal to or greater than the targeted employment goal established in accordance with N.J.A.C. 17:27.7.2. The contractor or subcontractor agrees that a good faith effort shall include compliance with the following procedures:

EXHIBIT B (Cont)

(A) If the contractor or subcontractor has a referral agreement or arrangement with a union for a construction trade, the contractor or subcontractor shall, within three business days of the contract award, seek assurances from the union that it will cooperate with the contractor or subcontractor as it fulfills its affirmative action obligations under this contract and in accordance with the rules promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et. seq., as supplemented and amended from time to time and the Americans with Disabilities Act. If the contractor or subcontractor is unable to obtain said assurances from the construction trade union at least five business days prior to the commencement of construction work, the contractor or subcontractor agrees to afford equal employment opportunities minority and women workers directly, consistent with this chapter. If the contractor's or subcontractor's prior experience with a construction trade union, regardless of whether the union has provided said assurances, indicates a significant possibility that the trade union will not refer sufficient minority and women workers consistent with affording equal employment opportunities as specified in this chapter, the contractor or subcontractor agrees to be prepared to provide such opportunities to minority and women workers directly, consistent with this chapter, by complying with the hiring or scheduling procedures prescribed under (B) below; and the contractor or subcontractor further agrees to take said action immediately if it determines that the union is not referring minority and women workers consistent with the equal employment opportunity goals set forth in this chapter.

(B) If good faith efforts to meet targeted employment goals have not or cannot be met for each construction trade by adhering to the procedures of (A) above, or if the contractor does not have a referral agreement or arrangement with a union for a construction trade, the contractor or subcontractor agrees to take the following actions:

- (1) To notify the public agency compliance officer, the Dept. of LWD, Construction EEO Monitoring Program, and minority and women referral organizations listed by the Division pursuant to N.J.A.C. 17:27-3.3, of its workforce needs, and request referral of minority and women workers;
- (2) To notify any minority and women workers who have been listed with it as awaiting available vacancies;
- (3) Prior to commencement of work, to request that the local construction trade union refer minority and women workers to fill job openings, provided the contractor or subcontractor has a referral agreement or arrangement with a union for the construction trade;
- (4) To leave standing requests for additional referral to minority and women workers with the local construction trade union, provided the contractor or subcontractor has a referral agreement or arrangement with a union for the construction trade, the State Training and Employment Service and other approved referral sources in the area;
- (5) If it is necessary to lay off some of the workers in a given trade on the construction site, layoffs shall be conducted in compliance with the equal employment opportunity and non-discrimination standards set forth in this regulation, as well as with applicable Federal and State court decisions;
- (6) To adhere to the following procedure when minority and women workers apply or are referred to the contractor or subcontractor:

EXHIBIT B (Cont)

(i) The contractor or subcontractor shall interview the referred minority or women worker.

(ii) If said individuals have never previously received any document or certification signifying a level of qualification lower than that required in order to perform the work of the construction trade, the contractor or subcontractor shall in good faith determine the qualifications of such individuals. The contractor or subcontractor shall hire or schedule those individuals who satisfy appropriate qualification standards in conformity with the equal employment opportunity and non-discrimination principles set forth in this chapter. However, a contractor or subcontractor shall determine that the individual at least possesses the requisite skills, and experience recognized by a union, apprentice program or a referral agency, provided the referral agency is acceptable to the Dept. of LWD, Construction EEO Monitoring Program. If necessary, the contractor or subcontractor shall hire or schedule minority and women workers who qualify as trainees pursuant to these rules. All of the requirements, however, are limited by the provisions of (C) below.

(iii) The name of any interested woman or minority individual shall be maintained on a waiting list, and shall be considered for employment as described in (i) above, whenever vacancies occur. At the request of the Dept. of LWD, Construction EEO Monitoring Program, the contractor or subcontractor shall provide evidence of its good faith efforts to employ women and minorities from the list to fill vacancies.

(iv) If, for any reason, said contractor or subcontractor determines that a minority individual or a woman is not qualified or if the individual qualifies as an advanced trainee or apprentice, the contractor or subcontractor shall inform the individual in writing of the reasons for the determination, maintain a copy of the determination in its files, and send a copy to the public agency compliance officer and to the Dept. of LWD, Construction EEO Monitoring Program.

(7) To keep a complete and accurate record of all requests made for the referral of workers in any trade covered by the contract, on forms made available by the Dept. of LWD, Construction EEO Monitoring Program and submitted promptly to the Dept. of LWD, Construction EEO Monitoring Program upon request.

(C) The contractor or subcontractor agrees that nothing contained in (B) above shall preclude the contractor or subcontractor from complying with the union hiring hall or apprenticeship policies in any applicable collective bargaining agreement or union hiring hall arrangement, and, where required by custom or agreement, it shall send journeymen and trainees to the union for referral, or to the apprenticeship program for admission, pursuant to such agreement or arrangement. However, where the practices of a union or apprenticeship program will result in the exclusion of minorities and women or the failure to refer minorities and women consistent with the targeted county employment goal, the contractor or subcontractor shall consider for employment persons referred pursuant to (B) above without regard to such agreement or arrangement; provided further, however, that the contractor or subcontractor shall not be required to employ women and minority advanced trainees and trainees in numbers which result in the employment of advanced trainees and trainees as a percentage of the total workforce for the construction trade, which percentage significantly exceeds the apprentice to journey worker ratio specified in the applicable collective bargaining agreement, or in the absence of a collective bargaining agreement, exceeds the ratio established by practice in the area for said construction trade. Also, the contractor or subcontractor agrees that, in implementing the procedures of (B) above, it shall, where applicable, employ minority and women workers residing within the geographical jurisdiction of the union.

RESOLUTION CONSENTING TO RAMAPO COLLEGE OF NEW JERSEY ENTERING INTO A MEMORANDUM OF AGREEMENT WITH EASTERN ECONOMIC ASSOCIATION FOR USE OF OFFICE SPACE IN THE ANISFIELD SCHOOL OF BUSINESS

Adopted: May 23, 2017

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

WHEREAS, as authorized pursuant to the Act, the Authority issued its Revenue Refunding Bonds, Ramapo College of New Jersey Issue, Series 2006 I (the “2006 I Bonds”), its Revenue and Refunding Bonds, Ramapo College of New Jersey Issue, Series 2015 B (the “2015 B Bonds”), and its Revenue and Refunding Bonds, Ramapo College of New Jersey Issue, Series 2017 A (the “2017 A Bonds”, and collectively with the 2006 I Bonds and the 2015 B Bonds, the “Bonds”) to finance and refinance certain facilities for Ramapo College of New Jersey (the “College”); and

WHEREAS, a portion of the proceeds of the Bonds financed and refinanced the construction of a new academic building, the Anisfield School of Business (the “Anisfield Building”) for the College; and

WHEREAS, the Anisfield Building is subject to the terms of the Lease and Agreement dated as of November 1, 2006 by and between the Authority and the College (the “2006 I Lease”), the Lease and Agreement dated as of May 1, 2015 by and between the Authority and the College (the “2015 B Lease”) and the Lease and Agreement dated as of April 1, 2017 by and between the Authority and the College (the “2017 A Lease”, and collectively with the 2006 I Lease and the 2015 B Lease, the “Leases); and

WHEREAS, the College wishes to enter into a Memorandum of Agreement (the “MOA”) with the Eastern Economic Association, a New York not-for-profit corporation (the “Association”), with whom the College collaborates in the advancement of scholarly and operational pursuits, to provide the Association with approximately 120.5 square feet of office space in the Anisfield Building for use as the Association’s administrative offices and other operational/academic needs for a period not to exceed five (5) years; and

WHEREAS, the College’s Board of Trustees deems the MOA beneficial to the College and that it would not materially affect the value or usefulness of the Anisfield Building and the site thereof for the intended use thereof and has approved the College’s execution thereof at its meeting on April 24, 2017, subject to the approval by the Authority; and

WHEREAS, bond counsel to the Authority has reviewed the terms of the MOA and has determined that the College’s execution of an MOA with the Association is permissible under the Leases; and

WHEREAS, the College has requested the Authority, as Landlord of the Anisfield Building pursuant to the terms of the Leases, to consent to the College's execution of the MOA and to the grant to the Association of the right to use a portion of the Anisfield Building subject to the MOA; and

WHEREAS, the Authority has determined it acceptable to consent to the execution of the MOA as requested by the College.

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

Section 1. Approval of Consent to the College's Execution of the MOA.

In accordance with Sections 5.01 and 10.01 of the Leases, the Authority hereby approves and consents to entry by the College into the MOA and the grant to the Association of the right to use a portion of the Anisfield Building subject to the MOA and hereby authorizes and directs the Chair, Vice Chair, Executive Director, Deputy Executive Director, Director of Project Management, Secretary or any Assistant Secretary of the Authority (each an "Authorized Officer") to acknowledge and consent to the MOA with such changes as shall be approved by an Authorized Officer with the advice of bond counsel, if necessary, and the Attorney General of the State, such execution and delivery to be deemed conclusive evidence of the approval thereof.

Section 2. All Other Necessary Action Authorized.

The Authorized Officers, are each hereby authorized and directed to undertake any and all actions necessary to effect execution, delivery and performance of the MOA and to execute and deliver any other consents, agreements, documents, certificates, directions and notices as may be necessary, advisable, or appropriate to effect action and the taking of any such action, and the execution and delivery of any such consent, agreement, document, certificate, direction and notices shall be conclusive evidence of the approval thereof by the Authorized Officer taking such action and of its necessity, advisability or appropriateness.

Section 3. Effective Date.

This Resolution shall take effect in accordance with the provisions of the Act.

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

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

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY ACCEPTING AND ADOPTING THE FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT FOR 2016**

Adopted: May 23, 2017

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") was created pursuant to the New Jersey Educational Facilities Authority Law, P.L. 1967, c. 271, N.J.S.A. 18A:72A-1 et seq., as amended and supplemented (the "Act") and authorized to issue its obligations to provide a means for New Jersey public and private colleges and universities to obtain financing to construct educational facilities as defined in the Act; and

WHEREAS: The Authority prepares financial statements annually and engaged the independent auditing firm of CliftonLarsonAllen LLP (the "Independent Auditors") to perform an audit of the Authority's financial statements for the year ended December 31, 2016 (the "2016 Financial Statements"); and

WHEREAS: The members of the Authority's Audit Committee have received and reviewed the 2016 Financial Statements and the unmodified report of the Independent Auditors thereon dated May 9, 2017 (the "Independent Auditors' Report"); and

WHEREAS: The members of the Authority have received the 2016 Financial Statements and the Independent Auditors' Report; and

WHEREAS: The members of the Authority's Audit Committee have recommended that the members of the Authority accept the 2016 Financial Statements and the Independent Auditors' Report; and

WHEREAS: The members of the Authority wish to accept and approve the 2016 Financial Statements and the Independent Auditors' Report.

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

SECTION 1. The Authority hereby accepts and approves the 2016 Financial Statements and the Independent Auditors' Report, as attached hereto as EXHIBIT A and incorporated by reference as if set forth in full herein.

SECTION 2. This Resolution shall take effect in accordance with the Act.

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

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

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2016 AND 2015

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
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JEREMY A. SPECTOR
Executive Director

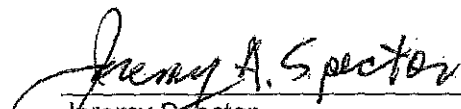
REPORT OF MANAGEMENT

Management of the Authority is responsible for the preparation, integrity, and fair presentation of these financial statements. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and, consequently, they reflect certain amounts based upon the best estimates and judgment of management.

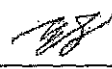
The financial statements have been audited by the independent firm of CliftonLarsonAllen LLP, which was given unrestricted access to all financial records and related data, including minutes of all meetings of the Authority. The independent auditors' opinion is presented on page 2.

The Authority maintains a system of internal controls to provide reasonable assurance that transactions are executed in accordance with management's authorization, that financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, that assets of the Authority are properly safeguarded, and that the covenants of all financing agreements are honored. There are, however, inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls. Accordingly, even an effective internal control system can provide only reasonable assurance that its goals are achieved.

Consistent with Executive Order No. 122, the Authority, through its Audit and Evaluation Committees, engages the independent auditors. The Audit and Evaluation Committees comprise individuals who are not employees of the Authority, and who meet certain standards of independence and financial expertise. The Audit Committee periodically meets with the independent auditors, and is responsible for assisting the Members of the Authority in overseeing the Authority's compliance with legal, regulatory and ethical requirements, as well as overseeing the integrity and quality of the Authority's financial statements. The independent auditors have unrestricted access to the Audit Committee.



Jeremy Spector
Executive Director



Brian Sootkoos
Director of Finance

May 9, 2017



CliftonLarsonAllen

CliftonLarsonAllen LLP
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REPORT OF INDEPENDENT AUDITORS

Management and Members of
New Jersey Educational Facilities Authority
Princeton, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the New Jersey Educational Facilities Authority (the Authority), a component unit of the State of New Jersey, which comprise the statements of net position as of December 31, 2016 and 2015, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Management and Members of
New Jersey Educational Facilities Authority

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business type activities of the Authority as of December 31, 2016 and 2015, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 5 – 7, the schedule of funding progress and the schedule of employer contributions to the OPEB plan on page 27, and the schedule of proportionate share of net pension liability and schedule of contributions on page 28, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

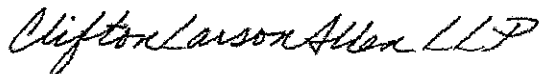
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The supplemental financial information on pages 30 – 42, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplemental financial information has not been subjected to the auditing procedures applied in the audit of the basic financial statement and, accordingly, we do not express an opinion or provide any assurance on it.

Management and Members of
New Jersey Educational Facilities Authority

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2017 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
May 9, 2017

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2016**

Introduction

This section of the New Jersey Educational Facilities Authority's (the Authority) annual financial report presents management's discussion and analysis of the Authority's financial performance during the fiscal year ended December 31, 2016 and the two immediately preceding years. It should be read in conjunction with the Authority's financial statements and accompanying notes.

Overview of the Financial Statements

The Authority is supported entirely by fees charged for the services it provides. Accordingly, the Authority is considered an Enterprise Fund and utilizes the accrual basis of accounting. The Basic Financial Statements for an Enterprise Fund include: Statements of Net Position; Statements of Revenues, Expenses and Changes in Net Position; and Statements of Cash Flows. These statements provide, respectively, a view of the Authority's financial position as of the end of the year, a description of the financial activity during the year, and a description of the cash activity during the year.

Financial Highlights 2016:

- The Authority issued \$1.35 billion of conduit debt for educational institutions during 2016.
- Cash and Investments represent approximately 88% of Total Assets at the end of 2016.
- The Authority's 2016 operating margin (net operating income as a percentage of operating revenues) was 20%.
- At December 31, 2016, Net Position represents 1.9 times 2016 Total Operating Expenses.

During 2016, the Authority's volume of financing activity, excluding the state-backed bond programs was approximately \$153 million more than 2015. In 2016 the Authority issued \$395 million in connection with the state-backed bond programs. The increased volume was due primarily to the result of market conditions. The Authority continued to work with the State's public and private institutions on their multi-year plans to invest in the upgrading of their capital facilities, technology infrastructures and capital equipment to accommodate growing demand for higher education. The Authority also helped New Jersey colleges and universities restructure outstanding issues for the greatest benefit to the institutions.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2016**

Condensed Financial Information

The following table represents condensed balance sheet information and changes between December 31, 2015 and December 31, 2016 and between December 31, 2014 and December 31, 2015:

	2016	2015	2014 (Restated)	Increase (Decrease) 2015 to 2016	Increase (Decrease) 2014 to 2015
Current Assets	\$9,945,170	\$ 8,672,794	\$ 7,826,028	14.67%	10.82%
Capital Assets, Net	78,791	50,814	38,579	55.06%	31.71%
Security Deposit	21,505	21,505	21,505	0.00%	0.00%
Deferred Outflows of Resources	<u>1,238,555</u>	<u>779,818</u>	<u>213,555</u>	58.83%	265.16%
Total Assets and Def Outflows	11,284,021	9,524,931	8,099,667	18.47%	17.60%
Current Liabilities	203,485	188,828	192,422	7.76%	-1.87%
Noncurrent Liabilities	<u>4,684,567</u>	<u>3,999,098</u>	<u>3,589,477</u>	17.14%	11.41%
Total Liabilities	4,888,052	4,187,926	3,781,899	16.72%	10.74%
Deferred Inflows of Resources	400,351	160,991	294,443	148.68%	-45.32%
Total Net Position	<u>\$ 5,995,618</u>	<u>\$ 5,176,014</u>	<u>\$ 4,023,325</u>	15.83%	28.65%

The following table represents condensed information from the Statements of Revenues, Expenses, and Changes in Net Position, and changes between 2015 and 2016 and between 2014 and 2015:

	2016	2015	2014 (Restated)	Increase (Decrease) 2015 to 2016	Increase (Decrease) 2014 to 2015
Operating Revenues:					
Administrative Fees	<u>\$ 4,011,165</u>	<u>\$ 3,486,547</u>	<u>\$ 3,581,441</u>	15.05%	-2.65%
Total Operating Revenues	4,011,165	3,486,547	3,581,441	15.05%	-2.65%
Operating Expenses:					
Salaries and Related Expenses	2,210,933	1,519,776	1,484,754	45.48%	2.36%
Provision for Postemployment Benefits	203,600	133,800	119,797	52.17%	11.69%
General Expenses	<u>809,661</u>	<u>686,059</u>	<u>642,394</u>	18.02%	6.80%
Total Operating Expenses	3,224,194	2,339,635	2,246,945	37.81%	4.13%
Net Operating Income	786,971	1,146,912	1,334,496	-31.38%	-14.06%
Nonoperating Revenues (Expenses):					
Investment Income	<u>32,633</u>	<u>5,777</u>	<u>2,830</u>	464.88%	104.13%
Change in Net Position	819,604	1,152,689	1,337,326	-28.90%	-13.81%
Net Position - Beginning of Year	5,176,014	4,023,325	5,601,152	28.65%	-28.17%
Prior Period Adjustment	-	-	(2,915,153)	0.00%	-100.00%
Net Position - Beginning of Year, Restated	5,176,014	4,023,325	2,685,999	28.65%	49.79%
Net Position - End of Year	<u>\$ 5,995,618</u>	<u>\$ 5,176,014</u>	<u>\$ 4,023,325</u>	15.83%	28.65%

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
YEAR ENDED DECEMBER 31, 2016**

Analysis of Overall Financial Position and Results of Operations

The Authority's solid financial position and strong operating results continued.

Revenues

The Authority's revenues are derived primarily from two fees; annual fees charged with respect to existing bond issues, and initial fees charged with respect to the issuance of new debt. Total revenues for 2016 increased approximately \$525,000 from 2015 and total revenues for 2015 decreased approximately \$95,000 from 2014.

Expenses

Operating expenses increased in 2016 by 38% from 2015 and 2015 decreased slightly or 0.1% from 2014.

Assets and Liabilities

Net position increased \$819,604, or 16% from 2015 to 2016 and increased \$1.2 million, or 28.7% from 2014 to 2015. Net position increased as a result of an increase in assets. The increase in assets is primarily related to increased investments.

Contacting the Authority's Financial Management

If you have questions about this report or need additional financial information, contact the Office of the Director of Finance, New Jersey Educational Facilities Authority, 103 College Road East, Princeton, New Jersey 08540-6612. Readers are invited to visit the Authority's website at www.njefa.com.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
STATEMENTS OF NET POSITION
DECEMBER 31, 2016 AND 2015**

	2016	2015
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash	\$ 92,212	\$ 72,501
Investments, Principally U.S. Government Obligations	9,826,650	8,582,850
Prepaid Expenses and Other Assets	26,308	17,443
Total Current Assets	9,945,170	8,672,794
NONCURRENT ASSETS		
Capital Assets, at cost, Less Accumulated Depreciation of \$537,609 and \$542,283 During 2016 and 2015, Respectively	78,791	50,814
Security Deposit	21,505	21,505
DEFERRED OUTFLOWS OF RESOURCES		
	1,238,555	779,818
Total Assets and Deferred Outflows of Resources	\$ 11,284,021	\$ 9,524,931
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	203,485	188,828
NONCURRENT LIABILITIES		
Net Pension Liability	4,200,640	3,644,819
Postemployment Benefits Other than Pension	467,762	334,881
Project Obligations	16,165	19,398
Total Noncurrent Liabilities	4,684,567	3,999,098
Total Liabilities	4,888,052	4,187,926
DEFERRED INFLOWS OF RESOURCES		
	400,351	160,991
NET POSITION		
Investment in Capital Assets	100,296	72,319
Unrestricted	5,895,322	5,103,695
Total Net Position	5,995,618	5,176,014
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 11,284,021	\$ 9,524,931

See accompanying Notes to Financial Statements.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Administrative Fees	\$ 4,011,165	\$ 3,486,547
OPERATING EXPENSES		
Salaries and Related Expenses	2,210,933	1,519,776
General and Administrative Expenses	625,782	577,857
Provision for Postemployment Benefits	203,600	133,800
Professional Fees	183,879	108,202
Total Operating Expenses	<u>3,224,194</u>	<u>2,339,635</u>
NET OPERATING INCOME	786,971	1,146,912
NONOPERATING REVENUE		
Investment Income	<u>32,633</u>	<u>5,777</u>
CHANGES IN NET POSITION	819,604	1,152,689
Net Position - Beginning of Year	<u>5,176,014</u>	<u>4,023,325</u>
NET POSITION - END OF YEAR	<u>\$ 5,995,618</u>	<u>\$ 5,176,014</u>

See accompanying Notes to Financial Statements.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Administrative Fees	\$ 4,002,300	\$ 4,201,701
Payments to Employees	(1,407,902)	(1,032,416)
Payments to Suppliers	(1,317,764)	(1,581,254)
Net Cash Provided by Operating Activities	1,276,634	1,588,031
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(10,880,412)	(9,568,832)
Sale and Maturity of Investments	9,651,426	7,984,235
Investment Income	17,818	4,846
Net Cash Used by Investing Activities	(1,211,168)	(1,579,751)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Capital Assets	(45,755)	(31,888)
Net Cash Used by Capital and Related Financing Activities	(45,755)	(31,888)
NET INCREASE (DECREASE) IN CASH	19,711	(23,608)
Cash - Beginning of Year	72,501	96,109
CASH - END OF YEAR	\$ 92,212	\$ 72,501
RECONCILIATION OF NET OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Net Operating Income	\$ 786,973	\$ 1,146,912
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	17,778	19,653
Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Fees Receivable	-	710,023
Prepaid Expenses and Other Assets	(8,865)	5,131
Accounts Payable and Accrued Expenses	14,656	(3,594)
Project Obligations	(3,233)	(3,233)
Postemployment Benefits other than Pension	132,881	(397,000)
Net Pension Liability and Related Deferred Items	336,444	110,139
Net Cash Provided by Operating Activities	\$ 1,276,634	\$ 1,588,031
SUPPLEMENTAL SCHEDULE OF NONCASH INVESTMENT ACTIVITIES		
Change in Fair Value of Investments	\$ 14,815	\$ 931

See accompanying Notes to Financial Statements.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 1 ORGANIZATION AND FUNCTION OF THE AUTHORITY

The New Jersey Educational Facilities Authority (the "Authority"), a component unit of the State of New Jersey, was created under the provisions of Chapter 106 of New Jersey Public Laws of 1966 as a public body corporate and politic. The powers of the Authority permit the sale of notes, bonds and other obligations to support the construction, acquisition and equipping of educational facilities for public and private institutions of higher education in the State of New Jersey. The Authority is also authorized, pursuant to statutory amendments, to issue State supported bonds to fund matching grants to qualified public libraries for capital improvements. The obligations issued by the Authority are conduit debt and are not guaranteed by, nor do they constitute a debt or obligation of, the State of New Jersey.

The Authority is exempt from both federal and state taxes.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The accounts are maintained on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

In its accounting and financial reporting, the Authority follows the pronouncements of the Governmental Accounting Standards Board (GASB).

Administrative Fees

The Authority charges administrative fees to its client institutions for which bond and note sales have been completed. Such fees are considered operating revenue and are charged for services related to the structuring and administration of Authority financings, investment management of bond proceeds, monitoring of financial performance and other project costs and services. These fees are recognized as earned. The fees are used to provide sufficient funds to ensure that the Authority's operating expenses will be met, and that sufficient reserves will be available to provide for the Authority's needs.

Capital Assets

Capital assets, which consist of furniture and equipment, are carried at cost and depreciated over their useful lives using the straight-line method.

Conduit Debt

Due to the fact that the bonds and notes issued by the Authority are nonrecourse conduit debt obligations of the Authority, the Authority has, in effect, none of the risks and rewards of the related financings. Accordingly, with the exception of certain fees generated as a result of the financing transaction, the financing transaction is given no accounting recognition in the accompanying financial statements. At December 31, 2016, the amount of conduit debt outstanding totaled \$5,497,961,050.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the statements of net position report separate sections of deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period which will not be recognized as an outflow of resources until that time. Deferred inflows of resources represent an acquisition of net position that applies to a future period which will not be recognized as an inflow of resources until that time.

Deferred outflows and inflows of resources for defined benefit plans result from the difference between expected (actuarial) and actual experience, changes in actuarial assumptions, net difference between projected (actuarial) and actual earnings on pension plan investments, changes in the Authority's proportion of expenses and liabilities to the pension as a whole, differences between the Authority's pension contributions and its proportionate share of contributions, and the Authority's pension contributions subsequent to the pension valuation measurement date.

Recent Accounting Standards

In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This statement establishes requirements for defined contribution pensions and defined benefit pensions that are not within the scope of Statement No. 68 and amends certain provisions of Statements No. 67 and 68. Statement No. 73 is effective for fiscal years beginning after June 15, 2016. The Authority has determined that Statement No. 73 will have no effect on its financial statements.

In June 2015, GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* ("GASB 74"). This statement establishes financial reporting for state and local governmental other postemployment benefit (OPEB) plans and defined contribution OPEB plans that are administered through trusts or equivalent arrangements. This Statement also establishes financial reporting standards for governments that hold assets accumulated for purposes of providing OPEB through defined benefit OPEB plans that are not administered through trusts or equivalent arrangements. The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2016. This Statement will become effective for the December 31, 2017 year-end. The Authority has not yet completed the process of evaluating the impact of Statement No. 74 on its financial statements.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Standards (Continued)

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). This statement establishes standards of accounting and financial reporting for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local government employers through OPEB plans that are administered through trusts or equivalent arrangements. This Statement also establishes standards of accounting and financial reporting for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local governmental employees through OPEB plans that are not administered through trusts or equivalent arrangements. The provisions of this Statement are effective for financial statements in periods beginning after June 15, 2017. This Statement will become effective for December 31, 2018 year-end. The Authority has not yet completed the process of evaluating the impact of GASB 75 on its financial statements.

In December 2015, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This Statement amends the scope and applicability of GASB Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The provisions in Statement No. 78 are effective for reporting periods beginning after December 15, 2015. The Authority has determined that Statement No. 78 had an effect on its financial statements.

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. Statement No. 80 amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The provisions in Statement No. 80 are effective for reporting periods beginning after June 15, 2016. The Authority has determined that Statement No. 80 will have no effect on its financial statements.

In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The provisions in Statement No. 81 are effective for reporting periods beginning after December 15, 2016. The Authority has not yet completed the process of evaluating the impact of GASB 81 on its financial statements.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Standards (Continued)

In March 2016, GASB issued Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 14, No. 68, and No. 73*. Statement No. 82 addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The provisions in Statement No. 82 are effective for reporting periods beginning after June 15, 2016. The Authority has determined that Statement No. 82 will have no effect on its financial statements.

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. Statement 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The provisions in Statement No.83 are effective for reporting periods beginning after June 15, 2018. The Authority has not yet completed the process of evaluating the impact of GASB 83 on its financial statements.

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The provisions in Statement No.84 are effective for reporting periods beginning after December 15, 2018. The Authority has not yet completed the process of evaluating the impact of GASB 84 on its financial statements.

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The provisions in Statement No.85 are effective for reporting periods beginning after June 15, 2017. The Authority has not yet completed the process of evaluating the impact of GASB 85 on its financial statements.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 3 DEPOSITS AND INVESTMENTS

At December 31, 2016 and 2015, the Authority's bank balance excluding payments and deposits in transit was \$99,708 and \$94,903, respectively, all of which was covered by FDIC insurance.

The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The types of securities which are permitted investments for Authority funds are established by New Jersey Statutes. All funds of the Authority may be invested in obligations of, or guaranteed by, the United States Government. In addition, certain funds of the Authority may be invested in: obligations of agencies of the U.S. government; obligations of, or guaranteed by, the State of New Jersey; collateralized certificates of deposit and repurchase agreements; commercial paper; and other securities which shall be authorized for the investment of funds in the custody of the Treasurer of the State of New Jersey.

As of December 31, 2016 and 2015, the Authority had the following recurring fair value measurements using current sale prices or sale prices of comparable securities for U.S. Treasury Bills (Level 2 inputs) and using net asset value (NAV) per share valuation for Money Market Mutual Funds for investments and cash equivalents, and maturities:

	<u>2016</u>	<u>2015</u>
Investments:		
U.S. Treasury Bills	\$ 9,667,224	\$ 8,567,881
Money Market Mutual Fund	159,426	14,969
Total Investments	<u>\$ 9,826,650</u>	<u>\$ 8,582,850</u>

In 2016 and 2015, the Authority had \$159,426 and \$14,969, respectively, invested in a money market mutual fund, which invests in short-term and other obligations of the U.S. Treasury.

In accordance with Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures* ("GASB 40"), the Authority has assessed the Custodial Credit Risk, the Concentration of Credit Risk, Credit Risk and Interest Rate Risk of its Cash and Investments.

- (a) Custodial Credit Risk – The Authority's deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are: uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name. The deposit risk is that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Authority's investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

Authority and are held by either: the counterparty or the counterparty's trust department or agent but not in the Authority's name. The risk is that, in the event of the failure of the counterparty to a transaction, the Authority will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

At December 31, 2016 and 2015, the Authority's bank balances were not exposed to custodial credit risk since the full amount was covered by FDIC insurance.

As of December 31, 2016 and 2015, the Authority's investments consisted of U.S. Treasury Bills in the amount of \$9,667,224 and \$8,567,881, respectively, and Money Market Mutual Funds in the amount of \$159,426 and \$14,969, respectively. Since the investments are registered in the Authority's name they are not exposed to custodial credit risk. The Authority does not have a written policy for investment securities custodial credit risk but its practice has been to maintain a safekeeping account for the securities at a financial institution.

- (b) Concentration of Credit Risk – This is the risk associated with the amount of investments the Authority has with any one issuer that exceed five percent of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The Authority places no limit on the amount it may invest in any one issuer, but its practice has been to invest, almost exclusively, in U.S. Treasury Securities. At December 31, 2016 and 2015, the Authority was not exposed to a concentration of credit risk.
- (c) Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. In general, the Authority does not have an investment policy regarding credit risk except to the extent previously outlined under the Authority's investment policy. The Authority's Money Market Mutual Fund is not rated.
- (d) Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority does not have a written policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations, but the Authority does from time to time evaluate its investment portfolio to determine if, based on the interest rate environment, other investment vehicles would provide higher yields that lower the cost and risk. As of December 31, 2016, the U.S. Treasury Bills had maturities ranging from January 5, 2017 through December 7, 2017.

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(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 3 DEPOSITS AND INVESTMENTS (CONTINUED)

For the years ended December 31, 2016 and 2015, investment income comprised the following:

	2016	2015
Interest Earnings	\$ 17,818	\$ 4,845
Net Increase in Fair Value of Investments	14,815	932
Total Investment Income	\$ 32,633	\$ 5,777

NOTE 4 RETIREMENT PLANS

The Authority's employees participate in the Public Employees Retirement System of New Jersey (PERS), a cost sharing multiple-employer defined benefit plan. The PERS is administered by the New Jersey Division of Pensions and Benefits. The Division issues a publicly available financial report that includes financial statements and required supplementary information and can be found at:

www.state.nj.us/treasury/pensions/annrprts.shtml.

The PERS provides retirement, death and disability benefits to qualified members. Membership is open to most state, county, municipal, authority, school board employees and elected officials who are not required to become members of any other NJ state retirement system and is mandatory in most cases given the requirements for eligibility are met. Vesting and benefit provisions are established by N.J.S.A. 43:15A. All benefits vest after ten years of service, except for medical benefits which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 4 RETIREMENT PLANS (CONTINUED)

least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

The PERS is maintained on an actuarial reserve basis with contribution requirements of plan members determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members enrolled in the Public Employees' Retirement System were required to contribute 5.5% of their annual base salary. Effective October 1, 2011, in accordance with Chapter 78, P.L. 2011, employee contributions to the PERS were increased to 6.5% of base salary. For employees enrolled in the retirement system prior to October 1, 2011, the increase was effective with the first payroll amount to be paid on or immediately after October 1, 2011. Subsequent increases are scheduled to be phased in on July 1st of each year over a seven year period bringing the total pension contribution rate to 7.5% of base salary as of July 1, 2018. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of July 1, 2015, which was rolled forward to June 30, 2016. This actuarial valuation used the following actuarial assumptions:

- Actuarial cost method is entry age normal, level percent of pay.
- Straight-line amortization of investments over five years and amortization of assumption changes and noninvestment gains/losses over the average expected remaining service lives of all employees that are provided benefits.
- Inflation of 3.08%.
- Investment return of 7.65%, including inflation.
- Salary increases of 1.65 – 4.15% based on ages subsequent years through 2026.
- Asset Valuation using fair (market) value.
Mortality rates based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2013 base on Projection Scale AA.

In accordance with State statute, the long-term expected rate of return on pension plan investments was determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. Best estimates of arithmetic real rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2016 are summarized in the following table below.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 4 RETIREMENT PLANS (CONTINUED)

PERS' policy in regard to the allocation of invested plan assets is established and may be amended by the PERS Board of Trustees. Plan assets are managed with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	5.00%	0.87%
U.S. Treasuries	1.50%	1.74%
Investment Grade Credit	8.00%	1.79%
Mortgages	2.00%	1.67%
High Yield Bonds	2.00%	4.56%
Inflation-Indexed Bonds	1.50%	3.44%
Broad US Equities	26.00%	8.53%
Developed Foreign Equities	13.25%	6.83%
Emerging Market Equities	6.50%	9.95%
Private Equity	9.00%	12.40%
Hedge Funds / Absolute Return	12.50%	4.68%
Real Estate (Property)	2.00%	6.91%
Commodities	0.50%	5.45%
Global Debt ex US	5.00%	-0.25%
REIT	5.25%	5.63%
	100.00%	

The discount rate used to measure the total PERS pension liability was 3.98% and 4.90% as of June 30, 2016 and 2015, respectively. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.65% and 7.90%, and a municipal bond rate of 2.85% and 3.80% as of June 30, 2016 and 2015, respectively, based on the Bond Buyer Go 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/ Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be based on the average of the last five years of contributions made in relation to the last five years of recommended contributions. Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2034. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2034, and the municipal bond rate was applied to projected benefit payments after that date to determine the total pension liability.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 4 RETIREMENT PLANS (CONTINUED)

The following presents the Authority's proportionate share of the PERS net pension liability calculated using the discount rate of 3.98% and 4.90%, as of June 30, 2016 and 2015, respectively, as well as what the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

Sensitivity of the Authority's Proportionate Share of the PERS Net Pension Liability to Changes in the Discount Rate

	1% Decrease 2.98%	Current Rate 3.98%	1% Increase 4.98%
2016	\$5,147,394	\$4,200,640	\$3,419,012
	1% Decrease 3.90%	Current Rate 4.90%	1% Increase 5.90%
2015	\$4,506,300	\$3,644,819	\$2,887,409

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, the fiduciary net position of PERS and additions to or deductions from PERS's fiduciary net position have been determined on the same basis as they are reported in the PERS's financial statements. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Detailed information about PERS' fiduciary net position is available in the PERS Comprehensive Annual Financial Report, which can be found at www.state.nj.us/treasury/pensions/annrpts.shtml.

PERS measured the net pension liability as of June 30, 2016. The total PERS pension liability used to calculate the net pension liability was determined by rolling forward the total pension liability calculated as of June 30, 2015, to June 30, 2016. PERS calculated the employer's proportion of the net pension liability using the ratio of each employer's one-year contributions to total participating employers' contributions for the group. At June 30, 2016, the Authority's proportion was .01418%, a decrease of .00197% from its proportion calculated as of June 30, 2015.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 4 RETIREMENT PLANS (CONTINUED)

For the year ended December 31, 2016, the Authority recognized PERS' pension expense of \$476,498. At December 31, 2016, deferred outflows of resources and deferred inflows of resources related to the PERS pension are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	\$ 870,148	\$ -
Changes in Proportions	130,114	400,351
Net Difference Between Projected and Actual Investment Earnings	160,174	-
Difference Between Expected and Actual Experience	78,119	-
	<u>\$ 1,238,555</u>	<u>\$ 400,351</u>

For the year ended December 31, 2015, the Authority recognized PERS' pension expense of \$235,422. At December 31, 2015, deferred outflows of resources and deferred inflows of resources related to the PERS pension were as follows.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change of Assumptions	\$ 389,371	\$ -
Changes in Proportions	165,090	102,697
Net Difference Between Projected and Actual Investment Earnings	-	58,294
Difference Between Expected and Actual Experience	86,496	-
Contributions After the Measurement Date	138,860	-
	<u>\$ 779,817</u>	<u>\$ 160,991</u>

Deferred outflows of resources and deferred inflows of resources related to pensions as of December 31, 2016 will be recognized as PERS pension expense as follows.

Year Ending December 31,	Amortization
2017	\$ 191,210
2018	191,210
2019	220,594
2020	197,892
2021	37,300
Total	<u>\$ 838,206</u>

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 AND 2015**

NOTE 5 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION

The Authority, as permitted by Chapter 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, provides postemployment medical benefits for eligible retired employees through participation in the New Jersey Health Benefits Program as sponsored and administered by the State of New Jersey. The Authority does not issue a publicly available financial report for the plan which for financial reporting purposes is considered a single employer defined benefit health care plan. Employees become eligible for these benefits upon retirement after 25 years of creditable service in the PERS.

Benefit provisions for the plan are established and amended by the Authority's Members, and there is no statutory requirement for the Authority to continue this plan for future Authority employees. The Plan is a non-contributory plan with all payments for plan benefits being funded by the Authority.

The Authority applies the accounting provisions of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This statement establishes guidelines for reporting costs associated with "other postemployment benefits" (OPEB). OPEB costs are actuarially calculated based on benefits (other than pensions), that current and retired employees have accrued as a result of their respective years of employment service.

The Authority's annual OPEB cost for the plan is calculated based on the annual required contribution "ARC," an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The Authority's annual OPEB cost for the years ended December 31, 2016 and 2015 and the related information for the plan are as follows (dollar amounts in thousands):

	2016	2015
Annual Required Contribution	\$ 232	\$ 238
Interest on the Net OPEB Obligation	13	50
Amortization of the Net OPEB Obligation	(41)	(155)
Annual OPEB Cost	204	133
Contributions Made	(71)	(531)
Change in Net OPEB Obligation	133	(398)
Net OPEB Obligation - Beginning of Year	335	733
Net OPEB Obligation - End of Year	\$ 468	\$ 335

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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NOTE 5 POSTEMPLOYMENT BENEFITS OTHER THAN PENSION (CONTINUED)

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligations for fiscal years 2014 through 2016 were as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2016	\$ 204	34.98%	\$ 468
December 31, 2015	134	397.23%	335
December 31, 2014	120	431.98%	733

In April 2008, the Authority established and funded an irrevocable trust in the amount of \$2,000,000 to pay for the employee postemployment medical benefits. At December 31, 2016 and 2015, the fair value of this trust fund was \$2,714,533 and \$2,700,119, respectively.

As of January 1, 2016, the most recent actuarial valuation date, the New Jersey Educational Facilities Authority OPEB Plan was 78% funded. The actuarial accrued liability for benefits was \$3,462,400 and the actuarial value of assets was \$2,700,100, resulting in an unfunded actuarial accrued liability (UAAL) of \$762,300. The covered payroll (annual payroll of active employees covered by the plan) was \$1,180,100, and the ratio of the UAAL to the covered payroll was 65%. During 2016, no contribution was made. In 2015, the Authority funded \$531,000 to increase the funding ratio.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Projections of benefits are based on the substantive plan (the plan understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Authority and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

For the January 1, 2016 actuarial valuation, the Authority used the actuarial assumptions of a 4% discount rate and an annual healthcare trend rate of 8% grading down to an ultimate rate of 5% in 2020.

At December 31, 2016, the Plan had 18 participants of which 16 were active employees and 5 were retirees. Of the Plan participants, 5 retirees and 0 active employees were eligible to receive benefits.

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NOTE 6 COMMITMENTS AND CONTINGENCIES

The Authority has an operating lease commitment for its offices at an annual rental of approximately \$218,212 through December 31, 2016 and an annual rental of approximately \$190,834 starting January 2017 through December 31, 2023.

The Authority, in the normal course of business, is involved in various legal matters. Under the terms of the agreements between the Authority and the public and private institutions of higher education, and costs associated with litigation are the obligation of the institution involved. It is the opinion of the Authority after consultation with legal counsel that its financial position will not be adversely affected by the ultimate outcome of any existing legal proceedings.

NOTE 7 NET POSITION

The Authority's net position represents the excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources and is categorized as follows:

- **Investment in Capital Assets** are the amounts expended by the Authority for the acquisition of capital assets, net of accumulated depreciation.
- **Unrestricted** is the remaining net position, which can be further categorized as designated or undesignated. The designated position is not governed by statute or contract but is committed for specific purposes pursuant to Authority policy and/or directives. The designated position includes funds and assets committed to working capital.

NOTE 8 CHANGES IN NET POSITION

The changes in net position are as follows:

	Net Investment in Capital Assets	Unrestricted	Total
Net Position at December 31, 2014	\$ 60,084	\$ 3,963,241	\$ 4,023,325
Net Position Change	-	1,152,689	1,152,689
Capital Asset Additions	31,888	(31,888)	-
Depreciation	(19,653)	19,653	-
Net Position at December 31, 2015	72,319	5,103,695	5,176,014
Net Position Change	-	819,604	819,604
Capital Asset Additions	45,755	(45,755)	-
Depreciation	(17,778)	17,778	-
Net Position at December 31, 2016	<u>\$ 100,296</u>	<u>\$ 5,895,322</u>	<u>\$ 5,995,618</u>

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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NOTE 9 RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Authority maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Authority. Settled claims have not exceeded this commercial coverage in any of the last three years.

Required Supplementary Information

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
REQUIRED SUPPLEMENTARY INFORMATION**

Schedule 1

**SCHEDULE OF FUNDING PROGRESS FOR THE OPEB PLAN
(in thousands)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Level Dollar (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
January 1, 2016	\$ 2,700	\$ 3,462	\$ 762	78%	\$ 1,180	65%
January 1, 2014	\$ 1,786	\$ 2,581	\$ 795	69%	\$ 1,077	74%
January 1, 2011	\$ 1,966	\$ 2,591	\$ 625	76%	\$ 1,110	56%
January 1, 2008	-	\$ 1,826	\$ 1,826	0%	\$ 1,415	129%

Note: In April 2008, the Authority established and funded an irrevocable trust in the amount of \$2 million. During 2016 and 2015, the Authority contributed \$71,200 and \$531,000, respectively, to increase the funding ratio and as of December 31, 2016 and 2015, the fair value of this trust was \$2,714,553 and \$2,700,119, respectively.

Schedule 2

**SCHEDULE OF EMPLOYER CONTRIBUTIONS TO THE OPEB PLAN
(in thousands)**

Year Ended December 31,	Annual OPEB Cost (Benefit)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2016	203.6	34.98%	467.8
2015	133.8	397.23%	334.9
2014	119.8	431.98%	732.6
2013	181.7	0.00%	1129.8
2012	168.1	0.00%	948.1
2011	562.0	0.00%	780.0
2010	120.0	0.00%	218.0
2009	95.0	0.00%	98.0
2008	(221.0)	N/A	3.0

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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REQUIRED SUPPLEMENTARY INFORMATION**

Schedule 3

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (NPL)
Determined as of June 30, 2016, Measurement Date**

Year Ended December 31,	Authority's Proportion	Authority's Proportion Share	Authority's Covered Employee Payroll	Authority's Share of NPL as a % of Covered-Employee Payroll	PERS Fiduciary Net Position as a % of Total Pension Liability
2016	0.014183141%	\$ 4,200,640	\$ 1,020,822	411.50%	40.14%
2015	0.016151549%	\$ 3,644,819	\$ 1,074,192	339.31%	47.93%
2014	0.015112225%	\$ 2,834,265	\$ 1,059,504	267.51%	52.08%

Schedule 4

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended December 31,	Contractually Required Contributions	Contributions Recognized by PERS	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a % of Covered-Employee Payroll
2016	126,001	126,001	-	\$ 1,020,822	12.34%
2015	138,860	138,860	-	\$ 1,074,192	12.93%
2014	124,583	124,583	-	\$ 1,059,504	11.76%

Supplemental Financial Information

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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BALANCE SHEETS – TRUSTEE HELD FUNDS
DECEMBER 31, 2016 AND 2015**

	2016	2015
ASSETS		
Cash	\$ -	\$ -
Investments, Principally U.S. Government Obligations	655,812,246	699,780,967
Accrued Interest Receivable	276,079	12,452
Due from Colleges and Universities	3,052,714	3,122,607
Loans and Leases Receivable	5,453,531,050	5,488,336,753
Total Assets	\$ 6,112,672,089	\$ 6,191,252,779
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 35,281,561	\$ 43,127,257
Accrued Interest Payable	99,998,542	102,876,512
Bonds, Notes, and Leases Payable	5,497,961,050	5,537,441,253
Funds Held in Trust	479,430,936	507,807,757
Total Liabilities	\$ 6,112,672,089	\$ 6,191,252,779

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
STATEMENTS OF CHANGES IN TRUSTEE HELD FUNDS
YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Funds Held in Trust - Beginning of Year	\$ 507,807,757	\$ 662,783,236
Additions:		
Proceeds from Sale of Bonds and Issuance of Notes:		
Par Amount	1,650,950,000	1,097,685,826
Bond Premium, Net	154,120,257	91,208,891
Annual Loan and Rental Requirements	806,602,311	750,255,029
College and University Contributions (Returned)	204,308	(33,251)
Investment Income	1,887,462	342,759
U.S. Government Debt Service Subsidies	1,738,878	1,742,639
Change in Investment Valuation Reserve	420,250	(5,644)
Total Additions	<u>2,615,923,466</u>	<u>1,941,196,249</u>
Deductions:		
Debt Service:		
Interest	233,889,027	239,104,415
Principal	575,065,704	512,042,064
Project Costs	668,246,769	681,279,260
Issuance Costs	6,628,859	4,019,296
Administrative Fees	4,011,165	3,486,546
Transfers to Escrow Accounts for Defeasance of Refunded Issues	1,156,458,763	656,240,147
Total Deductions	<u>2,644,300,287</u>	<u>2,096,171,728</u>
Increase (Decrease) in Funds Held in Trust	<u>(28,376,821)</u>	<u>(154,975,479)</u>
Funds Held in Trust - End of Year	<u>\$ 479,430,936</u>	<u>\$ 507,807,757</u>

See accompanying Notes to Supplemental Financial Information.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
DECEMBER 31, 2016 AND 2015**

NOTE 1 INTRODUCTION

Under the terms of the Authority's enabling legislation, the Authority has the power to issue bonds and notes on behalf of public and private institutions of higher education in the State of New Jersey. The obligations issued by the Authority are conduit debt and are not guaranteed by, nor do they constitute a debt or obligation of, the State of New Jersey.

Because the bonds and notes issued by the Authority are nonrecourse conduit debt obligations of the Authority, the Authority has, in effect, none of the risks and rewards of the related financings. The supplemental financial statements presented herein include information pertaining to funds held by Trustees of the various bond and note issuances of the Authority.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

The Trustee Held Funds are presented as fiduciary funds and are held by outside trustees and as such are not intended to present the financial position or results of operations of the Authority. The Trustee Held Funds utilize the accrual basis of accounting.

NOTE 3 FUNDS HELD IN TRUST

Funds held in trust include amounts in the construction, debt service and debt service reserve funds and the renewal and replacement accounts established for each bond issue. Balances maintained in the construction funds represent unexpended proceeds allocated for specific projects; the debt service fund, debt service reserve fund, and renewal and replacement account balances represent amounts reserved for payment of debt service and the renewal and replacement of major components of projects as required by the provisions of the various series resolutions. The following is a schedule of the aggregate funds held in trust as of December 31, 2016 and 2015:

	2016	2015
Construction Funds	\$ 457,153,750	\$ 483,771,344
Debt Service Funds	303,673	467,383
Debt Service Reserve Funds	20,858,917	20,135,118
Renewal and Replacement Accounts	1,114,596	3,433,912
Total Funds Held in Trust	<u>\$ 479,430,936</u>	<u>\$ 507,807,757</u>

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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DECEMBER 31, 2016 AND 2015**

NOTE 4 CASH AND INVESTMENTS

Investments permitted in the Trustee Held Funds are authorized by the respective Bond Resolutions. All funds held by the trustees may be invested in obligations of, or guaranteed by, the United States Government. In addition, certain funds may be invested in: obligations of agencies of the U.S. government; obligations of, or guaranteed by, the State of New Jersey; collateralized certificates of deposit and repurchase agreements; commercial paper; and other securities which shall be authorized for the investment of funds in the custody of the Treasurer of the State of New Jersey.

Investments held by trustees are carried at fair value and comprise the following:

	2016	2015
Investments:		
Collateralized Investment Agreements	\$ 102,066,366	\$ 2,293,000
Variable Rate Demand Obligations	-	2,415,000
U.S. Treasury and Agency Obligations*	553,745,880	695,072,967
Total Investments	\$ 655,812,246	\$ 699,780,967

* Includes \$367,016,188 and \$456,914,006 of investments in pooled U.S. Treasury funds at December 31, 2016 and 2015, respectively, which are uncategorized.

NOTE 5 LOANS AND LEASES RECEIVABLE

Since its inception, the Authority has issued obligations of \$16,554,013,125 and \$15,202,113,125 as of December 31, 2016 and 2015, respectively, for the benefit of various public and private institutions of higher education. The obligations are secured by loans, mortgages, leases and other agreements, the terms of which generally correspond to the amortization of the related bond issues.

The loans and mortgages are secured by revenues produced by the facilities and by other legally available funds of the institutions. For projects under lease agreements, the Authority is the owner of those projects. It is the intention of the Authority to transfer title in the projects at the expiration of the leases. Accordingly, the leases are being accounted for as financing transactions.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
DECEMBER 31, 2016 AND 2015**

NOTE 5 LOANS AND LEASES RECEIVABLE (CONTINUED)

Loans and leases receivable comprise the following:

	2016	2015
Loans:		
Institute for Advanced Study	\$ 42,735,000	\$ 44,910,000
New Jersey Institute of Technology	68,060,000	69,932,500
Princeton Theological Seminary	57,895,000	62,040,000
Princeton University	1,902,945,000	1,918,660,000
Mortgages:		
Bloomfield College	30,927,928	31,608,577
Caldwell University (formerly Caldwell College)	18,174,165	18,726,075
Centenary University (formerly Centenary College)	31,518,682	32,757,928
College of Saint Elizabeth	21,297,500	19,590,000
Drew University	56,711,715	62,282,973
Fairleigh Dickinson University	71,470,920	76,443,983
Georgian Court University	23,325,558	24,173,065
Institute for Defense Analyses	8,900,000	9,400,500
New Jersey Institute of Technology	-	617,500
Rider University	35,222,500	39,080,000
Saint Peter's University (formerly Saint Peter's College)	29,638,194	32,181,335
Seton Hall University	143,187,500	115,667,500
Stevens Institute of Technology	63,727,500	66,785,000
Leases:		
Kean University	298,472,303	309,267,256
Montclair State University	405,492,500	435,622,500
New Jersey City University	147,777,500	152,440,000
Passaic County Community College	12,485,000	12,752,500
Ramapo College of New Jersey	223,742,500	230,582,500
Rowan University	158,240,000	182,917,500
Thomas Edison State University (formerly Thomas Edison State College)	11,958,078	13,204,735
The College of New Jersey	350,870,000	355,742,500
Stockton University (formerly The Richard Stockton College of New Jersey)	220,008,507	219,095,326
The William Paterson University of New Jersey	155,857,500	166,335,000
Higher Education Capital Improvement Fund	552,620,000	442,015,000
Higher Education Facilities Trust Fund	189,630,000	199,855,000
Higher Education Equipment Leasing Fund	66,100,000	78,735,000
Higher Education Technology Infrastructure Fund	34,580,000	36,670,000
County College Capital Projects Fund		
Dormitory Safety Trust Fund	710,000	6,340,000
Library Grant Program	19,250,000	21,905,000
	\$ 5,453,531,050	\$ 5,488,336,753

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
DECEMBER 31, 2016 AND 2015**

NOTE 6 BONDS, NOTES AND LEASES PAYABLE

Bonds, notes and leases payable comprise the following:

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31,	
				2016	2015
Bonds Payable					
Bloomfield College 2013 Series A	\$ 32,267,000	5/13/2043	Variable	\$ 30,927,928	\$ 31,608,577
Caldwell University (formerly Caldwell College): 2013 Series E	20,000,000	5/31/2038	3.629%	18,174,165	18,726,075
Centenary University (formerly Centenary College):					
2003 Series A	14,775,000	10/1/2033	Variable	7,115,000	7,730,000
2006 Series J	9,154,113	11/1/2036	Variable	7,995,363	8,176,613
2007 Series B	4,784,617	11/1/2036	Variable	4,043,319	4,146,315
2010 Series D	13,974,000	1/1/2041	Variable	12,365,000	12,705,000
Drew University:					
2003 Series C	20,855,000	7/1/2021	3.888%	12,325,000	13,240,000
2007 Series D	29,135,000	7/1/2037	4.601%	25,050,000	25,655,000
2008 Series B	10,765,000	7/1/2017	4.234%	1,695,000	3,300,000
2008 Series I	40,000,000	6/25/2018	Variable	10,869,215	12,895,473
2010 Series C	15,580,000	6/1/2024	Variable	8,405,000	8,755,000
Dormitory Safety Trust Fund:					
Series 2001 A	67,970,000	3/1/2016	4.239%	-	4,855,000
Series 2001 B - Taxable	5,800,000	3/1/2016	6.117%	-	410,000
Series 2003 A	5,440,000	3/1/2018	3.752%	710,000	1,075,000
Fairleigh Dickinson University:					
2006 Series G	14,505,000	7/1/2028	4.954%	10,015,000	10,615,000
2006 Series H	2,147,554	7/1/2027	4.954%	680,920	728,983
2014 Series B	51,925,000	2/1/2029	3.678%	45,955,000	48,100,000
2015 Series B	19,675,000	7/1/2045	3.932%	15,500,000	17,650,000
Georgian Court University:					
2007 Series D	26,980,000	7/1/2037	5.022%	23,215,000	23,970,000
2007 Series H	1,050,000	10/1/2022	5.296%	508,058	580,565
Higher Education Capital Improvement Fund:					
Series 2002 A	194,590,000	9/1/2022	4.599%	1,640,000	1,640,000
Series 2005 A	169,790,000	9/1/2019	4.121%	-	96,370,000
Series 2006 A	155,460,000	9/1/2024	4.421%	-	150,410,000
Series 2014 A	164,245,000	9/1/2033	3.669%	152,940,000	158,705,000
Series 2014 B	14,345,000	9/1/2033	3.671%	13,355,000	13,860,000
Series 2014 C	21,230,000	9/1/2020	1.696%	14,755,000	18,060,000
Series 2014 D	3,490,000	9/1/2020	1.712%	2,430,000	2,970,000
Series 2016 A	252,270,000	9/1/2024	2.841%	224,785,000	-
Series 2016 B	142,715,000	9/1/2036	4.733%	142,715,000	-

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
DECEMBER 31, 2016 AND 2015**

NOTE 6 BONDS, NOTES AND LEASES PAYABLE (CONTINUED)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding	
				December 31, 2016	2015
Higher Education Equipment Leasing Fund:					
Series 2014 A	82,235,000	6/1/2023	1.894%	60,530,000	72,320,000
Series 2014 B	7,105,000	6/1/2023	1.894%	5,570,000	6,415,000
Higher Education Facilities Trust Fund:					
Series 2014	199,855,000	6/15/2029	3.246%	189,630,000	199,855,000
Higher Education Technology Infrastructure Fund:					
Series 2014	38,110,000	6/1/2028	3.039%	34,580,000	36,670,000
Institute for Advanced Study:					
2006 Series B	29,600,000	7/1/2031	3.990%	23,400,000	24,500,000
2006 Series C	20,000,000	7/1/2036	Variable	16,000,000	16,500,000
2008 Series C	11,255,000	7/1/2021	3.619%	3,335,000	3,910,000
Institute for Defense Analysis:					
2000 Series D	16,695,000	10/1/2030	Variable	8,900,000	9,400,500
Kean University:					
Series 1998 B	25,995,000	7/1/2027	4.872%	-	4,215,000
Series 2003 D	75,000,000	7/1/2033	4.811%	2,150,000	4,865,000
Series 2007 D	117,795,000	7/1/2039	4.553%	2,495,000	-
Series 2009 A	179,380,000	9/1/2036	6.404%	176,705,000	177,090,000
Series 2015 H	117,175,000	7/1/2039	3.762%	112,930,000	117,175,000
Library Grant Program:					
Series 2002 A	45,000,000	9/1/2022	4.56%	19,250,000	21,905,000
Montclair State University:					
Series 2006 J	154,110,000	7/1/2034	4.300%	30,315,000	149,050,000
Series 2007 A	6,150,000	7/1/2021	4.022%	3,095,000	3,620,000
Series 2008 J	27,545,000	7/1/2038	5.100%	1,335,000	24,735,000
Series 2014 A	189,365,000	7/1/2044	4.212%	186,015,000	189,365,000
Series 2015 D	73,770,000	7/1/2036	3.757%	71,700,000	73,770,000
Series 2016 B	118,190,000	7/1/2038	2.88%	118,190,000	-
New Jersey City University:					
Series 2003 B	2,300,000	7/1/2018	5.659%	500,000	750,000
Series 2007 F	17,910,000	7/1/2032	4.337%	15,355,000	16,095,000
Series 2008 E	68,445,000	7/1/2035	4.763%	3,710,000	57,615,000
Series 2008 F	6,175,000	7/1/2036	7.039%	6,175,000	6,175,000
Series 2010 F	24,065,000	7/1/2028	3.313%	18,670,000	20,435,000
Series 2010 G	18,310,000	7/1/2040	4.062%**	18,310,000	18,310,000
Series 2015 A	35,340,000	7/1/2045	3.932%	35,340,000	35,340,000
Series 2016 D	52,075,000	7/1/2035	2.886%	52,075,000	-

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
DECEMBER 31, 2016 AND 2015**

NOTE 6 BONDS, NOTES AND LEASES PAYABLE (CONTINUED)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding	
				December 31, 2016	2015
New Jersey Institute of Technology:					
Series 2001 H - Taxable	12,570,000	7/1/2016	6.258%	-	1,235,000
Series 2010 H	50,965,000	7/1/2031	4.280%	48,885,000	50,080,000
Series 2010 I	20,450,000	7/1/2040	4.304%**	20,450,000	20,450,000
Passaic County Community College:					
Series 2010 C	13,635,000	7/1/2041	5.355%	12,620,000	12,885,000
Princeton Theological Seminary:					
2009 Series B	14,435,000	12/1/2032	2.878%	7,715,000	8,800,000
2010 Series A	68,785,000	7/1/2030	3.745%	52,295,000	55,270,000
Princeton University:					
2003 Series D	114,495,000	7/1/2019	3.727%	32,310,000	42,380,000
2006 Series D	74,290,000	7/1/2031	4.391%	-	57,655,000
2006 Series E	93,285,000	7/1/2027	4.504%	-	91,670,000
2007 Series E	325,000,000	7/1/2037	4.534%	267,665,000	275,085,000
2007 Series F	67,620,000	7/1/2030	4.392%	62,345,000	66,755,000
2008 Series J	250,000,000	7/1/2038	4.391%	215,100,000	220,735,000
2008 Series K	208,805,000	7/1/2023	4.356%	105,765,000	120,805,000
2010 Series B	250,000,000	7/1/2040	4.034%	225,925,000	231,070,000
2011 Series B	250,000,000	7/1/2041	4.087%	231,900,000	236,750,000
2014 Series A	200,000,000	7/1/2044	3.773%	197,415,000	200,000,000
2015 Series A	156,790,000	7/1/2035	2.317%	153,515,000	156,790,000
2015 Series D	150,000,000	7/1/2045	3.40%	150,000,000	150,000,000
2016 Series A	109,500,000	7/1/2035	2.53%	109,500,000	-
2016 Series B	117,820,000	7/1/2027	1.77%	117,820,000	-
Ramapo College of New Jersey:					
Series 2006 I	106,820,000	7/1/2036	4.417%	99,810,000	103,185,000
Series 2011 A	19,090,000	7/1/2021	3.325%	7,075,000	8,565,000
Series 2012 B	80,670,000	7/1/2042	3.689%	75,945,000	76,810,000
Series 2015 B	45,180,000	7/1/2040	3.585%	44,595,000	45,180,000
Rider University:					
2012 Series A	52,020,000	7/1/2037	3.741%	37,105,000	41,055,000
Rowan University:					
Series 2005 D	51,840,000	7/1/2030	4.532%	-	2,120,000
Series 2006 G	69,405,000	7/1/2031	4.362%	-	19,670,000
Series 2007 B	121,355,000	7/1/2034	4.266%	96,705,000	109,585,000
Series 2008 B	35,205,000	7/1/2027	4.839%	-	34,975,000
Series 2011 C	30,045,000	7/1/2025	3.705%	19,930,000	22,190,000
Series 2016 C	45,300,000	7/1/2031	2.129%	45,300,000	-

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
DECEMBER 31, 2016 AND 2015**

NOTE 6 BONDS, NOTES AND LEASES PAYABLE (CONTINUED)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31,	
				2016	2015
Saint Peter's University (formerly Saint Peter's College):					
2007 Series G	36,053,465	7/1/2027	4.217%	28,713,894	30,699,285
2008 Series H	5,000,000	7/1/2018	3.925%	924,300	1,482,050
Seton Hall University:					
2008 Series D	49,760,000	7/1/2037	Variable	36,580,000	40,985,000
2011 Series A	35,470,000	7/1/2026	2.997%	10,330,000	13,860,000
2013 Series D	41,910,000	7/1/2043	2.707%	40,360,000	41,090,000
2015 Series C	22,205,000	7/1/2037	3.819%	21,520,000	22,205,000
2016 Series C	36,265,000	7/1/2046	3.198%	36,265,000	-
Stevens Institute of Technology:					
1998 Series I	17,000,000	7/1/2028	5.109%	3,820,000	4,225,000
2007 Series A	71,060,000	7/1/2034	4.977%	61,475,000	64,050,000
The College of New Jersey:					
Series 2008 D	287,790,000	7/1/2035	5.09%	6,010,000	161,955,000
Series 2010 B	41,090,000	7/1/2040	4.748%**	3,030,000	41,090,000
Series 2012 A	26,255,000	7/1/2019	1.64%	14,385,000	18,590,000
Series 2013 A	24,950,000	7/1/2043	4.56%	24,500,000	24,950,000
Series 2015 G	114,525,000	7/1/2031	3.30%	114,525,000	114,525,000
Series 2016 F	87,925,000	7/1/2040	2.928%	87,925,000	-
Series 2016 G	105,255,000	7/1/2034	3.323%	105,255,000	-
The College of Saint Elizabeth:					
2008 Series F	24,090,000	7/1/2036	Variable	-	19,590,000
2016 Series D	21,435,000	7/1/2046	4.566%	21,435,000	-
Stockton University (formerly The Richard Stockton College of New Jersey):					
Series 1998 A	3,294,000	7/1/2016	3.000%	-	79,000
Series 2006 F	50,365,000	7/1/2036	4.460%	-	43,710,000
Series 2007 G	40,250,000	7/1/2037	4.500%	-	34,695,000
Series 2008 A	136,910,000	7/1/2038	5.309%	-	124,560,000
Series 2015 E	18,830,826	7/1/2028	2.830%	17,563,507	18,830,826
Series 2016 A	202,445,000	7/1/2041	3.175%	202,445,000	-
Thomas Edison State University (formerly Thomas Edison State College):					
Series 2011 D	8,000,000	10/1/2031	3.516%	5,500,163	5,921,216
Series 2014 B	7,000,000	12/1/2024	2.500%	5,690,000	6,325,000

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
DECEMBER 31, 2016 AND 2015**

NOTE 6 BONDS, NOTES AND LEASES PAYABLE (CONTINUED)

Issue	Original Issue Amount	Final Maturity Date	Net Effective Interest Rate	Amount Outstanding December 31,	
				2016	2015
The William Paterson University of New Jersey:					
Series 2008 C	88,670,000	7/1/2038	4.724%	9,960,000	76,000,000
Series 2012 C	33,815,000	7/1/2042	2.955%	31,745,000	32,225,000
Series 2012 D	21,860,000	7/1/2028	2.489%	15,115,000	16,115,000
Series 2015 C	45,695,000	7/1/2040	3.538%	42,035,000	45,695,000
Series 2016 E	60,755,000	7/1/2038	2.877%	60,755,000	-
Notes Payable					
Princeton University:					
Various Commercial Paper	120,000,000 *	N/A	Variable	39,000,000	74,000,000
Leases Payable					
Kean University	10,000,000	7/1/2020	3.140%	3,750,000	4,750,000
Kean University	15,000,000	2/15/2021	2.820%	4,462,303	5,512,256
Thomas Edison State University	2,700,000	9/28/2022	Variable	421,544	491,801
Thomas Edison State University	700,000	9/14/2015	2.37%	-	-
Thomas Edison State University	948,000	7/1/2019	2.43%	346,371	466,718
				\$ 5,497,961,050	\$ 5,537,441,253

* Maximum authorized amount

** Build America Bond

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
DECEMBER 31, 2016 AND 2015**

NOTE 6 BONDS, NOTES AND LEASES PAYABLE (CONTINUED)

The minimum aggregate principal maturities for each of the following five year periods are as follows:

2016 - 2020	\$ 1,030,084,738
2021 - 2025	1,311,985,503
2026 - 2030	1,326,555,350
2031 - 2035	1,033,871,466
2036 - 2040	548,761,244
2041 - 2045	246,702,749
Total	<u>\$ 5,497,961,050</u>

NOTE 7 REFUNDED BOND ISSUES

When conditions have warranted, the Authority has sold various issues of bonds to provide for the refunding of previously issued obligations.

The proceeds received from the sales of the bond issues were used to refund currently the outstanding bond issues or to deposit in an irrevocable escrow fund held by the Escrow Agent, an amount which, when combined with interest earnings thereon, is at least equal to the sum of the outstanding principal amount of the bonds, the interest to accrue thereon to and including the first optional redemption date thereof, and the premium required to redeem the bonds outstanding on such date. Accordingly, the trust account assets and the liability for defeased bonds are not included in the Authority's financial statements.

Certain transactions defeased the outstanding bond issues with a resultant reduction in annual debt service during the term of the issues. The debt service savings, together with any accounting gain or loss that will be deferred, accrue to the respective institutions.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
DECEMBER 31, 2016 AND 2015**

NOTE 7 REFUNDED BOND ISSUES (CONTINUED)

Refunded bonds outstanding at December 31, 2016 comprise the following:

Issue	Principal Amount Outstanding December 31, 2016	Refunded Issues		Debt Service Savings	Refunding Issues		
		Principal Amount Refunded	Call Date		Date of Issuance	Issue	Original Amount of Issue
Princeton University 2005 Series B	-	7,820,000	7/1/2015	2,755,549	8/10/2006	2006 Series E	45,500,000
Ramapo College of New Jersey Series 2006 D	-	11,145,000	7/1/2016	3,510,943	11/28/2006	Series 2006 I	106,820,000
Montclair State University Series 2002 F	-	56,125,000	7/1/2015	6,194,157	12/14/2006	Series 2006 J	154,110,000
Kean University Series 2005 B	-	77,530,000	7/1/2016	14,985,307	4/13/2007	Series 2007 E	156,240,000
Stevens Institute of Technology 1998 Series I	3,265,000	6,050,000	No Call	N/A*	8/2/2007	2007 Series A	71,060,000
Princeton University 2005 Series A	-	2,095,000	7/1/2015	2,361,004	6/19/2007	2007 Series F	67,620,000
Princeton University 2005 Series B	-	17,625,000	7/1/2015				
University of Medicine & Dentistry of New Jersey Series 2009 B	91,590,159 87,666,278 29,499,399 1,499,165	109,794,495 105,090,709 35,362,659 2,341,867	6/1/2019 6/1/2019 6/1/2019 6/1/2019	N/A** N/A** N/A** N/A**		Rutgers TE Rutgers Taxable Rowan Univ Hospital	
Montclair State University Series 2002 F	-	12,900,000	7/1/2015	4,161,795	4/3/2014	Series 2014 A	189,365,000
Montclair State University Series 2003 E	-	6,325,000	7/1/2015				
Montclair State University Series 2006 A	10,945,000	10,945,000	7/1/2016				
Rowan University Series 2006 G	-	34,855,000	7/1/2016	N/A**		GCIA	
Ramapo College of New Jersey Series 2006 D	-	30,360,000	7/1/2016	1,296,916	5/19/2015	Series 2015 B	45,180,000

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
(A COMPONENT UNIT OF THE STATE OF NEW JERSEY)
NOTES TO SUPPLEMENTAL FINANCIAL INFORMATION
DECEMBER 31, 2016 AND 2015**

NOTE 7 REFUNDED BOND ISSUES (CONTINUED)

Issue	Principal Amount Outstanding December 31, 2016	Refunded Issues		Debt Service Savings	Refunding Issues		Original Amount of Issue
		Principal Amount Refunded	Call Date		Date of Issuance	Issue	
Montclair State University Series 2006 A	71,420,000	71,420,000	7/1/2016	6,705,621	7/1/2015	Series 2015 D	73,770,000
Seton Hall University 2008 Series E	21,495,000	22,030,000	7/1/2019	1,329,496	7/14/2015	2015 Series C	22,205,000
Kean University Series 2005 B	-	13,645,000	7/1/2016	5,835,842	8/27/2015	Series 2015 H	117,175,000
Series 2007 D	100,715,000	100,715,000	7/1/2017				
The College of New Jersey Series 2008 D	112,665,000	112,665,000	7/1/2018	3,781,458	9/17/2015	Series 2015 G	114,525,000
Stockton University Series 2006 F	-	42,420,000	8/16/2016	24,571,139	7/13/2016	Series 2016 A	202,445,000
Series 2007 G	33,705,000	33,705,000	7/1/2017				
Series 2008 A	121,360,000	121,360,000	7/1/2018				
Montclair State University Series 2006 J	-	115,475,000	7/1/2016	18,337,553	5/4/2016	Series 2016 B	118,190,000
Series 2008 J	22,770,000	22,770,000	7/1/2018				
Rowan University Series 2006 G	-	17,930,000	8/16/2016	6,962,589	7/14/2016	Series 2016 C	45,300,000
Series 2008 B	34,760,000	34,760,000	7/1/2018				
Rowan University Series 2007 B	6,230,000	6,230,000	7/1/2017	N/A**		Rowan University	
New Jersey City University Series 2008 E	52,100,000	52,100,000	7/1/2018	5,990,447	6/1/2016	Series 2016 D	52,075,000
Princeton University 2006 Series D	-	55,105,000	7/1/2016	30,853,072	4/5/2016	2016 Series B	117,820,000
2006 Series E	-	91,510,000	7/1/2016				
William Paterson University of NJ Series 2008 C	63,780,000	63,780,000	7/1/2018	8,747,602	8/9/2016	Series 2016 E	60,755,000
The College of New Jersey Series 2008 D	150,810,000	150,810,000	7/1/2018	21,608,201	9/29/2016	Series 2016 F&G	193,180,000
Series 2010 B	37,115,000	37,115,000	7/1/2019				
The College of Saint Elizabeth 2008 Series F	-	18,840,000	10/31/2016	N/A*	10/13/2016	2016 Series D	21,435,000

* Debt Restructuring

** Not NJEFA Refunding Bonds



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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Management and Members of
New Jersey Educational Facilities Authority
Princeton, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business type activities of the New Jersey Educational Facilities Authority as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated May 9, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

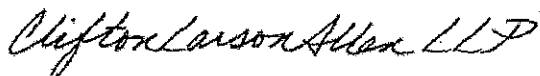
Management and Members of
New Jersey Educational Facilities Authority

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
May 9, 2017



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**INDEPENDENT AUDITORS' REPORT ON
BOND RESOLUTION COMPLIANCE**

Members
New Jersey Educational Facilities Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America, the accompanying financial statements of the business-type activities of the New Jersey Educational Facilities Authority (the Authority), which comprise the statement of net position as of December 31, 2016, and the related statement of revenues, expenses and changes in net position and cash flows for the year then ended, and have issued our report thereon dated May 9, 2017.

Pursuant to the General Revenue Bond Resolution adopted October 10, 1968 and amended January 12, 1971, the General Higher Educational Facilities Revenue Bond Resolution adopted October 10, 1968 and amended April 13, 1971, applicable Series Resolutions and applicable Trust Indentures during the period under audit, the Authority had outstanding the authorized bonds and obligations listed in Exhibit A of this report as of December 31, 2016.

In connection with our audit, nothing came to our attention that caused us to believe that the New Jersey Educational Facilities Authority failed to comply with the terms, covenants, provisions, or conditions of the Resolutions and Indentures referred to above, insofar as they relate to accounting matters including the maintenance of Debt Service Reserve Funds and the Renewal and Replacement Accounts and insurance coverage. However, our audit was not directed primarily toward obtaining knowledge of such non-compliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the above-referenced terms, covenants, provisions, or conditions of the aforementioned General Resolutions, applicable Series Resolutions and applicable Trust Indentures, insofar as they relate to accounting matters.

This report is intended solely for the information and use of the Members and management of the New Jersey Educational Facilities Authority and the Trustees under the Resolutions and Indentures and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
May 9, 2017

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
 OUTSTANDING BONDS AND OBLIGATIONS
 DECEMBER 31, 2016

Institution	Issue
Bloomfield College	-- 2013 Series A
Caldwell University	-- 2013 Series E
Centenary College	-- 2003 Series A
	-- 2006 Series J
	-- 2007 Series B
	-- 2010 Series D
Drew University	-- 2003 Series C
	-- 2007 Series D
	-- 2008 Series B
	-- 2008 Series I
	-- 2010 Series C
Fairleigh Dickinson University	-- 2006 Series G
	-- 2006 Series H
	-- 2014 Series B
	-- 2015 Series B
Georgian Court University	-- 2007 Series D
	-- 2007 Series H
Institute for Advanced Study	-- 2006 Series B
	-- 2006 Series C
	-- 2008 Series C

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
OUTSTANDING BONDS AND OBLIGATIONS (CONTINUED)
DECEMBER 31, 2016**

Institution	Issue
Institute for Defense Analyses	-- 2000 Series D
Kean University	-- Series 2003 D
	-- Series 2007 D
	-- Series 2009 A
	-- 2010 Tax-Exempt Lease
	-- 2011 Tax-Exempt Lease
	-- Series 2015 H
Montclair State University	-- Series 2006 J
	-- Series 2007 A
	-- Series 2008 J
	-- Series 2014 A
	-- Series 2015 D
	-- Series 2016 B
New Jersey City University	-- Series 2003 B
	-- Series 2007 F
	-- Series 2008 E
	-- Series 2008 F
	-- Series 2010 F
	-- Series 2010 G
	-- Series 2015 A
-- Series 2016 D	
New Jersey Institute of Technology	-- Series 2001 H - Taxable
	-- Series 2010 H
	-- Series 2010 I
Passaic County Community College	-- Series 2010 C

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
OUTSTANDING BONDS AND OBLIGATIONS (CONTINUED)
DECEMBER 31, 2016**

Institution	Issue
Princeton Theological Seminary	-- 2009 Series B
	-- 2010 Series A
Princeton University	-- Various Commercial Paper
	-- 2003 Series D
	-- 2006 Series D
	-- 2006 Series E
	-- 2007 Series E
	-- 2007 Series F
	-- 2008 Series J
	-- 2008 Series K
	-- 2010 Series B
	-- 2011 Series B
	-- 2014 Series A
	-- 2015 Series A
Ramapo College of New Jersey	-- 2015 Series D
	-- 2016 Series A
	-- 2016 Series B
	-- Series 2006 I
Rider University	-- Series 2011 A
	-- Series 2012 B
	-- Series 2015 B
	-- 2012 Series A
Rowan University	-- Series 2005 D
	-- Series 2006 G
	-- Series 2007 B
	-- Series 2008 B
	-- Series 2011 C
Saint Peter's University	-- Series 2016 C
	-- 2007 Series G
	-- 2008 Series H

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
OUTSTANDING BONDS AND OBLIGATIONS (CONTINUED)
DECEMBER 31, 2016**

Institution	Issue
Seton Hall University	-- 2008 Series D
	-- 2011 Series A
	-- 2013 Series D
	-- 2015 Series C
	-- 2016 Series C
Stevens Institute of Technology	-- 1998 Series I
	-- 2007 Series A
Stockton University	-- Series 1998 A
	-- Series 2006 F
	-- Series 2007 G
	-- Series 2008 A
	-- Series 2015 E
	-- Series 2016 A
The College of New Jersey	-- Series 2008 D
	-- Series 2010 B
	-- Series 2012 A
	-- Series 2013 A
	-- Series 2015 G
	-- Series 2016 F
	-- Series 2016 G
The College of Saint Elizabeth	-- 2008 Series F
	-- 2016 Series D
Thomas Edison State University	-- 2007 Tax-Exempt Lease
	-- 2011 Tax-Exempt Lease
	-- 2011 Series D
	-- 2014 Series B
William Paterson University of New Jersey	-- Series 2008 C
	-- Series 2012 C
	-- Series 2012 D
	-- Series 2015 C
	-- Series 2016 E

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
OUTSTANDING BONDS AND OBLIGATIONS (CONTINUED)
DECEMBER 31, 2016**

Institution	Issue
Treasurer, State of New Jersey	-- Series 2002 A, Higher Education Capital Improvement Fund
	-- Series 2005 A, Higher Education Capital Improvement Fund
	-- Series 2006 A, Higher Education Capital Improvement Fund
	-- Series 2014 A, Higher Education Capital Improvement Fund
	-- Series 2014 B, Higher Education Capital Improvement Fund
	-- Series 2014 C, Higher Education Capital Improvement Fund
	-- Series 2014 D, Higher Education Capital Improvement Fund
	-- Series 2016 A, Higher Education Capital Improvement Fund
	-- Series 2016 B, Higher Education Capital Improvement Fund
	-- Series 2014 A, Higher Education Equipment Leasing Fund
	-- Series 2014 B, Higher Education Equipment Leasing Fund
	-- Series 2014, Higher Education Facilities Trust Fund
	-- Series 2014, Higher Education Technology Infrastructure Fund
	-- Series 2001 A, Dormitory Safety Trust Fund
	-- Series 2001 B, Taxable, Dormitory Safety Trust Fund
	-- Series 2003 A, Dormitory Safety Trust Fund
	-- Series 2002 A, Library Grant Program



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Management and Members of
New Jersey Educational Facilities Authority
Princeton, New Jersey

We have audited the financial statements of the business-type activities of the New Jersey Educational Facilities Authority for the year ended December 31, 2016, and have issued our report thereon dated May 9, 2017. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by New Jersey Educational Facilities Authority are described in Note 2 to the financial statements.

The Authority changed accounting policies related to Fair Value Measurements by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 72, *Fair Value Measurement and Application*, in fiscal year 2016. There was no impact on the financial statement amounts, however additional disclosures were added to the Notes to the financial statements

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the financial statements were:

- Other post-employment benefit (OPEB) liability
- Public Employees' Retirement System (PERS) liability, expense and related deferred inflows and deferred outflows
- Management's estimate of useful lives of capital assets

We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effect of the following misstatement is immaterial to the financial statements taken as a whole:

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* requires the College to report its share of the defined benefit pension liabilities and expense, as well as related deferred outflows and inflows of resources, allocated to it by the New Jersey Public Employees Retirement System (PERS). The Authority implemented these standards during the year ended December 31, 2015. The impact of adoption of the standards was correctly recorded as an adjustment to the Authority's beginning net position as of January 1, 2015, however the amount recorded was improperly adjusted for the Authority's contributions paid after the measurement date. An adjustment to correct pension-related accounts was recorded in fiscal 2016. The impact of this misstatement is that unrestricted net position is understated by approximately \$120 thousand as of December 31, 2015, but is correct as of December 31, 2016 due to the adjustment recorded in fiscal 2016.

Disagreements with management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated May 9, 2017.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However,

these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

Other information in documents containing audited financial statements

With respect to the management's discussion and analysis, the schedule of funding progress for the OPEB plan, schedule of employer contributions to the OPEB plan, schedule of proportionate share of net pension liability, and schedule of employer contributions which is part of the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

Our auditors' opinion, the audited financial statements, and the notes to financial statements should only be used in their entirety. Inclusion of the audited financial statements in a document you prepare, such as an annual report, should be done only with our prior approval and review of the document.

The supplemental financial information (Trustee-Held Funds Statements), accompanying the financial statements which is the responsibility of management, was prepared for purposes of additional analysis and is not a required part of the financial statements. Such information was not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

* * *

This communication is intended solely for the information and use of the members and management of New Jersey Educational Facilities Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
May 9, 2017

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

Adopted: May 23, 2017

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") was created pursuant to the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented N.J.S.A. 18A:72A-1 et seq. (the "Act") and is authorized to issue its obligations to provide a means for New Jersey public and private colleges and universities to obtain financing to construct educational facilities as defined in the Act; and

WHEREAS: The Authority is required, in order to operate in a prudent business manner, to carry property insurance, liability insurance, automobile insurance, workers compensation and directors and officers liability insurance; and

WHEREAS: At the meeting of May 20, 2014, after the staff of the Authority distributed a Request for Qualifications/Request for Proposals ("RFQ/RFP") dated March 17, 2014 for the selection of an insurance broker for the Authority, and after the RFQ/RFP was distributed by the Authority to various firms, the Authority appointed Willis of New Jersey, Inc. as the Authority's insurance broker ("Willis"); and

WHEREAS: The Authority entered into an agreement ("Agreement") with Willis for a term of three (3) years from July 1, 2014 to June 30, 2017 with two (2) optional one-year renewals; and

WHEREAS: The Authority now wishes to exercise its option under the Agreement to have Willis serve as the insurance broker to the Authority for the first renewal period from July 1, 2017 to June 30, 2018 ("First Renewal Term").

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

SECTION 1. The Authority hereby authorizes the engagement of Willis of New Jersey, Inc. to serve as the insurance broker to the Authority for the First Renewal Term.

SECTION 2. The Authority hereby authorizes the Executive Director or the Director of Finance/Controller to take and do any and all acts and things as may be necessary or desirable in connection with implementation of this Resolution, including but not limited to executing a renewal of the Agreement with Willis in order to exercise the Authority's option to renew the Agreement for the First Renewal Term.

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

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

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

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING PROCUREMENT OF INSURANCE COVERAGE**

Adopted: May 23, 2017

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") was created pursuant to the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented N.J.S.A. 18A:72A-1 et seq. (the "Act") and is authorized to issue its obligations to provide a means for New Jersey public and private colleges and universities to obtain financing to construct educational facilities as defined in the Act; and

WHEREAS: The Authority is required, in order to operate in a prudent business manner, to carry property insurance, liability insurance, automobile insurance, workers compensation and directors and officers liability insurance; and

WHEREAS: At the meeting of May 20, 2014, after the staff of the Authority distributed a Request for Qualifications/Request for Proposals ("RFQ/RFP") dated March 17, 2014 for the selection of an insurance broker for the Authority, and after the RFQ/RFP was distributed by the Authority to various firms, the Authority appointed Willis of New Jersey, Inc. as the Authority's insurance broker ("Willis"); and

WHEREAS: The Authority entered into an agreement ("Agreement") with Willis for a term of three (3) years from July 1, 2014 to June 30, 2017 with two (2) optional one-year renewals; and

WHEREAS: Willis has recommended which insurance carriers should be selected for the current annual renewal, for the period July 1, 2017 to July 1, 2018, and these are set forth on the term sheets attached hereto (the "Term Sheets") as **EXHIBIT A**; and

WHEREAS: The Authority has determined that it is in the Authority's best interest to accept the Willis's recommendation as to the insurance carriers as set forth on the Term Sheets.

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

SECTION 1. The Authority hereby authorizes procurement of insurance coverage for the period July 1, 2017 through July 1, 2018 with the insurance carriers, for the respective types of insurance coverage and on the terms and conditions set forth on the Term Sheets.

SECTION 2. The Authority hereby authorizes the Executive Director or the Director of Finance/Controller to take and do any and all acts and things as may be necessary or desirable in connection with implementation of this Resolution.

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

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

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

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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

EXHIBIT A

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

RENEWAL TERM SHEET – GENERAL INSURANCE

For the Period 7/1/17 to 7/1/18

COVERAGE:

General Liability:	\$ 1,000,000 per Occurrence, no retention
1 st Umbrella	\$10,000,000 per Occurrence
2 nd Umbrella	\$15,000,000 per Occurrence
E. F. A. Property	\$ 610,000 subject to \$5,000 Deductible
Property Legal Liability	\$ 1,000,000
Automobile	\$ 1,000,000 per Accident, no deductible
	\$ 1,000 Deductible Comprehensive and Collision
Workers Compensation	NJ Statutory Limits (\$1,000,000 per Accident Employers Liability)

	<u>Expiring Policies</u>	<u>Proposed Renewal</u>
Term:	7/1/16 – 7/1/17	7/1/17 – 7/1/18
Carrier:	American Alternative / Navigators / Hartford	American Alternative / Navigators / Hartford
AM Best		
Ratings:	A+ XV / A XI / A XV	A+ XV / A XI / A XV
Premiums:	\$102,903	\$105,555
NJ PLIGA:	689	606
Policy Fees:	Waived	Waived

MARKETING EFFORT AND RESPONSES:

	<u>Carrier</u>	<u>Response</u>
	American Alternative	Provided Cover Quote of \$85075.42
	Hartford	WC Cover Quote of \$ 4,438
	Navigators	Provided 2 nd Umbrella Cover Quote of \$16,649
All Lines	Selective Insurance	Declined - Nature of Operations
	Philadelphia Insurance	Declined - Nature of Operations
	Travelers	Declined - Nature of Operations

<u>Premiums</u>	<u>2016-17</u>	<u>2017-18</u>
Automobile	\$ 529	\$ 3295 (Vehicle added)
General Liability	\$ 64,494	\$ 65,443
Property/Computers/Crime	\$ 1,979	\$ 2,124
1 st Umbrella	\$ 14,860	\$ 13,705
2 nd Umbrella	\$ 16,550	\$ 16,550
Workers Compensation	\$ 4,491	\$ 4,438 (Payroll estimate- \$1,311,200)
NJ PLIGA	\$ 689	\$ 606
Policy Fees	<u>\$Waived</u>	<u>\$Waived</u>
TOTAL	\$ 103,592	\$106,161

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

RENEWAL TERM SHEET – DIRECTORS & OFFICERS

For the Period 7/1/17 – 7/1/18

COVERAGE:

Limit: \$7,000,000 per Occurrence and Aggregate
Retention: Zero Non-Indemnifiable Loss
\$50,000 with Authority Reimbursement

	<u>Expiring Policy</u>	<u>Proposed Renewal</u>
Term:	7/1/16 – 7/1/17	7/1/17 – 7/1/18
Carrier:	RSUI	RSUI
AM Best Rating:	A+XIII	A+XIII
Premium:	\$25,300.00	\$25,300.00
NJ PLIGA	\$ 177.10	\$ 151.86
Policy Fee	<u>\$ Waived</u>	<u>\$ Waived</u>
TOTAL	\$25,477.10	\$25,451.86

EXCESS D&O

	<u>Expiring Policy</u>	<u>Proposed Renewal</u>
Term:	7/1/16 – 7/1/17	7/1/17 – 7/1/18
Carrier:	QBE	QBE
Limits:	\$7M xs \$7M (RSUI)	\$7M xs \$7M (RSUI)
AM Best Rating:	AXIV	AXIV
Premium:	\$20,000.00	\$20,000.00
NJ PLIGA	\$ 140.00	\$ 120.00
Policy Fee	<u>\$ Waived</u>	<u>\$ Waived</u>
TOTAL	\$20,140.00	\$20,120.00

Option Excess D&O Quote:

Carrier: Great American Insurance Company (Admitted in NJ)
AM Best Rating: AXIV
Limits: \$7,000,000 xs \$14,000,000
Premium: \$15,500 + \$93 PLIGA

MARKETING EFFORT AND RESPONSE:

Attached is the Marketing Summary for the Directors and Officers. In addition to RSUI and QBE, 25 markets were approached for quotation. 17 declined for different reasons. 5 have not responded to date, 2 have requested additional information that has been provided to them.

Great American is the only carrier that has quoted. They have quoted \$7m excess of \$14m. We continue to market for additional limits to bring the total limit to \$25m.

We did try to reduce the number of carriers. Neither RSUI nor QBE would increase their limits above \$7m.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2017 BUDGET VARIANCE ANALYSIS
FOR THE MONTH ENDED MARCH 31, 2017**

EXECUTIVE SUMMARY

Net Operating Income

The NJEFA concluded March with year-to-date net operating income in the amount of (\$8,650),* based on year to date revenues of \$724,627 and expenses of \$733,277.

Revenues

Year-to-date revenues were \$258,928* less than projected due to timing of the anticipated bond issuance activity.

Expenses

Operating expenditures for the first three months of the year were under budget by \$176,154 primarily due to staff vacancies and timing.

Exhibits

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* Such amount does not reflect initial fee income of \$200,000 from transactions in process during the first quarter which closed the week of April 4, 2017.

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
MARCH 2017**

	Month Ended March 31, 2017			Three Months Ended March 31, 2017		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Operating Revenues</u>						
Annual Administrative Fees	\$238,685	\$238,685	\$ -	\$ 716,058	\$ 716,058	\$ -
Initial Fees	-	87,500	(87,500)	-	262,500	(262,500)
Investment Income	(1,679)	1,667	(3,346)	8,569	4,997	3,572
	<u>\$ 237,006</u>	<u>\$ 327,852</u>	<u>\$ (90,846)</u>	<u>\$ 724,627</u>	<u>\$ 983,555</u>	<u>\$ (258,928)</u>
<u>Operating Expenses</u>						
Salaries	\$100,161	\$124,978	\$ 24,817	\$ 307,531	\$ 374,920	\$ 67,389
Employee Benefits	151,765	193,350	41,585	211,073	260,048	48,975
Provision for Post Ret. Health Benefits	17,850	17,850	-	53,550	53,550	-
Office of The Governor	2,208	2,208	-	6,625	6,628	3
Office of The Attorney General	4,667	4,667	-	13,999	13,997	(2)
Sponsored Programs	979	1,400	421	1,905	4,200	2,295
Telephone	1,676	2,167	491	3,303	6,497	3,194
Gasoline & Auto Maintenance	-	300	300	-	300	300
Rent	14,293	16,667	2,374	47,709	49,997	2,288
Utilities	1,687	1,792	105	5,060	5,372	312
Postage	48	417	369	325	1,247	922
Office Supplies & Expenses	2,763	3,625	862	8,193	10,875	2,682
Travel & Official Receptions	861	1,167	306	1,318	3,497	2,179
Staff Training & Tuition Reimbursement	-	1,083	1,083	1,464	3,253	1,789
Insurance	4,384	6,750	2,366	13,154	20,250	7,096
Annual Report & Newsletters	-	1,900	1,900	2,162	5,700	3,538
Public Relations	-	517	517	-	1,547	1,547
Professional Services	25,336	35,500	10,164	35,857	46,500	10,643
Dues & Subscriptions	1,320	3,433	2,113	6,310	10,303	3,993
Data Processing	3,255	3,833	578	6,930	11,503	4,573
Maintenance of Equipment	699	3,667	2,968	2,364	10,997	8,633
Depreciation	1,482	2,750	1,268	4,445	8,250	3,805
Contingency	-	-	-	-	-	-
	<u>335,434</u>	<u>430,021</u>	<u>94,587</u>	<u>733,277</u>	<u>909,431</u>	<u>176,154</u>
Net Operating Income	<u>\$ (98,428)</u>	<u>\$ (102,169)</u>	<u>\$ 3,741</u>	<u>\$ (8,650)</u>	<u>\$ 74,124</u>	<u>\$ (82,774)</u>

NJEFA
Operating Account - Vendor Payments
March 2017

Type	Date	Num	Name	Memo	Account	Accrual Basis Amount
Check	03/01/2017	11480	100 & RW CRA, LLC	Inv 106260-1, 107696, 107697	Rent, Utilities	10,196.67
Check	03/03/2017	11481	Nelson, Steven	Expense Reimb - FDU, CSE 2/16/17, Ramapo & Stevens 2/28	Travel & Official Receptions	25.75
Check	03/03/2017	11482	Bank of America - Acct Analysis	Inv 17010005547	Office Supplies and Expenses	72.79
Check	03/03/2017	11483	Gennaro's	Office Meeting	Travel & Official Receptions	237.15
Check	03/03/2017	11484	Government News Network	Inv 76713-G	Dues & Subscriptions	318.00
Check	03/03/2017	11485	UPS	Inv 2Y687X077	Postage	32.05
Check	03/03/2017	11486	NJ Economic Development Authority	March Coverage	Employee Benefits	1,049.95
Check	03/03/2017	11487	Yang, Ellen	Expense Reimb - Travel 2/22/17 Ethics Meeting	Travel & Official Receptions	15.37
Check	03/03/2017	11488	NJ Advance Media	I04306064-02172017 - SL , I04301698-02082017 - SL, I04306125-021720	Office Supplies and Expenses	89.66
Check	03/08/2017	EFT	NJSHBP	ID 150400 03/17	Employee Benefits	23,045.39
Check	03/08/2017	EFT	NJSHBP	ID 150400 03/17	Post Retirement Benefits	5,046.70
Check	03/21/2017	11489	Creative Source, Inc	Inv 10-681	Sponsored Programs	400.00
Check	03/21/2017	11490	Jersey Printing	Inv 24537, 24552	Office Supplies and Expenses	360.00
Check	03/21/2017	11491	Nelson, Steven	Expense Reimbursement - Travel 3/7/17 PU Pricing	Travel & Official Receptions	16.75
Check	03/21/2017	11492	Lexis Nexis	Inv 1702217012	Dues & Subscriptions	292.00
Check	03/21/2017	11493	Polar Inc.	Inv 007727	Office Supplies and Expenses	70.50
Check	03/21/2017	11494	100 & RW CRA, LLC	Inv 107913, 107919, 107912	Office Supplies and Expenses	191.89
Check	03/21/2017	11495	Thomson Reuters Global Markets Inc.	Inv 94398871	Dues & Subscriptions	710.00
Check	03/21/2017	11496	SS&C Technologies, Inc	INV466206	Data Processing	3,255.00
Check	03/21/2017	11497	Arkadin Inc.	Inv 1008432-0217	Telephone	114.36
Check	03/21/2017	11498	CliftonLarsonAllen LLP	Inv 1448391	Professional Services	25,000.00
Check	03/21/2017	11499	DocuSafe	Inv 93601	Office Supplies and Expenses	130.52
Check	03/21/2017	11500	Stitt, Sheryl A.	Expense Reimb - Indeed Postings 1/19/17, 2/1/17	Office Supplies and Expenses	733.88
Check	03/21/2017	11501	W.B. Mason Company, Inc.	Inv IS0593502	Office Supplies and Expenses	873.05
Check	03/21/2017	11502	Middleton, Kristen E.	Employee Reimbursement - EACUBO 2017 Workshop 3/8/17 - 3/10/17	Travel & Official Receptions	76.06
Check	03/21/2017	11503	Bank of America - Acct Analysis	Inv 17020005592	Office Supplies and Expenses	130.75
Check	03/21/2017	11504	UPS	Inv 2Y687X097, 2Y687X107	Postage	38.84
Check	03/21/2017	11505	Verizon Wireless	Inv 9781322501	Telephone	91.88
Check	03/21/2017	11506	Line Systems	Inv 66054161215	Telephone, Accounts Payable	2,906.40
Check	03/21/2017	11507	Barclays	Inv NJEFA-01 2/28/17 SIT 2017 A	Travel & Official Receptions	43.50
Check	03/21/2017	11508	The Municipal Forum Youth Education Fund	Muni Forum 5/10/17 - Steve Nelson	Travel & Official Receptions	185.00
Check	03/21/2017	11509	Panera Bread	3/7/17 Moody's Panel Inv 60701100038	Sponsored Programs	447.24
Check	03/21/2017	11510	Morgan Stanley	Ramapo MUNI022817	Travel & Official Receptions	35.66
Check	03/29/2017	11511	UPS	Inv 2Y687X117	Postage	35.07
Check	03/29/2017	11512	MacDonald, Carl J.	Expense Reimb - 2/28 Ramapo & Stevens Pricing, 3/17 PU Pricing	Travel & Official Receptions	34.00
Check	03/29/2017	11513	20/20 Business Solutions, Inc.	Inv 494387	Equipment Maintenance	511.11
Check	03/29/2017	11514	Curfis, Matthew J.	Expense Reimbursement - Targus Presentation Remote	Office Supplies and Expenses	53.43
Check	03/29/2017	11515	MCS	Inv 52412	Equipment Maintenance	188.00
Check	03/29/2017	11516	O'Donnell, Jamie	Employee Reimbursement - Travel 3/27/17	Sponsored Programs, Travel	98.62
Check	03/29/2017	11517	Cash	Replenish Petty Cash	Travel & Official Receptions, Sponsored Prc	225.00
Check	03/29/2017	11518	Polar Inc.	Inv 008401	Office Supplies and Expenses	56.60
						<u>77,434.59</u>

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of March 31, 2017

<u>Institution</u>	<u>Issue</u>	<u>Description</u>	<u>Bond Proceeds</u>	<u>Net Disbursed</u>	<u>Balance</u>	<u>% Complete</u>
Private						
Seton Hall University	2016 Series C	Welcome Center, Bishop Dougherty Univ Center	\$ 38,059,002.20	\$ (5,721,074.15)	\$ 32,337,928.05	15%
The College of Saint Elizabeth	2016 Series D	Renov of O'Connor Hall & Improv, Refund 2008 F	2,627,671.74	(860,779.96)	1,766,891.78	33%
Sub Total			<u>\$ 40,686,673.94</u>	<u>\$ (6,581,854.11)</u>	<u>\$ 34,104,819.83</u>	
Public						
New Jersey City University	Series 2010 F	Various Capital Improvements	\$ 14,717,070.83	\$ (13,804,478.04)	\$ 912,592.79	94%
The College of New Jersey	Series 2013 A	Demo of Holman Hall, Construct and Renov of STEM	25,608,240.10	(18,143,919.27)	7,464,320.83	71%
Montclair State University	Series 2014 A	Various Refundings and Capital Projects	156,675,111.09	(105,609,454.88)	51,065,656.21	67%
New Jersey City University	Series 2015 A	Various Renovations & Improv, Refund 02 A, 08 E	37,869,656.10	(25,311,568.09)	12,558,088.01	67%
Ramapo College of New Jersey	Series 2015 B	Refund & Renov to Student Center & Coll. Park Apts	16,039,113.37	(12,628,894.61)	3,410,218.76	79%
William Paterson University of New Jersey	Series 2015 C	Refund & Improv, Renov Hunziker Hall & Wing	20,486,649.75	(16,515,463.99)	3,971,185.76	81%
Stockton University	Series 2016 A	Science Center, Academic Bldg, Quad Project	26,207,528.53	(5,970,598.85)	20,236,929.68	23%
Sub Total			<u>\$ 297,603,369.77</u>	<u>\$ (197,984,377.73)</u>	<u>\$ 99,618,992.04</u>	
Other Programs						
Equipment Leasing Fund	Series 2014 A&B	Acquisition and Installation of Equipment	\$ 101,266,893.00	\$ (81,104,348.71)	\$ 20,162,544.29	80%
Technology Infrastructure Fund	Series 2014	Development of Technology Infrastructure	41,313,667.00	(31,312,088.28)	10,001,578.72	76%
Capital Improvement Fund	Series 2014 A-D	Capital Improvements	191,905,596.00	(152,604,967.96)	39,300,628.04	80%
Facilities Trust Fund	Series 2014	Construct, Reconstruct, Develop & Improve Facilities	219,977,164.00	(138,937,883.35)	81,039,280.65	63%
Capital Improvement Fund	Series 2016 B	Capital Improvements	146,700,261.19	(4,416,194.87)	142,284,066.32	3%
Sub Total			<u>\$ 701,163,581.19</u>	<u>\$ (408,375,483.17)</u>	<u>\$ 292,788,098.02</u>	
Grand Total			<u><u>\$1,039,453,624.90</u></u>	<u><u>\$ (612,941,715.01)</u></u>	<u><u>\$ 426,511,909.89</u></u>	

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2017 BUDGET VARIANCE ANALYSIS
FOR THE MONTH ENDED APRIL 30, 2017**

EXECUTIVE SUMMARY

Net Operating Income

The NJEFA concluded April with year-to-date net operating income in the amount of \$238,511, based on revenues of \$1,168,309 and expenses of \$929,798.

Revenues

Year-to-date revenues were \$143,098 less than projected for April due to timing of the anticipated bond issuance activity.

Expenses

Operating expenditures for the first four months of the year were under budget by \$232,654 primarily due to staff vacancies and timing.

Exhibits

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NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
APRIL 2017

	<u>Month Ended</u> <u>April 30, 2017</u>			<u>Four Months Ended</u> <u>April 30, 2017</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Operating Revenues</u>						
Annual Administrative Fees	\$238,685	\$238,685	\$ -	\$ 954,743	\$ 954,743	\$ -
Initial Fees	200,000	87,500	112,500	200,000	350,000	(150,000)
Investment Income	4,997	1,667	3,330	13,566	6,664	6,902
	<u>\$ 443,682</u>	<u>\$ 327,852</u>	<u>\$ 115,830</u>	<u>\$ 1,168,309</u>	<u>\$ 1,311,407</u>	<u>\$ (143,098)</u>
<u>Operating Expenses</u>						
Salaries	\$101,893	\$124,978	\$ 23,085	\$ 409,424	\$ 499,898	\$ 90,474
Employee Benefits	25,447	33,350	7,903	236,520	293,398	56,878
Provision for Post Ret. Health Benefits	17,850	17,850	-	71,400	71,400	-
Office of The Governor	2,208	2,208	-	8,833	8,836	3
Office of The Attorney General	4,665	4,667	2	18,664	18,664	-
Sponsored Programs	1,568	1,400	(168)	3,473	5,600	2,127
Telephone	3,413	2,167	(1,246)	6,716	8,664	1,948
Gasoline & Auto Maintenance	-	300	300	-	600	600
Rent	15,902	16,667	765	63,611	66,664	3,053
Utilities	1,687	1,792	105	6,747	7,164	417
Postage	59	417	358	384	1,664	1,280
Office Supplies & Expenses	1,913	3,625	1,712	10,106	14,500	4,394
Travel & Official Receptions	745	1,167	422	2,063	4,664	2,601
Staff Training & Tuition Reimbursement	-	1,083	1,083	1,464	4,336	2,872
Insurance	4,385	6,750	2,365	17,539	27,000	9,461
Annual Report & Newsletters	-	1,900	1,900	2,162	7,600	5,438
Public Relations	-	517	517	-	2,064	2,064
Professional Services	8,345	18,500	10,155	44,202	65,000	20,798
Dues & Subscriptions	710	3,433	2,723	7,020	13,736	6,716
Data Processing	3,255	3,833	578	10,185	15,336	5,151
Maintenance of Equipment	995	3,667	2,672	3,359	14,664	11,305
Depreciation	1,481	2,750	1,269	5,926	11,000	5,074
Contingency	-	-	-	-	-	-
	<u>196,521</u>	<u>253,021</u>	<u>56,500</u>	<u>929,798</u>	<u>1,162,452</u>	<u>232,654</u>
Net Operating Income	<u>\$ 247,161</u>	<u>\$ 74,831</u>	<u>\$ 172,330</u>	<u>\$ 238,511</u>	<u>\$ 148,955</u>	<u>\$ 89,556</u>

NJEFA
Operating Account - Vendor Payments
April 2017

Type	Date	Num	Name	Memo	Account	Accrual Basis Amount
Check	04/01/2017	11519	100 & RW CRA, LLC	Inv 108292, 108293	Rent, Utilities	11,806.67
Check	04/11/2017	EFT	NJSHBP	ID 150400 04/17	Employee Benefits	23,045.39
Check	04/11/2017	EFT	NJSHBP	ID 150400 04/17	Post Retirement Benefits	5,046.70
Check	04/11/2017	11520	Polar Inc.	Inv 009335, 009149	Office Supplies and Expenses	89.45
Check	04/11/2017	11521	100 & RW CRA, LLC	Inv 108663, 108666	Office Supplies and Expenses	102.90
Check	04/11/2017	11522	SS&C Technologies, Inc	INV467600	Data Processing	3,255.00
Check	04/11/2017	11523	UPS	Inv 2Y687X127, 2Y687X137	Postage	31.30
Check	04/11/2017	11524	Government News Network	Inv 76990-G	Dues & Subscriptions	318.00
Check	04/11/2017	11525	Line Systems	Inv 66054170315	Telephone	1,463.19
Check	04/11/2017	11526	NJ Economic Development Authority	April Coverage	Employee Benefits	1,615.21
Check	04/11/2017	11527	Hertrich Fleet Services Inc.	Inv 26886	FA: Automobiles	17,400.00
Check	04/11/2017	11528	GMIS International	Inv 300003777	Dues & Subscriptions	100.00
Check	04/11/2017	11529	Arkadin Inc.	Inv 1017396-0317	Telephone	148.94
Check	04/11/2017	11530	Lexis Nexis	Inv 1703216753	Dues & Subscriptions	292.00
Check	04/11/2017	11531	Verizon Wireless	Inv 9783134334	Telephone	303.50
Check	04/11/2017	11532	DocuSafe	Inv 94519	Office Supplies and Expenses	428.80
Check	04/11/2017	11533	Hilltop Securities Inc.	Inv 4674 (4/1/17 - 3/31/18)	Professional Services	8,000.00
Check	04/11/2017	11534	Wegmans Food Markets Inc.	Inv 4786220170403	Sponsored Programs	805.00
Check	04/11/2017	11535	The Bank of New York Mellon	Inv 111-1724594	Post Retirement Benefits	500.00
Check	04/24/2017	11536	W.B. Mason Company, Inc.	Inv IS0605749	Office Supplies and Expenses	713.59
Check	04/24/2017	11536	W.B. Mason Company, Inc.	Inv IS0605749 S046733939	Sponsored Programs	212.00
Check	04/24/2017	11537	Line Systems	Inv 66054170415	Telephone	1,497.86
Check	04/24/2017	11538	100 & RW CRA, LLC	Inv 108709	Office Supplies and Expenses	38.00
Check	04/24/2017	11539	W.B. Mason Company, Inc.	Inv I42264370	Sponsored Programs	550.20
Check	04/24/2017	11540	UPS	Inv 2Y687X147, 2Y687X157	Postage	28.02
Check	04/24/2017	11541	Neopost	Inv 54772612	Office Supplies and Expenses	539.98
Check	04/24/2017	11541	Neopost	Inv 54764467	Equipment Maintenance	483.96
Check	04/24/2017	11542	US Bank	Inv 4502729	Public Library Project Oblig.	3,232.50
Check	04/24/2017	11543	20/20 Business Solutions, Inc.	Inv 494516	Equipment Maintenance	511.11
Check	04/24/2017	11544	Spector, Jeremy	Expense Reimbursement - NAHEFFA Conf. 4/3/17-4/5/17	Travel & Official Receptions	744.48
						<u>83,303.75</u>

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of April 30, 2017

<u>Institution</u>	<u>Issue</u>	<u>Description</u>	<u>Bond Proceeds</u>	<u>Net Disbursed</u>	<u>Balance</u>	<u>% Complete</u>
<u>Private</u>						
Seton Hall University	2016 Series C	Welcome Center, Bishop Dougherty Univ Center	\$ 38,059,002.20	\$ (5,716,555.02)	\$ 32,342,447.18	15%
The College of Saint Elizabeth	2016 Series D	Renov of O'Connor Hall & Improv, Refund 2008 F	2,627,671.74	(863,080.61)	1,764,591.13	33%
Stevens Institute of Technology	2017 Series A	Various Renov & Improvements, Refund 1998 I, 2007 A	76,911,558.14	(6,758,445.36)	70,153,112.78	9%
Princeton University	2017 Series C	Renov, Maint & Partial Refund Commercial Paper	162,455,632.40	(29,291,410.14)	133,164,222.26	18%
Sub Total			<u>\$ 280,053,864.48</u>	<u>\$ (42,629,491.13)</u>	<u>\$ 237,424,373.35</u>	
<u>Public</u>						
New Jersey City University	Series 2010 F	Various Capital Improvements	\$ 14,717,070.83	\$ (13,804,260.47)	\$ 912,810.36	94%
The College of New Jersey	Series 2013 A	Demo of Holman Hall, Construct and Renov of STEM	25,608,240.10	(20,963,058.63)	4,645,181.47	82%
Montclair State University	Series 2014 A	Various Refundings and Capital Projects	156,675,111.09	(105,608,970.97)	51,066,140.12	67%
New Jersey City University	Series 2015 A	Various Renovations & Improv, Refund 02 A, 08 E	37,869,656.10	(25,306,652.45)	12,563,003.65	67%
Ramapo College of New Jersey	Series 2015 B	Refund & Renov to Student Center & Coll. Park Apts	16,039,113.37	(12,670,620.42)	3,368,492.95	79%
William Paterson University of New Jersey	Series 2015 C	Refund & Improv, Renov Hunziker Hall & Wing	20,486,649.75	(16,515,463.32)	3,971,186.43	81%
Stockton University	Series 2016 A	Science Center, Academic Bldg, Quad Project	26,207,528.53	(5,926,094.42)	20,281,434.11	23%
Ramapo College of New Jersey	Series 2017 A	Refund 06 I, Renov Library, Learning Center	11,278,830.75	(847,356.48)	10,431,474.27	8%
Sub Total			<u>\$ 308,882,200.52</u>	<u>\$ (201,642,477.16)</u>	<u>\$ 107,239,723.36</u>	
<u>Other Programs</u>						
Equipment Leasing Fund	Series 2014 A&B	Acquisition and Installation of Equipment	\$ 101,266,893.00	\$ (83,295,806.76)	\$ 17,971,086.24	82%
Technology Infrastructure Fund	Series 2014	Development of Technology Infrastructure	41,313,667.00	(31,763,810.23)	9,549,856.77	77%
Capital Improvement Fund	Series 2014 A-D	Capital Improvements	191,905,596.00	(155,202,314.56)	36,703,281.44	81%
Facilities Trust Fund	Series 2014	Construct, Reconstruct, Develop & Improve Facilities	219,977,164.00	(139,057,063.21)	80,920,100.79	63%
Capital Improvement Fund	Series 2016 B	Capital Improvements	146,700,261.19	(4,570,859.61)	142,129,401.58	3%
Sub Total			<u>\$ 701,163,581.19</u>	<u>\$ (413,889,854.37)</u>	<u>\$ 287,273,726.82</u>	
Grand Total			<u><u>\$ 1,290,099,646.19</u></u>	<u><u>\$ (658,161,822.66)</u></u>	<u><u>\$ 631,937,823.53</u></u>	

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of April 30, 2017

<u>Institution</u>	<u>Issue</u>	U.S. Treasury Fund	U.S. Treasury Notes/Bills	Cash Management	Other Investments	Total
<u>Private</u>						
Seton Hall University	2016 Series C	13,940.24	1,400,000.00		30,990,831.49	32,404,771.73
The College of Saint Elizabeth	2016 Series D	471,167.80	1,300,000.00			1,771,167.80
Stevens Institute of Technology	2017 Series A	70,153,112.78				70,153,112.78
Princeton University	2017 Series C	133,164,222.26				133,164,222.26
Sub Total		\$ 203,802,443.08	\$ 2,700,000.00	\$ -	\$ 30,990,831.49	\$ 237,493,274.57
<u>Public</u>						
		U.S. Treasury Fund	U.S. Treasury Notes/Bills	Cash Management	Other Investments	Total
New Jersey City University	Series 2010 F	16,086.94	900,000.00			916,086.94
The College of New Jersey	Series 2013 A	65,457.68	2,600,000.00		2,000,000.00	4,665,457.68
Montclair State University	Series 2014 A	1,079,464.26	50,124,000.00			51,203,464.26
New Jersey City University	Series 2015 A	365,457.62	12,224,000.00			12,589,457.62
Ramapo College of New Jersey	Series 2015 B	274,100.14	3,100,000.00			3,374,100.14
William Paterson University of New Jersey	Series 2015 C	3,581.16	3,976,000.00			3,979,581.16
Stockton University	Series 2016 A	13,431.08			20,217,535.47	20,230,966.55
Ramapo College of New Jersey	Series 2017 A	10,431,474.27				10,431,474.27
Sub Total		\$ 12,249,053.15	\$ 72,924,000.00	\$ -	\$ 22,217,535.47	\$ 107,390,588.62
<u>Other Programs</u>						
		U.S. Treasury Fund	U.S. Treasury Notes/Bills	Cash Management	Other Investments	Total
Equipment Leasing Fund	Series 2014 A&B	17,971,086.24				17,971,086.24
Technology Infrastructure Fund	Series 2014	9,549,856.77				9,549,856.77
Capital Improvement Fund	Series 2014 A-D	32,287,087.25			4,440,000.00	36,727,087.25
Facilities Trust Fund	Series 2014	80,920,100.79				80,920,100.79
Capital Improvement Fund	Series 2016 B	70,001,410.05	19,395,000.00		53,085,000.00	142,481,410.05
Sub Total		\$ 210,729,541.10	\$ 19,395,000.00	\$ -	\$ 57,525,000.00	\$ 287,649,541.10
Grand Total		\$ 426,781,037.33	\$ 95,019,000.00	\$ -	\$ 110,733,366.96	\$ 632,533,404.29
		67.472%	15.022%	0.000%	17.506%	100.000%

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
EXTENDING THE ENGAGEMENT OF THE AUTHORITY'S ARBITRAGE
COMPLIANCE SERVICE PROVIDERS**

Adopted: May 23, 2017

- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority") was created pursuant to the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented N.J.S.A. 18A:72A-1 et seq. (the "Act") and is authorized to issue its obligations to provide a means for New Jersey public and private colleges and universities to obtain financing to construct educational facilities as defined in the Act; and
- WHEREAS:** By resolution adopted on November 18, 2014, the members of the Authority approved the engagement of the firms of BLX Group; Hawkins, Delafield & Wood; and Omnicap/Nixon Peabody (the "Firms") to provide arbitrage compliance services for a three (3) year period commencing July 1, 2014 and ending June 30, 2017 with the option to extend the engagement for two (2) additional one year periods by mutual consent; provided that any such extension is approved by the members of the Authority; and
- WHEREAS:** The staff of the Authority has found the performance of the Firms to be extremely professional, knowledgeable and responsive; and
- WHEREAS:** Based on the excellent performance of the Firms and based upon the proposed annual fees which remain unchanged, the Authority staff recommends that the engagement of the Firms be extended for an additional one (1) year period at current rates, commencing July 1, 2017, and ending June 30, 2018; and
- WHEREAS:** The members of the Authority have determined that it is in the best interests of the Authority to extend the engagement of the Firms as recommended by the Authority staff.

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

- SECTION 1.** The Authority hereby authorizes extending the engagement of the Firms for an additional one (1) year period at current rates, commencing July 1, 2017, and ending June 30, 2018.
- SECTION 2.** The Authority hereby authorizes the Executive Director or the Director of Finance/Controller to take and do any and all acts and things as may be necessary or desirable in connection with implementation of this Resolution, including without limitation, executing agreements or amendments of agreements.
- SECTION 3.** This Resolution shall take effect in accordance with the Act.

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

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

NAY: None

ABSTAIN: None

ABSENT: Ridgeley Hutchinson

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