REQUEST FOR PROPOSALS
FOR
INVESTMENT BANKING SERVICES:
SENIOR MANAGER, CO-SENIOR MANAGER, AND CO-MANAGER

Appointment to the New Jersey Economic Development Authority's
Refunding of New Jersey Transit Corporation Certificates of Participation
&
Potential New Money Transaction
January 2017

Issued by the
State of New Jersey
Treasurer's Office

Date Issued: Tuesday, October 25, 2016

Responses due by 3:00 PM NJ Time on
Friday, November 4, 2016

Ford M. Scudder
State Treasurer
State of New Jersey
Department of the Treasury

REQUEST FOR PROPOSALS FOR INVESTMENT BANKING SERVICES
SENIOR MANAGER, CO-SENIOR MANAGER, AND CO-MANAGER

1. PURPOSE AND INTENT

The Treasurer of the State of New Jersey (the "State" or the "State Treasurer") is soliciting proposals on behalf of the New Jersey Economic Development Authority (the "Authority") from qualified firms interested in performing investment banking services for the refunding of outstanding New Jersey Transit Corporation (the "Corporation") Certificates of Participation and a potential new money transaction for the Corporation anticipated for January 2017 (the "Proposed Transaction"). The Proposed Transaction is expected to be structured as a lease/sublease financing. It is the State Treasurer's policy directive, whenever a competitive sale is not appropriate, to issue a request for proposals for investment banking services on a transaction-by-transaction basis. Based on a review of the responses to this Request for Proposals ("RFP"), the State Treasurer and the Authority intend to select a Senior Manager. Firms which apply for Senior Manager, Co-Senior Manager, and Co-Manager will be considered for participation in the syndicate group when the syndicate is formed. Firms which apply for Senior Manager but are not selected will be considered for Co-Senior Manager or Co-Manager. All remaining firms, including those who have applied only for Co-Manager, will then be considered for the syndicate.

2. SCOPE OF SERVICES

The selected underwriter will work with the Department of the Treasury, the Authority, the Corporation, the Office of the Attorney General and other professionals selected by the State and the Authority in connection with the Proposed Transaction. The Senior Manager selected will be required to provide some or all of the services identifxzied below, at the request of the State and the Authority. Co-Senior Managers (if any), and Co-Managers shall provide information and assistance upon request and shall act as members of the underwriting syndicate.

2.1. Recommend structures for each specific series being issued in order to minimize overall debt service costs.

2.2. Assist in drafting and reviewing relevant documents, including, but not limited to, official statements, purchase agreements, resolutions and indentures, contracts, and other agreements.

2.3. Assist in the preparation of materials or presentations, discussions and meetings or other communications with rating agencies, swap consultants, counterparties, insurers, credit enhancers and investors.

2.4. Obtain bids for credit enhancement and recommend efficient utilization of available credit enhancement, including but not limited to bank facilities and bond insurance. Obtain bids for verification agent and bidding agent services as applicable.

2.5. Identify financing opportunities available to the State on behalf of the Authority.

2.6. Manage the underwriting process.

2.7. Commit capital to underwrite the bonds or notes being issued.

2.8. Provide post-closing analysis of the debt issuance, including but not limited to pricing, orders, allotments and all information required by Executive Order No. 26 (Whitman 1994).

2.9. Identify investment opportunities that provide savings and improve the efficiency or execution of a transaction.

2.10. Provide underwriting, investment banking and other services as requested by the State on behalf of the Authority.

Note: Documentation

All documents and contractual arrangements will be governed by New Jersey Law and the form and substance of any agreement must be satisfactory to both Bond Counsel and the Office of the Attorney General.

3. REQUIRED COMPONENTS OF THE PROPOSAL

Each firm submitting a proposal must follow the instructions contained in this RFP in preparing and submitting its proposal. The proposing firm is advised to thoroughly read and follow all instructions. A proposal must contain all of the information in the order and format indicated below. All terms and conditions set forth in this RFP will be deemed to be incorporated by reference in their entirety into any response submitted by your firm. All proposals received, and any information contained therein, are subject to disclosure in accordance with the New Jersey Open Public Records Act. Firms interested in being selected for the Senior Manager or Co-Senior position (if any) must respond to all questions provided below. Firms interested in being selected only as Co-Managers must respond to questions 3.1 through and including 3.3.

In your proposal please respond to each question by repeating the question at the top of the section and referring to the question by the numbers used in this RFP.

3.1 In lieu of a cover letter, provide a one-page Executive Summary identifying and substantiating the basis of your contention that you are the best qualified firm to provide the requested underwriting services to the State and the Authority. Please state the positions (i.e., Senior Manager, Co-Senior Manager, or Co-Manager) for which you are applying. Also provide the name, title, business address, e-mail address, telephone number and fax number of the individual the State should contact regarding your proposal.

3.2 Provide a brief description of your firm, its ownership structure and its state/country of incorporation or formation. **Describe your firm's physical presence in the State of New Jersey**, including the number of offices, the number of employees and the type of business activity conducted in the State. Also, please describe the participation of women and minorities in your firm. Please indicate the percentage of your firm that is owned by women and minorities.

3.3 Describe your firm's bond sales and distribution capabilities, including both retail and institutional sales. Please specify how these capabilities have been utilized in the past for the benefit of the State and its authorities.

3.4 List all ideas that your firm has presented in writing to the Office of Public Finance or the Office of the State Treasurer **that have been implemented** (please include the implementation date) by the State for the period beginning January 1, 2011 through the date of this RFP. Separately list all of the Authority transportation project lease revenue or certificates of participation ideas that your firm has presented in writing during this same time period. Include the submission date and a short synopsis of the idea.

3.5 Please provide two (2) examples of your firm's ability to manage a client/program similar to the Authority or a transportation project lease revenue/certificates of participation program. Please describe the hurdles facing the client/program as well as how your firm provided both short-term and long-term solutions. Please provide appropriate references.

3.6 Please discuss whether there are any potential opportunities to upgrade and strengthen the Authority's transportation project lease revenue/certificates of participation program. Please provide your thoughts or recommendations regarding this matter as well as how the Authority's program should be re-introduced to the rating agencies, institutional investors, and the rest of the Wall Street community.

3.7 Please provide your ideas for a transaction that will optimize the transportation project lease/revenue certificates of participation portfolio. For purposes of this RFP, assume that $350 million in new money will be issued for Corporation projects. Please address the various benefits and risks inherent in any proposed transaction(s) and any key dates or market timelines that may affect the ability to execute a transaction(s) in that regard. Provide, as an appendix, all appropriate documents and schedules that supports your proposed Plan of Finance.

- Should your firm desire to propose a Bank Loan as a funding vehicle, please provide your rationale for offering one as compared to a capital markets structure. Also, please provide as an appendix a term sheet of any proposed changes (other than dates, amounts, etc.) to the attached NJEFA Higher Education Capital Improvement Fund Series 2016 A bank loan agreement.

3.8 List your proposed fees and expenses for this transaction, excluding fees and expenses of underwriter's counsel. Your fee must not be contingent on any specified syndicate policy. Given your fee quote, is your firm willing to make the fee adjustable based on your performance in the marketing of the bonds? If yes, how will this adjustment be based? **Please note that the State and the Authority reserve the right to negotiate fees with responding firms as deemed in the best interests of the State and the Authority.**

3.9 List and describe the primary personnel that will be assigned to provide underwriting, investment banking and other services to the State and the Authority. Please discuss in-depth all relevant experience they have with both the State and the Authority.

3.10 In an appendix, identify any existing or potential conflict of interest, or any relationships that might be considered a conflict of interest, that may affect or involve transactions for the State or the Authority, including but not limited to conflicts with financial advisors, law firms providing services to the State or the Authority and State employees or Authority employees.

3.11 In an appendix, describe any pending, concluded or threatened litigation, administrative proceedings or federal or state investigations or audits, subpoenas or other information requests of or involving your firm or the owners, principals or employees. Describe the nature and status of the matter and the resolution, if any.

3.12 In an appendix, list any sanctions or penalties brought against your firm or any of its personnel (including suspension or disbarment) by any regulatory or licensing agencies. Include a description of the reasons for the sanction or penalties and whether such sanctions or penalties are subject to appeal.

3.13 In an appendix, provide the last two G37 reports your firm has filed and, if applicable, form G38t.

4. SUBMISSION OF THE PROPOSAL

All respondents are required to limit their proposals to twelve (12) pages or less (exclusive of appendices) at no smaller than 12 point type. Excess pages and extraneous materials or appendices will detract from the overall quality of the response. JOINT PROPOSALS WILL NOT BE PERMITTED. All documents and information submitted in response to this RFP shall be available to the general public as required by Executive Order No. 26 and applicable law.

Communications with representatives of the State, the Authority, and the Corporation concerning this request, by you or on your behalf, are NOT permitted during the submission process (except as specified below). No telephone inquiries will be accepted. If you have questions or require clarification on any aspect of this RFP, please forward the request via email to: uwrfq.Responses@treas.nj.gov. Questions must be submitted by Thursday, October 27, 2016. The State will post answers on the Office of Public Finance website at: http://www.state.nj.us/treasury/public_finance/ on or about Monday, October 31, 2016.

The State, the Authority and the Corporation will not be responsible for any expenses in the preparation and/or presentation of the proposals and oral interviews, if any, or for the disclosure of any information or material received in connection with the solicitation, whether by negligence or otherwise.

The State and the Authority, reserve the right to request additional information or clarification, if necessary, or to request an interview with firm(s), or to reject any and all proposals with or without cause, and waive any irregularities or informalities in the proposals submitted. The State and the Authority further reserve the right to make such investigations as deemed necessary as to the qualifications of any and all firms submitting proposals. The State and the Authority reserve the right to negotiate fees with responding firms as deemed in the best interests of the State and the Authority. Responding firms may withdraw their proposal at any time prior to the filing date and time by written notification signed by an authorized agent of the firm. The proposal may thereafter be resubmitted, but only up to the final filing date and time.

The responding firm assumes sole responsibility for the complete effort required in this RFP. No special consideration shall be given after proposals are opened because of a firm's failure to be knowledgeable about all the

requirements of this RFP. By submitting a proposal in response to this RFP, the firm represents that it has satisfied itself, from its own investigation, of all the requirements of this RFP.

Five copies of your proposal (1 signed original and 4 copies) plus a CD with all appendices must be delivered by courier or overnight express mail, no later than 3 PM on Friday, November 4, 2016 to: David K. Moore, Acting Director, Office of Public Finance, State of New Jersey, 50 West State Street, 5th floor (hand delivery) P.O. Box 005, Trenton, NJ 08625. No fax or email proposals will be accepted. Proposals received after the time and date listed above will not be considered.

5. SELECTION PROCESS

All proposals will be reviewed to determine responsiveness. Non-responsive proposals will be rejected without evaluation. Responsive proposals will be reviewed and scored by an evaluation committee pursuant to the grading scale it creates. The State reserves the right to request clarifying information subsequent to submission of the proposal if necessary. The criteria used to evaluate responsive proposals shall include, but not be limited to, ideas, expertise, capacity, experience and personnel in accordance with Executive Order No. 26.

Interviews may be conducted, at the option of the evaluation committee, with any or all of the firms submitting a proposal. If interviews are to be held you will be notified approximately one week in advance.

6. STATUTORY REQUIREMENTS

6.1 Chapter 51 and Executive Order No. 117 (Corzine 2008). In order to safeguard the integrity of State government procurement by imposing restrictions to insulate the negotiation and award of State contracts from political contributions that pose the risk of improper influence, purchase of access, or the appearance thereof, the Legislature enacted L. 2005, c. 51 (codified at N.J.S.A. 19:44A-20.13-25) ("Chapter 51"), on March 22, 2005, effective retroactive to October 15, 2004, superseding the terms of Executive Order No. 134 (McGreevey 2004). In addition, on September 24, 2008, Governor Corzine issued Executive Order No. 117, effective on November 15, 2008 ("EO 117") setting forth additional limitations on the ability of executive branch departments, agencies, authorities or independent State authorities to contract with a business entity which has made or solicited certain contributions.

Prospective bidders are advised that at the time of execution of the bond purchase agreement between the Authority and the winning bidder (the "Bond Purchase Agreement"), the winning bidder must be in compliance with Chapter 51 and EO 117. Pursuant to the requirements of Chapter 51 and EO 117, the terms and conditions set forth in Attachment I will be material terms of the Bond Purchase Agreement.

To obtain the necessary forms and information on how to comply with Chapter 51 and EO 117, prospective bidders should access:

http://www.state.nj.us/treasury/purchase/forms/eo134/Chapter51.pdf

Under Chapter 51 and EO 117, the Authority is not permitted, and will not enter into a Bond Purchase Agreement with a firm that is not in compliance with Chapter 51 and EO 117. The Authority will verify with the Division of Purchase and Property of the New Jersey Department of the Treasury as to whether the prospective bidders are compliant with Chapter 51 and EO 117. By submission of a bid, the winning bidder shall be deemed to have agreed to maintain its compliance with Chapter 51 and EO 117 during the term of the engagement. Failure to do so would constitute a default by the winning bidder.

6.2 **Chapter 271**. Pursuant to L. 2005, c. 271 ("Chapter 271"), your firm is required to disclose its (and its principals') political contributions within the immediately preceding twelve (12) month period prior to entering into a contract. No prospective firm will be precluded from entering a contract with the Authority by virtue of the information provided in the Chapter 271 disclosure provided the form is fully and accurately completed. Prior to award of this engagement, the firm(s) selected pursuant to this RFP shall be required to submit Chapter 271 disclosures. Please refer to http://www.nj.gov/treasury/purchase/forms/CertandDisc2706.pdf for a copy of the Chapter 271 disclosure form. It is not required to be completed in connection with the submission of your proposal.

If selected pursuant to this RFP, please also be advised of your firm's responsibility to file an annual disclosure statement on political contributions with the NJ Election Law Enforcement Commission (ELEC) pursuant to N.J.S.A. 19:44A-20.13 (L. 2005, c. 271, section 3) if your firm receives contracts in excess of $50,000 from a public entity during a calendar year. It is your firm'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 www.elec.state.nj.us.

6.3. **Executive Order No. 9.** Pursuant to Executive Order No. 9 (Codey 2004), dated and effective as of December 6, 2004, it is the policy of 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, 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 shall be a material term and condition of any bond purchase contract entered into by underwriters selected for this assignment.

6.4. **Chapter 92.** In accordance with L. 2005, c. 92 (codified at N.J.S.A. 52:34-13.2), all services performed pursuant to this contract shall be performed within the United States.

6.5. **Certification of Non-Involvement in Prohibited Activities in Iran.** Pursuant to N.J.S.A 52:32-58, the bidder must certify that neither the bidder, nor any of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32 – 56(e) (3)), is listed on the Department of the Treasury's List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither is involved in any of the investment activities set forth in N.J.S.A. 52:32 – 56(f). If the bidder is unable to so certify, the bidder shall provide a detailed and precise description of such activities.

NJEFA
HIGHER EDUCATION CAPITAL IMPROVEMENT FUND
SERIES 2016 A
BANK LOAN AGREEMENT

EXECUTION VERSION

$252,270,000

TAX-EXEMPT TERM LOAN AGREEMENT

dated as of July 26, 2016,

between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

DNT ASSET TRUST

TABLE OF CONTENTS

SECTION	HEADING	PAGE
ARTICLE I	DEFINITIONS AND ACCOUNTING TERMS	5
Section 1.01.	Defined Terms	5
Section 1.02.	Other Interpretive Provisions	11
Section 1.03.	Accounting Terms	12
Section 1.04.	Times of Day	12
ARTICLE II	THE TERM LOAN	12
Section 2.01.	The Term Loans and Manner of Borrowing	12
Section 2.02.	No Prepayment without Lender Consent	13
Section 2.03.	Repayment of Term Loan	13
Section 2.04.	Interest	13
Section 2.05.	Insufficient State Appropriation	13
Section 2.06.	Amendment Fee	13
Section 2.07.	Computation of Interest and Fees; Payments	13
Section 2.08.	Evidence of Debt	14
Section 2.09.	Reserved	14
Section 2.10.	Maximum Rate	14
Section 2.11.	Obligations Absolute	14
Section 2.12.	Make Whole	15
Section 2.13.	Determination of Taxability	15
ARTICLE III	TAXES AND YIELD PROTECTION	16
Section 3.01.	Taxes	16
Section 3.02.	Increased Costs	16
Section 3.03.	Survival	17
ARTICLE IV	CONDITIONS PRECEDENT TO EFFECTIVENESS OF AGREEMENT	17
Section 4.01.	Conditions to Effectiveness of Agreement	17
ARTICLE V	REPRESENTATIONS AND WARRANTIES	19
Section 5.01.	Organization; Existence	19
Section 5.02.	Power and Authority	19
Section 5.03.	Due Authorization, Etc.	19
Section 5.04.	Necessary Actions Taken	20
Section 5.05.	No Contravention	20
Section 5.06.	Compliance	20
Section 5.07.	No Default	21
Section 5.08.	Right To Be Sued	21
Section 5.09.	Litigation	21
Section 5.10.	Disclosure	21

Section 5.11. Financial Information 21
Section 5.12. Incorporation of Representations and Warranties by Reference 21
Section 5.13. No Maximum Rate 21
Section 5.14. Pledge 22
Section 5.15. Swaps 22
Section 5.16. OFAC 22

ARTICLE VI COVENANTS 22

Section 6.01. Maintenance of Existence 22
Section 6.02. Reports, Certificates and Other Information 22
Section 6.03. Maintenance of Books and Records 23
Section 6.04. Access to Books and Records 23
Section 6.05. Compliance with Documents 23
Section 6.06. Compliance with Law 24
Section 6.07. Further Assurances 24
Section 6.08. No Impairment 24
Section 6.09. Application of Loan Proceeds 24
Section 6.10. Maintenance of Tax-Exempt Status of Interest 24
Section 6.11. Amendments to the Resolution and the State Contract 25
Section 6.12. Actions by the Authority Pursuant to Section 4.3 of the State Contract 25
Section 6.13. Underlying Rating 25

ARTICLE VII EVENT OF DEFAULTS AND REMEDIES 25

Section 7.01. Event of Defaults and Remedies 25
Section 7.02. Remedies Upon Event of Default 27
Section 7.03. Solely for the Benefit of Bank 28
Section 7.04. Discontinuance of Proceedings 28

ARTICLE VIII MISCELLANEOUS 28

Section 8.01. Amendments, Etc. 28
Section 8.02. Notices; Effectiveness; Electronic Communication 28
Section 8.03. No Waiver; Cumulative Remedies 29
Section 8.04. Costs and Expenses; Damage Waiver 29
Section 8.05. Limited Obligation 31
Section 8.06. Successors and Assigns 31
Section 8.07. Treatment of Certain Information; Confidentiality 32
Section 8.08. Counterparts; Integration; Effectiveness 33
Section 8.09. Survival of Representations and Warranties 33
Section 8.10. Severability 33
Section 8.11. Governing Law; Jurisdiction; Etc. 33
Section 8.12. Waiver of Jury Trial 34
Section 8.13. Non-Reliance; Assessment and Understanding 34
Section 8.14. Electronic Execution of Certain Documents 34
Section 8.15. USA Patriot Act 35

Section 8.16. Tort Claims Act; Contractual Liability Act 35
Section 8.17. Entire Agreement 35
Section 8.18. No Third-Party Rights 35

SCHEDULES

SCHEDULE I – Addresses

EXHIBITS

EXHIBIT A – FORM OF BONDS
EXHIBIT B – PRINCIPAL AMORTIZATION SCHEDULE
EXHIBIT C – CALCULATION OF MAKE WHOLE AMOUNT

TAX-EXEMPT TERM LOAN AGREEMENT

This TAX-EXEMPT TERM LOAN AGREEMENT dated as of July 26, 2016 (as amended, modified or restated from time to time, this *"Agreement"*), by and between NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, a public body corporate and politic and an instrumentality of the State of New Jersey (the *"Authority"*), and DNT ASSET TRUST (together with any successors thereto, including, without limitation, any permitted assignee of DNT Asset Trust, any affiliate of DNT Asset Trust and any trust or partnership established by DNT Asset Trust or any such affiliate, the *"Lender"*).

RECITALS

WHEREAS, the Authority was created and operates pursuant to the New Jersey Educational Facilities Authority Law, *L.* 1967. *c.* 271 (as amended and supplemented from time to time, the *"Act"*) to provide a means for New Jersey public and private colleges and universities to construct facilities through the financial resources of a pubic authority empowered to sell taxable and tax-exempt bonds, notes and other obligations; and

WHEREAS, pursuant to the Act, the Higher Education Capital Improvement Fund Act, *L.* 1999, c. 217, as amended by *L.* 2012, *c.* 42 (the *"Capital Improvement Fund Act"*) and the Higher Education Capital Improvement Fund General Bond Resolution adopted by the Authority on June 21, 2000, as amended and supplemented (the *"General Resolution"*) including as amended and supplemented by the Ninth Supplemental Higher Education Capital Improvement Fund Resolution adopted by the Authority on June 28, 2016 (the *"Supplemental Resolution")* and a series certificate of the Authority, dated the date hereof (the *"Series Certificate"* and together with the General Resolution, as amended and supplemented, including as amended and supplemented by the Supplemental Resolution, the *"Resolution"*) the Authority is authorized to enter into bank loan agreements evidenced by debt obligations, the payment of which are secured by the State Contract (as hereinafter defined); and

WHEREAS, the Authority has requested that the Lender provide a term loan to the Authority for the purpose of (i) refunding or paying, as applicable, the Bonds to be Refunded or Paid (as defined in the Supplemental Resolution), and (ii) paying the costs associated with the transactions contemplated hereby (the "*Refunding Project*"), and the Lender is willing to do so on the terms and conditions set forth herein; and

WHEREAS, pursuant to the Supplemental Resolution, the Authority authorized the execution and delivery of this Agreement, pursuant to which the Authority will obtain a loan in the amount of $252,270,000 to provide funding for the Refunding Project, as described above; and

WHEREAS, the Lender has agreed to make the loan, and as a condition to such loan, the Lender has required the Authority to enter into this Agreement and, to evidence such loan, to issue the Bonds to the Lender in the aggregate principal amount of $252,270,000.

NOW, THEREFORE, to induce the Lender to make the loan, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Authority and the Lender hereby agree as follows:

ARTICLE I

DEFINITIONS AND ACCOUNTING TERMS

Section 1.01. Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"Act" has the meaning set forth in the recitals hereof.

"Affiliate" means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

"Agreement" has the meaning set forth in the introductory paragraph hereof.

"Approving Opinion" means, with respect to any action relating to the Term Loan, an opinion delivered by Bond Counsel to the effect that such action (i) is permitted by this Agreement and the other Loan Documents and (ii) will not adversely affect the exclusion of interest on the Term Loan from gross income of the Lender for purposes of federal income taxation.

"Authority" has the meaning set forth in the introductory paragraph hereto.

"Authorized Officer" means the Chairman, Executive Director, Treasurer, Secretary, or any other authorized officer of the Authority designated by resolution of the Authority to act on behalf of the Authority under the Resolution.

"Bonds" means the Authority's $252,270,000, aggregate principal amount, Revenue Refunding Bonds, Higher Education Capital Improvement Fund Issue, Series 2016 A evidencing the Term Loan made by the Lender, substantially in the form of Exhibit A, as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof.

"Bond Counsel" means Saul Ewing LLP, or any other firm of attorneys nationally recognized on the subject of tax-exempt municipal finance selected by the Authority.

"Bond Payment Obligations" has the meaning set forth in the Resolution.

"Business Day" means any day that is not a Saturday, Sunday or legal holiday in the State of New Jersey or a day on which banking institutions chartered by the State of New Jersey or the United States are legally authorized or required to close.

"CAFR" means the Comprehensive Annual Financial Report prepared for the State for each fiscal year of the State.

"Capital Improvement Fund Act" has the meaning set forth in the recitals hereof.

"Change in Law" means the occurrence, after the Effective Date, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a *"Change in Law"*.

"Code" means the Internal Revenue Code of 1986, as amended.

"Debt Moratorium" means an authorized postponement or deferral of the maturity of, or the deadline for paying a debt or performing an obligation which exceeds six (6) months.

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

"Default Rate" means, for any day, a rate of interest per annum equal to [redacted].

"Designated Jurisdiction" means any country or territory to the extent that such country or territory itself is the subject of any Sanction.

"Determination of Taxability" means and shall be deemed to have occurred on the first to occur of the following:

(i) on the date when the Authority files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability has occurred;

(ii) on the date when the Authority shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Authority, or upon any review or audit of the

Authority or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iii) on the date when the Authority shall receive notice from the Lender that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Lender the interest on the Term Loan due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (ii) or (iii) hereunder unless the Authority has been afforded the reasonable opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however,* that upon demand from the Lender, the Authority shall reimburse the Lender within ten (10) business days for any payments, including any taxes, interest, penalties or other charges the Lender shall be obligated to make as a result of the Determination of Taxability, subject to the provisions of Section 2.05.

"Dollar" and *"$"* mean lawful money of the United States.

"Effective Date" means July 26, 2016, subject to the satisfaction or waiver by the Lender of the conditions precedent set forth in Article IV hereof.

"Event of Default" with respect to this Agreement has the meaning set forth in Section 7.01 of this Agreement and, with respect to any Loan Document, has the meaning assigned therein.

"Event of Taxability" means a (i) change in Law or fact or the interpretation thereof, or the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Authority, or the failure to take any action by the Authority, or the making by the Authority of any misrepresentation herein or in any certificate required to be given in connection with this Agreement) which has the effect of causing interest paid or payable on the Term Loan to become includable, in whole or in part, in the gross income of the Lender for federal income tax purposes or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Term Loan to become includable, in whole or in part, in the gross income of the Lender for federal income tax purposes.

"Excess Interest Amount" has the meaning set forth in Section 2.10 hereof.

"Financing Facility" has the meaning set forth in the General Resolution.

"Financing Facility Payment Obligations" has the meaning set forth in the General Resolution.

"Fiscal Year" means the twelve month period from July 1 through the following June 30.

"Fitch" means Fitch, Inc., and any successor rating agency.

"Fixed Rate" means, for each maturity of the Bonds, the rate per annum set forth on Exhibit "B" hereto.

"*General Resolution*" has the meaning set forth in the recitals hereof.

"GASB" means standards outlined in the Government Accounting Standards Board, Statement No. 34 Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments as in effect from time to time.

"Governmental Authority" means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

"Information" has the meaning set forth in Section 8.07.

"Interest Payment Date" means (i) each March 1 and September 1, commencing September 1, 2016, (ii) any date on which the Term Loan is prepaid (including each Mandatory Prepayment Amortization Payment Date), and (iii) the Maturity Date.

"Interest Rate" means the Fixed Rate applicable to each maturity of the Bonds.

"Laws" means, collectively, all international, foreign, federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Lender" has the meaning set forth in the introductory paragraph hereto.

"Lending Office" means the Lender's address and, as appropriate, account as set forth on Schedule I, or such other address or account as the Lender may from time to time notify the Authority, in writing.

"Lien" means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or

other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Loan Documents" means this Agreement, the Bonds, the Resolution, the State Contract and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing permitted hereunder and thereunder.

"Make Whole Amount" means an amount calculated in accordance with Exhibit C hereto.

"Material Adverse Effect" means (a) a materially adverse change in, or material adverse effect upon, the operations, business, property or condition (financial or otherwise) of the Authority or the State that may have a material adverse effect on the Authority's ability or obligation to pay principal or interest on the Term Loan or the Authority's obligations hereunder, (b) a material impairment of the ability of the Authority to perform its obligations hereunder or of the ability of the Authority or the State to perform its obligations under any Loan Document to which either is a party or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Authority of this Agreement or against the Authority or the State with respect to any other Loan Document or the rights and remedies of the Lender hereunder or thereunder.

"Maturity Date" means the respective dates set forth on Exhibit "B", as applicable.

"*Maximum Lawful Rate*" means the maximum rate of interest on the Obligations permitted by applicable State law.

"Maximum Rate" means [redacted].

"Moody's" means Moody's Investors Service, Inc. and any successor rating agency.

"Obligations" means all advances to, and debts, liabilities, covenants and duties of, the Authority arising hereunder or under any other Loan Document, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising.

"OFAC" means the Office of Foreign Assets Control of the United States Department of the Treasury.

"Participant" has the meaning set forth in Section 8.06(c).

"Parity Debt" means any debt issued or incurred by the Authority pursuant to the General Resolution and secured by a Lien on Pledged Property on a parity with Bond Payment Obligations and Financing Facility Payment Obligations.

"Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Title III of Pub. L. 107-56 (signed into law October 26, 2001).

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Pledged Property" has the meaning set forth in the Resolution.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible, whether now owned or hereafter acquired.

"Rating Agency" means any of Fitch, Moody's or S&P, as applicable.

"Rating Documentation" has the meaning set forth in Section 4.01(d)(ii) hereof.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"*Resolution*" has the meaning set forth in the recitals hereof.

"S&P" means Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, and any successor rating agency.

"Sanction(s)" means any international economic sanction administered or enforced by the United States Government (including, without limitation, OFAC), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority.

"State" means the State of New Jersey.

"State Contract" means the Contract by and between the Treasurer of the State of New Jersey, and the New Jersey Educational Facilities Authority dated as of July 1, 2000, as may be amended and supplemented from time to time.

"*State Contract Event*" means and includes:

(a) The State shall fail to perform and comply, in all material respects, with each and every covenant and agreement required to be performed or observed by it in the State Contract, and such failure to perform and comply shall have resulted in a Material Adverse Effect;

(b) The State shall fail to comply with and observe the obligations and requirements set forth in the Constitution of the State and in all statutes and regulations binding upon it relating to the State Contract, and such failure to perform and comply shall have resulted in a Material Adverse Effect;

(c) The State shall take any action under the State Contract which would materially adversely affect the rights, remedies or security of the Trustee under the Resolution or the Lender under this Agreement; or

(d) The State shall amend or modify, or permit to be amended or modified the State Contract without the prior written consent of the Lender if any such amendment or modification would result in a Material Adverse Effect; *provided, however,* that nothing set forth in the immediately preceding sentence shall prohibit the Authority from making an amendment to the State Contract in accordance with Section 7.1 thereof.

"*State Legislature*" means the New Jersey State Legislature.

"*Supplemental Resolution*" has the meaning set forth in the recitals hereof.

"Swap" or "Swap Agreement" has the meaning as set forth in the General Resolution.

"Taxable Date" means the date on which interest on the Term Loan is first includable in gross income of the Lender or any Participant as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

"Taxable Period" has the meaning set forth in Section 2.09 hereof.

"Taxable Rate" shall mean, if the Interest Rate is then in effect, the product of the Interest Rate multiplied by 1.56, or, if the Default Rate is in effect, the Default Rate, provided that the Taxable Rate shall not exceed the Maximum Rate.

"Term Commitment" means the obligation of the Lender to make the Term Loan on the Effective Date in the principal amount not to exceed $252,270,000 at any time, and subject to the other terms and provisions hereof.

"Term Loan" is defined in Section 2.01 hereof.

"Treasurer" shall mean the Treasurer of the State.

"Trustee" means The Bank of New York Mellon, and its successors and assigns and any other Trustee appointed pursuant to the Resolution.

"United States" and *"U.S."* mean the United States of America.

Section 1.02. Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "*include*," "*includes*" and "*including*" shall be deemed to be followed by the phrase "without limitation." The word "*will*"

shall be construed to have the same meaning and effect as the word "*shall.*" Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and assigns, (iii) the words "*hereto*," "*herein*," "*hereof*" and "*hereunder*," and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words "*asset*" and "*property*" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word "*from*" means "*from and including*;" the words "*to*" and "*until*" each mean "*to but excluding*;" and the word "*through*" means "*to and including.*"

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

Section 1.03. Accounting Terms. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GASB applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, *except* as otherwise specifically prescribed herein.

Section 1.04. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable).

ARTICLE II

THE TERM LOAN

Section 2.01. The Term Loan and Manner of Borrowing. Subject to the terms and conditions set forth herein, the Lender agrees to make a single term loan (the *"Term Loan"*) in Dollars to the Authority on the Effective Date in an amount equal to the Lender's Term Commitment. Any portion of the Term Commitment that is not funded on the Effective Date shall expire on such date. Amounts repaid in respect of the Term Loan may not be reborrowed.

Section 2.02. No Prepayment without Lender Consent. The Authority may not, at any time, voluntarily prepay the principal of or interest on the Term Loan without the consent of the Lender.

Section 2.03. Repayment of Term Loan. The Authority shall repay to the Lender the principal amount of the Term Loan on the dates and in the amounts set forth on Exhibit "B" hereto.

Section 2.04. Interest. (a) Except as otherwise provided in this Section 2.04, the Term Loan shall bear interest at the applicable Interest Rate from the Effective Date through but not including each Maturity Date, be paid on each Interest Payment Date and be rounded upwards to the fourth decimal place.

(b) (i) From and after the occurrence of an Event of Default, the Term Loan and any other amounts owed to the Lender hereunder, shall bear interest at the Default Rate.

(ii) From and after the Taxable Date, the Term Loan shall bear interest at the Taxable Rate.

(iii) Accrued and unpaid interest on principal and interest past due on the Term Loan (including interest on past due interest) and other Obligations hereunder shall be due and payable upon demand, subject to Section 2.05.

Section 2.05. Insufficient State Appropriation To the extent that there is not a sufficient State appropriation of amounts necessary to pay any amounts when due and payable under Sections 2.04(b)(iii), 2.10, 2.13(c), 3.01, 3.02(c), and 8.04 of this Agreement, such amounts shall not be deemed due and payable hereunder until ten (10) Business Days after appropriation from the State of such amounts, provided that the Authority has taken reasonable action to request such appropriation from the State in an amount sufficient to pay all such amounts due under this Agreement.

Section 2.06. Amendment Fee. The Authority shall pay to the Bank a fee for each Amendment to this Agreement or any other Loan Agreement or any consent or waiver by the Bank with respect to any Loan Document, in each case, in a minimum amount of [redacted].

Section 2.07. Computation of Interest and Fees; Payments. (a) All computations of fees and interest shall be made on the basis of a 360-day year comprised of twelve (12) thirty (30) day months. Interest shall accrue on the Term Loan for the day on which the Term Loan is made, and shall not accrue on the Term Loan, or any portion thereof, for the day on which the Term Loan or such portion is paid. Each determination by the Lender of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

(b) All payments by the Authority hereunder shall be made to the Lender, at the Lending Office in Dollars and in immediately available funds not later than 2:00 p.m. on the date specified herein. All payments received by the Lender after 2:00 p.m. shall be deemed received

on the next succeeding Business Day and any applicable interest or fee shall continue to accrue. If any payment to be made by the Authority shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be.

Section 2.08. Evidence of Debt. The Term Loan shall be evidenced by the Bonds. The Bonds and the accounts or records maintained by the Lender shall be conclusive absent plain error of the amount of the Term Loan made by the Lender to the Authority and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Authority hereunder to pay any amount owing with respect to the Term Loan or other Obligations. The Authority shall execute and deliver to the Lender the Bonds, which shall evidence the Term Loan in addition to such accounts or records.

Section 2.09. Reserved.

Section 2.10. Maximum Rate. (a) If the amount of interest payable for any period in accordance with the terms hereof exceeds the amount of interest that would be payable for such period had interest for such period been calculated at the Maximum Rate, then interest for such period shall be payable in an amount calculated at the Maximum Rate.

(b) Any interest that would have been due and payable for any period but for the operation of the immediately preceding paragraph (a) shall accrue and be payable as provided in this paragraph (b) and shall, less interest actually paid to the Lender for such period, constitute the *"Excess Interest Amount."* If there is any accrued and unpaid Excess Interest Amount as of any date, then the principal amount with respect to which interest is payable shall bear interest at the Maximum Rate until payment to the Lender of the entire Excess Interest Amount.

(c) Notwithstanding the foregoing, on the date on which no principal amount with respect to the Term Loan remains unpaid, the Authority shall pay to the Lender a fee equal to any accrued and unpaid Excess Interest Amount, subject to Section 2.05.

Section 2.11. Obligations Absolute. Subject to the limitations set forth in Section 8.05, the payment obligations of the Authority under this Agreement shall be unconditional and irrevocable and shall be paid strictly in accordance with the terms of this Agreement under all circumstances, including without limitation the following:

(a) any lack of validity or enforceability of this Agreement, the Bonds or any of the other Loan Documents;

(b) any amendment or waiver of or any consent to departure from all or any of the Loan Documents;

(c) the existence of any claim, set-off, defense or other right which the Authority may have at any time against the Lender or any other Person, whether in connection with this Agreement, the other Loan Documents, the transactions contemplated herein or therein or any unrelated transaction; or

(d) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Notwithstanding anything to the contrary in this Agreement or any other Loan Document, the Bonds and all of the payment obligations of the Authority hereunder are special, limited obligations of the Authority payable solely from the Pledged Property. The Bonds do not now and shall never constitute a charge against the general credit of the Authority. The Authority has no taxing power.

Notwithstanding this Section 2.11, the Lender acknowledges the Authority may have the right to bring a collateral action with respect to one or more of the foregoing circumstances. The Authority's payment obligations shall remain in full force and effect pending the final disposition of any such action. All fees payable pursuant to this Agreement shall be deemed to be fully earned when due and non-refundable when paid.

Section 2.12. Make Whole. If the Authority shall prepay the Term Loan on any date and in any amount other than as set forth in Exhibit B hereto, whether before or after default, then upon the demand from the Lender, the Authority shall pay to the Lender a fee in an amount equal to the Make Whole Amount.

Section 2.13. Determination of Taxability. (a) In the event a Determination of Taxability occurs, the Authority hereby agrees to pay to the Lender (and if applicable, each Participant) on demand therefor (i) an amount equal to the difference between (A) the amount of interest that would have been paid to the Lender (and if applicable, each Participant) on the Term Loan during the period for which interest on the Term Loan is included in the gross income of the Lender (and if applicable, each Participant) if the Term Loan had borne interest at the Taxable Rate, beginning on the Taxable Date (the *"Taxable Period"*), and (B) the amount of interest actually paid to the Lender (and if applicable, each Participant) during the Taxable Period, and (ii) an amount equal to any interest, penalties or charges owed by the Lender (and if applicable, each Participant) as a result of interest on the Term Loan becoming included in the gross income of the Lender (and if applicable, each Participant), together with any and all reasonable attorneys' fees, court costs, or other out-of-pocket costs incurred by the Lender (and if applicable, each Participant) in connection therewith.

(b) Subject to the provisions of clause (c) below, the Lender (and if applicable, each Participant) shall afford the Authority the opportunity, at the Authority's sole cost and expense, to contest (i) the validity of any amendment to the Code which causes the interest on the Term Loan to be included in the gross income of the Lender (and if applicable, each Participant) or (ii) any challenge to the validity of the tax exemption with respect to the interest on the Term Loan, including the right to direct the necessary litigation contesting such challenge (including administrative audit appeals); and

(c) As a condition precedent to the exercise by the Authority of its right to contest set forth in paragraph (b) above, the Authority shall, on demand, immediately reimburse the Lender for any and all expenses (including reasonable attorneys' fees for services that may be required or desirable, as determined by the Lender in its sole discretion) that may be incurred by

the Lender in connection with any such contest, and shall, on demand, immediately reimburse the Lender for any payments, including any taxes, interest, penalties or other charges payable by the Lender (and if applicable, each Participant) for failure to include such interest in its gross income.

ARTICLE III

TAXES AND YIELD PROTECTION

Section 3.01. Taxes.

If any payments to the Lender under this Agreement are made from outside the United States, the Authority will not deduct any foreign taxes from any payments it makes to the Lender. If any such taxes are imposed on any payments made by the Authority (including payments under this paragraph), the Authority will pay the taxes and will also pay to the Lender, at the time interest is paid, any additional amount which the Lender specifies as necessary to preserve the after-tax yield the Lender would have received if such taxes had not been imposed. The Authority will confirm that it has paid the taxes by giving the Lender official tax receipts (or notarized copies) within thirty (30) days after the due date. All amounts payable pursuant to this Section 3.01 shall be payable solely out of amounts paid by the Treasurer to the Trustee under the State Contract in accordance with the terms thereof and of the Resolution and are subject to appropriations being made from time to time for such purposes by the State Legislature. The State Legislature has no legal obligation to make any such appropriations.

Section 3.02. Increased Costs.

(a) *Increased Costs Generally.* If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Lender;

(ii) subject the Lender to any taxes on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii) impose on the Lender any other condition, cost or expense affecting this Agreement;

and the result of any of the foregoing shall be to increase the cost to the Lender with respect to this Agreement, the Bonds, or the making, maintenance or funding of the Term Loan, or to reduce the amount of any sum received or receivable by the Lender hereunder (whether of principal, interest or any other amount) then, upon request of the Lender, the Authority will pay to the Lender such additional amount or amounts as will compensate the Lender for such additional costs incurred or reduction suffered.

(b) *Capital Requirements.* If the Lender determines that any Change in Law affecting the Lender or the Lender's holding company, if any, regarding capital or liquidity requirements has or would have the effect of reducing the rate of return on the Lender's capital or liquidity or on the capital or liquidity of the Lender's holding company, if any, as a consequence of this Agreement or the Bonds to a level below that which the Lender or the Lender's holding company could have achieved but for such Change in Law (taking into consideration the Lender's policies and the policies of the Lender's holding company with respect to capital adequacy), then from time to time the Authority will pay to the Lender such additional amount or amounts as will compensate the Lender or such Lender's holding company for any such reduction suffered.

(c) *Certificates for Reimbursement.* A certificate of the Lender setting forth the amount or amounts necessary to compensate the Lender or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section 3.02 and delivered to the Authority shall be conclusive absent manifest error. Subject to the provisions of Section 2.05, the Authority shall pay the Lender the amount shown as due on any such certificate within ten (10) Business Days after receipt thereof. Notwithstanding the foregoing or anything herein to the contrary, the Authority shall not be obligated to pay an amount greater than five basis points (0.05%) multiplied by the outstanding principal amount of the Term Loan.

(d) *Delay in Requests.* Failure or delay on the part of the Lender to demand compensation pursuant to the foregoing provisions of this Section 3.02 shall not constitute a waiver of the Lender's right to demand such compensation; *provided* that the Authority shall not be required to compensate the Lender pursuant to the foregoing provisions of this Section 3.02 for any increased costs incurred or reductions suffered more than nine (9) months prior to the date that the Lender notifies the Authority of the Change in Law giving rise to such increased costs or reductions and of the Lender's intention to claim compensation therefor.

Section 3.03. Survival. All of the Authority's obligations under this Article III shall survive the termination of this Agreement and the repayment, satisfaction or discharge of all other Obligations.

ARTICLE IV

CONDITIONS PRECEDENT TO EFFECTIVENESS OF AGREEMENT

Section 4.01. Conditions to Effectiveness of Agreement. The effectiveness of this Agreement and the obligation of the Lender to make the Term Loan on the Effective Date are subject to the satisfaction of the conditions precedent set forth in this Section 4.01:

(a) Receipt by the Lender of the following Authority documents, each dated and in form and substance satisfactory to the Lender:

(i) copies of the General Resolution, the Supplemental Resolution, the Series Certificate and the State Contract, certified in each case by an Authorized Officer as being true and complete and in full force and effect on the Effective Date;

(ii) the Act, the Capital Improvement Fund Act and any other enabling legislation of the Authority, certified by an Authorized Officer to be in full force and effect as of the Effective Date;

(iii) the most recent publically available CAFR; and

(iv) a certificate dated the Effective Date and executed by an Authorized Officer certifying the names, titles, offices and signatures of the persons authorized to sign, on behalf of the Authority, the Loan Documents to which it is a party and the other documents to be delivered by it hereunder or thereunder.

(b) Receipt by the Lender of the following financing documents, each dated and in form and substance satisfactory to the Lender:

(i) an executed original of this Agreement, the Bonds and the Series Certificate.

(c) Receipt by the Lender of an opinion, dated the Effective Date and addressed to the Lender or on which the Lender is otherwise expressly authorized to rely, from Bond Counsel to the Authority, with respect to such customary matters as the Lender may reasonably request, including, without limitation, (i) valid security interest and pledge opinions and opinions as to the due authorization, execution, delivery and enforceability of the Loan Documents to which the Authority is a party and (ii) the interest on the Term Loan is excludable from gross income for federal income tax purposes.

(d) Receipt by the Lender of the following documents and other information, each dated and in form and substance satisfactory to the Lender:

(i) a certificate dated the Effective Date and executed by an Authorized Officer certifying (A) that there has been no event or circumstance since March 11, 2016, that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect, (B) that the representations and warranties contained in Article V hereof and the other Loan Documents are true and correct in all material respects on the Effective Date, (C) no event has occurred and is continuing, or would result from entry into this Agreement, which would constitute a Default or Event of Default and (D) since the dated date of the Rating Documentation, the unenhanced long-term debt ratings assigned to any Parity Debt have not been withdrawn, suspended or reduced; and

(ii) recent evidence that the unenhanced long-term debt rating assigned by Moody's, S&P and Fitch to any Parity Debt is at least "A3," "A-" and "A-," respectively (the *"Rating Documentation"*). The Rating Documentation may consist of, inter alia, the most recent ratings confirmation letters received by the Authority with respect to Parity Debt.

(e) The Lender shall have received a certificate of an Authorized Officer certifying that there is no controversy or litigation now pending against the Authority concerning the execution and delivery of this Agreement or the Bonds, or in any way contesting or affecting the validity of the Act, the Capital Improvement Fund Act, the Bonds, the State Contract or the proceedings of the Authority taken with respect to the execution and delivery of this Agreement, the Bonds or the pledge of the Pledged Property, or the appropriation of debt service to pay the Bonds.

(f) All other legal matters pertaining to the execution and delivery of this Agreement and the Loan Documents shall be satisfactory to the Lender and its counsel, and the Lender shall have received such other statements, certificates, agreements, documents and information with respect to the Authority and the other parties to the Loan Documents and matters contemplated by this Agreement as the Lender may reasonably request.

(g) The Lender shall have received reimbursement (or direct payment) of the Lender's fees and expenses [redacted] in total.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The Authority represents and warrants to the Lender that:

Section 5.01. Organization; Existence. The Authority is a public body corporate and politic, duly created and existing as an instrumentality of the State.

Section 5.02. Power and Authority. The Authority has and had at the time of adoption, execution, delivery, issuance, sale or performance full power, right and authority to (i) execute, deliver and perform its obligations under each of the Loan Documents, and any and all instruments and documents required to be executed, adopted or delivered pursuant to or in connection herewith or therewith, (ii) incur indebtedness in the amount and in the form of the Term Loan as provided in this Agreement and make payment of principal and interest on the Term Loan as provided in this Agreement and to pay the other Obligations at the times and in the manner set forth herein, and (iii) perform each and all of the matters and things herein and therein provided for and the Authority has complied in all material respects with the laws of the State in all matters relating to such execution, delivery and performance; subject in all respects to the limitations set forth in Section 8.05 hereof.

Section 5.03. Due Authorization, Etc. Each of the Loan Documents to which the Authority is a party have been duly authorized, executed, issued and delivered by the Authority. This Agreement and each of the other Loan Documents to which the Authority is a party constitutes a legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms, except as such enforceability may be limited by the valid

exercise of judicial discretion and the constitutional powers of the United States of America and to valid bankruptcy, insolvency, reorganization, moratorium, or other similar laws and equitable principles relating to or affecting creditors' rights generally from time to time in effect. The obligations of the Authority under this Agreement are special, limited obligations of the Authority payable solely from and secured solely by the Pledged Property. Notwithstanding the pledge effected by the Resolution or any provision of the Resolution, all amounts payable by the State to the Trustee pursuant to the State Contract shall be subject to and dependent upon appropriations being made from time to time for such purposes by the State Legislature; *provided, however*, that the State Legislature has no legal obligation to make any such appropriations.

Section 5.04. Necessary Actions Taken. The Authority has taken all actions necessary to be taken by it (i) to incur indebtedness in the amount and in the form of the Term Loan upon the terms set forth in the Loan Documents, (ii) for the execution, adoption and delivery by the Authority of any and all such other instruments and the taking of all such other actions on the part of the Authority as may be necessary or appropriate for the effectuation and consummation of the transactions on the part of the Authority contemplated by the Loan Documents or in connection herewith or therewith and (iii) to authorize or approve, as appropriate, the execution or adoption, issuance and delivery of, and the performance of its obligations under and the transactions contemplated by each of the Loan Documents to which it is a party and the payment of the Term Loan and other Obligations under this Agreement at the times and in the manner set forth.

Section 5.05. No Contravention. Except as disclosed to the Lender in writing prior to the date hereof, this Agreement and the adoption of the Resolution and the execution and delivery of each of the other Loan Documents and compliance with the provisions hereof and thereof, will not, in any material respect, conflict with or result in a violation of the laws or the Constitution of the State, including any debt limitations or other restrictions or conditions on the debt-issuing power of the Authority under the Capital Improvement Fund Act, as amended from time to time, and will not conflict with or result in a violation of, or breach of, or constitute a default under, in any material respect, any law, judgment, order, decree or administrative regulation or any of the terms, conditions or provisions of the Act, the Capital Improvement Fund Act or any ordinance, judgment, decree, contract, loan agreement, note, bond, resolution, indenture, mortgage, deed of trust or other agreement or instrument to which the Authority is a party or by which it is bound and will not, except as expressly provided herein, result in the imposition or creation of any lien, charge, or encumbrance upon or invalidate or materially adversely affect in any way the Pledged Property. The Authority has not received any written notice, not subsequently withdrawn, given in accordance with the remedy provisions of the Resolution, that an Event of Default under the Resolution has occurred and such Event of Default has not been cured, remedied or waived.

Section 5.06. Compliance. The Authority is in compliance in all material respects with the terms and conditions of the Resolution and each of the other Loan Documents to which it is a party, and no breach of the terms hereof or thereof has occurred and is continuing, and no Default or Event of Default has occurred and is continuing.

Section 5.07. *No Default.* No default by the Authority has occurred and is continuing in the payment of the principal of or premium, if any, or interest on any Bond (as defined in the Resolution) under the Resolution which would be reasonably likely to result in a Material Adverse Effect.

Section 5.08. *Right To Be Sued.* Under the Act, the Authority has the power to sue and be sued.

Section 5.09. *Litigation.* There is no action, suit or proceeding pending in any court, any other governmental authority with jurisdiction over the Authority or any arbitration in which service of process has been completed against the Authority or, to the knowledge of the Authority, any other action, suit or proceeding pending or threatened in any court, any other governmental authority with jurisdiction over the Authority or any arbitrator, in either case against the Authority, or the Resolution or any of the Loan Documents, which if determined adversely to the Authority would adversely affect the legality, validity or enforceability of the Resolution or any of the Loan Documents or the rights and remedies of the Lender under any of the Loan Documents or which is reasonably likely to have a Material Adverse Effect, except any action, suit or proceeding (i) described to the Lender in writing prior to the date hereof, or (ii) which has been brought prior to the Effective Date as to which the Lender has received an opinion of counsel satisfactory to the Lender in form and substance satisfactory to the Lender and its counsel, to the effect that such action, suit or proceeding is without substantial merit.

Section 5.10. *Disclosure.* To the best knowledge of the Authority, neither the Loan Documents nor any other certificate or statement of the Authority relating to this Agreement or the transaction contemplated hereby contains any untrue statement of any material fact which would be reasonably likely to result in a Material Adverse Effect.

Section 5.11. *Financial Information.* The Authority has delivered to the Lender a copy of the State's most recent publically available CAFR, being the audit report prepared annually by the Office of the State Auditor with respect to the State's general purpose financial statements for each fiscal year. The Authority makes no representation as to these financial statements or to the financial position of the State.

Section 5.12. *Incorporation of Representations and Warranties by Reference.* The Authority hereby makes to the Lender the same representations and warranties made by the Authority in each Loan Document to which it is a party, which representations and warranties, as well as the related defined terms contained therein, are hereby incorporated by reference for the benefit of the Lender with the same effect as if each and every such representation and warranty and defined term were set forth herein in its entirety. No amendment to such representations and warranties or defined terms made pursuant to any Loan Document shall be effective to amend such representations and warranties and defined terms as incorporated by reference herein without the prior written consent of the Lender.

Section 5.13. *Maximum Rate.* The Maximum Rate under this Agreement is [redacted] per annum. Such Maximum Rate does not exceed the Maximum Lawful Rate.

Section 5.14. Pledge. (a) The obligation of the Authority to pay the principal of and interest on the Term Loan and the obligation of the Authority to pay the Make-Whole Amount pursuant to Section 2.12 hereof constitute *"Bond Payment Obligations"* under the Resolution and the State Contract and the other Obligations of the Authority under or arising out of this Agreement constitute *"Financing Facility Payment Obligations"* under the Resolution and the State Contract and have been designated in the Ninth Supplemental Resolution as being on parity with the Bond Payment Obligations in accordance with Section 1.03 of the General Resolution, and as such are entitled to the liens and pledge created pursuant to the Resolution, and shall be payable pursuant to the terms and provisions of the State Contract, including, without limitation, Section 4.3 thereof. No filing, registration, recording or publication of the Resolution or any other instrument is required to establish the pledge provided for thereunder or to perfect, protect or maintain the lien created thereby on the Revenues and the Pledged Property to secure the Obligations.

Section 5.15. Swaps. The Authority represents, agrees and covenants that it has not entered into any Swap Agreements (as defined in the General Resolution) in connection with Bonds issued under the Resolution.

Section 5.16. OFAC. Neither the Authority, nor, to the knowledge of the Authority, any Related Party, (a) is currently the subject of any Sanctions, (b) is located, organized or residing in any Designated Jurisdiction, or (c) to the Authority's knowledge, is engaged in any transaction with any Person who is the subject of Sanctions. The proceeds from the Term Loan or the transaction contemplated by this Agreement will be used as described in the recitals hereto. For purposes of this Section 5.16, the term Related Party means the Authority, the directors and officers of the Authority, the State, the Governor, the Treasurer and the Office of Public Finance of the State.

ARTICLE VI

COVENANTS

So long as the Term Loan or any other Obligation hereunder shall remain unpaid or unsatisfied, the Authority shall:

Section 6.01. Maintenance of Existence. The Authority shall maintain its existence pursuant to the Act, the Capital Improvement Fund Act and the laws of the State.

Section 6.02. Reports, Certificates and Other Information. (a) Commencing with the fiscal year of the State beginning July 1, 2016, the Authority shall provide or cause to be provided to the Lender, the CAFR prepared for the fiscal year of the State ending the immediately preceding June 30 as soon as such CAFR is available for distribution to the public and in any event not later than April 1 of each year (or if the fiscal year of the State shall end on any date other than June 30, not later than the fifteenth day of the ninth month next following the end of such other fiscal year);

(b) The Authority will use its best efforts to furnish or cause to be furnished to the Lender if and as soon as the same are prepared and available for public distribution, a copy of the fiscal annual appropriation act of the State;

(c) (i) Promptly upon obtaining knowledge of any Default or Event of Default, or notice thereof, and within ten (10) Business Days thereafter, the Authority shall furnish or cause to be furnished to the Lender copies of a certificate signed by an Authorized Officer specifying in reasonable detail the nature and period of existence thereof and what action the Authority has taken or proposes to take with respect thereto and (ii) promptly following a written request of the Lender, a certificate of an Authorized Officer as to the existence or absence, as the case may be, of a Default or an Event of Default under this Agreement;

(d) As promptly as practicable, the Authority shall furnish or cause to be furnished to the Lender copies of written notice to the Lender of all litigation served against the Authority and all proceedings before any court or governmental authority contesting or affecting the validity or enforceability of this Agreement or the Loan Documents which would have a Material Adverse Effect; and

(e) The Authority shall furnish or cause to be furnished to the Lender copies of such other publicly available information regarding the affairs and condition of the Authority or the State as the Lender may from time to time reasonably request.

Section 6.03. Maintenance of Books and Records. The Authority will keep proper books in accordance with the provisions of the Resolution.

Section 6.04. Access to Books and Records. To the extent permitted by law, the Authority will permit any Person designated by the Lender (at the expense of the Lender) to visit any of the offices of the Authority upon prior written notice and during reasonable business hours to examine the books and financial records (except books and financial records the examination of which by the Lender is prohibited by law), including minutes of meetings of any relevant governmental committees or agencies, and make copies thereof or extracts therefrom (at the expense of the Lender), and to discuss the affairs, finances and accounts of the Authority with their principal officials as such relate to the Term Loan and the other Obligations under this Agreement, all at such reasonable times and as often as the Lender may reasonably request, and in such manner as not to disrupt the normal business operations of the Authority.

Section 6.05. Compliance with Documents. The Authority agrees that it will perform and comply, in all material respects with each and every covenant and agreement required to be performed or observed by it in each of the Loan Documents, which provisions, as well as related defined terms contained therein, are hereby incorporated by reference herein with the same effect as if each and every such provision were set forth herein in its entirety all of which shall be deemed to be made for the benefit of the Lender and shall be enforceable against the Authority. To the extent that any such incorporated provision permits the Authority or any other party to waive compliance with such provision or requires that a document, opinion or other instrument or any event or condition be acceptable or satisfactory to the Authority or any other party, for purposes of this Agreement, such provision shall be complied with unless it is specifically

waived by the Lender in writing and such document, opinion or other instrument and such event or condition shall be acceptable or satisfactory only if it is acceptable or satisfactory to the Lender which shall only be evidenced by the written approval by the Lender of the same, which shall not be unreasonably withheld or delayed. To the extent permitted by law, no termination or amendment to such covenants and agreements or defined terms or release of the Authority with respect thereto made pursuant to any of the Loan Documents, shall be effective to terminate or amend such covenants and agreements and defined terms or release the Authority with respect thereto in each case as incorporated by reference herein without the prior written consent of the Lender, which shall not be unreasonably withheld or delayed. Notwithstanding any termination or expiration of any such Loan Document, the Authority shall, to the extent permitted by law, unless such Loan Document has terminated in accordance with its terms and has been replaced by a new Loan Document, continue to observe the covenants therein contained for the benefit of the Lender until the termination of this Agreement. All such incorporated covenants shall be in addition to the express covenants contained herein and shall not be limited by the express covenants contained herein nor shall such incorporated covenants be a limitation on the express covenants contained herein; *provided* that any obligations that result from the covenants are subject to the limitations under Section 8.05 of this Agreement.

Section 6.06. Compliance with Law. The Authority shall comply with and observe the obligations and requirements set forth in the Constitution of the State and in all statutes and regulations binding upon it relating to the Loan Documents.

Section 6.07. Further Assurances. From time to time hereafter, the Authority will execute and deliver such additional instruments, certificates or documents, and will take all such actions as the Lender may reasonably request for the purposes of implementing or effectuating the provisions of the Loan Documents or for the purpose of more fully perfecting or renewing the rights of the Lender with respect to the Loan Documents. Upon the exercise by the Lender of any power, right, privilege or remedy pursuant to the Loan Documents which requires any consent, approval, registration, qualification or authorization of any governmental authority or instrumentality, the Authority will, to the extent permitted by law, execute and deliver all necessary applications, certifications, instruments and other documents and papers that the Lender may be required to obtain for such governmental consent, approval, registration, qualification or authorization.

Section 6.08. No Impairment. The Authority will neither take any action, nor direct the Trustee to take any action, under the Resolution, the State Contract or any Loan Document which would materially adversely affect the rights, remedies or security of the Trustee or the Lender under this Agreement or any other Loan Document or which would result in a Material Adverse Effect.

Section 6.09. Application of Loan Proceeds. The Authority will neither take nor omit to take any action, which action or omission will in any way result in the proceeds of the Term Loan being applied in a manner other than as provided in the Resolution.

Section 6.10. Maintenance of Tax-Exempt Status of Interest. The Authority represents that the Authority expects and intends to be able to comply with and will, to the extent permitted

by law, comply with the provisions and procedures set forth in its tax regulatory agreement which is being delivered simultaneously with the issuance of the Bonds, and do and perform all acts and things necessary or desirable in order to assure that, under the Code as presently in effect, interest on the Bonds will for purposes of Federal income taxation, be and remain excluded from the gross income of the recipients thereof (subject to any exceptions contained in the opinion delivered upon original issuance of the Bonds).

Section 6.11. Amendments to the Resolution and the State Contract. The Authority will not amend or modify, or permit to be amended or modified the Resolution with respect to the Term Loan without the prior written consent of the Lender if any such amendment or modification would result in a Material Adverse Effect.

The Authority will not amend or modify, or permit to be amended or modified, the State Contract without the prior written consent of the Lender if any such amendment or modification would result in a Material Adverse Effect; *provided, however*, that nothing set forth in the immediately preceding sentence shall prohibit the Authority from making an amendment to the State Contract in accordance with Section 7.1 thereof.

Section 6.12. Actions by the Authority Pursuant to Section 4.3 of the State Contract. The Authority hereby covenants to comply with the requirements regarding delivery of the *"Schedule of Payments"* (as such term is used in the State Contract) to the Treasurer as set forth in Section 4.3 of the State Contract.

Section 6.13. Underlying Rating. The Authority shall at all times maintain a rating on its long-term unenhanced Parity Debt from at least two Rating Agencies. The Authority covenants and agrees that it shall not at any time withdraw any long-term unenhanced rating on its Parity Debt from any Rating Agency if the effect of such withdrawal would be to cure a Default or an Event of Default under this Agreement.

ARTICLE VII

EVENT OF DEFAULTS AND REMEDIES

Section 7.01. Event of Defaults and Remedies. The occurrence of any of the following events (whatever the reason for such event and whether voluntary, involuntary, or effected by operation of Law) shall be an *"Event of Default"* hereunder, unless waived in writing by Lender; *provided* that neither the failure of the State Legislature to make an appropriation nor non-payment of the Term Loan or any Obligation as a result of such failure to appropriate shall constitute an Event of Default (as defined in the Resolution) under the Resolution or an Event of Default (as defined in this Agreement) under this Agreement:

(a) The Authority fails to pay, or cause to be paid, when due, the principal of or interest on the Term Loan;

(b) the Authority shall fail to pay any Obligation (other than the obligation to pay the principal of or interest on the Term Loan) when due and such failure shall continue for three (3) Business Days;

(c) Any representation, warranty or statement made by or on behalf of the Authority herein or by the Authority or the State in any Loan Document or in any certificate delivered pursuant hereto or thereto shall prove to be untrue in any material respect on the date as of which made or deemed made;

(d) (i) The Authority fails to perform or observe any term, covenant or agreement contained in Section 5.15, 6.01, 6.05, 6.08, 6.09, or 6.11 of this Agreement or (ii) the Authority fails to perform or observe any other term, covenant or agreement contained in this Agreement (other than those referred to in Section 7.01(a), 7.01(b) and 7.01(d)(i) hereof) and any such failure cannot be cured or, if curable, remains uncured for sixty (60) days after written notice thereof to the Authority;

(e) (i) The Authority shall (A) fail to pay any obligation (other than payments on the Term Loan) secured by a charge, lien or encumbrance on the Pledged Property with a priority of payment from Pledged Property that is on a parity with the Term Loan, the Bond Payment Obligations, or other Financing Facility Payment Obligations (*"Secured Debt"*), beyond the period of grace, if any, provided in the instrument or agreement under which such Secured Debt was created, or (B) fail in the observance or performance of any agreement or condition relating to any Secured Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which failure or other event or condition is to cause, or to permit the holder or holders of such Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such Secured Debt to become due prior to its stated maturity; or (ii) the State shall (A) fail to pay pursuant to the terms of the State Contract (x) the principal of or interest on any Bond Payment Obligations issued pursuant to the General Resolution or (y) any Financing Facility Payment Obligations due and owing pursuant to any Financing Facility executed and delivered by the Authority or the State in connection with any Bond Payment Obligations issued pursuant to the General Resolution, in each case, beyond the period of grace, if any, provided in the instrument or agreement under which such indebtedness was created, or (B) fail to observe or perform any agreement or condition relating to any such indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which failure or other event or condition is to cause, or to permit the holder or holders of such indebtedness (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required), any such indebtedness to become due prior to its stated maturity;

(f) (i) A court or other governmental authority with jurisdiction to rule on the validity of this Agreement, the Resolution, the State Contract or any other Loan Document shall find, announce or rule in a final non-appealable judgment that (x) any material provision of this Agreement, the Resolution, the State Contract or any other Loan Document or (y) any provision of the Resolution or the State Contract relating to the security for the Term Loan or the other Obligations under this Agreement, the Authority's ability or obligation to pay the Obligations

under this Agreement or perform its obligations hereunder or the State's ability or obligation to pay or perform under the Loan Documents to which it is a party or the rights and remedies of the Lender, is not a valid and binding agreement of the Authority or the State, as applicable, or (ii) the Authority shall contest the validity or enforceability of this Agreement, any other Loan Document or any provision of the Resolution or the State Contract relating to the security for the Term Loan or the other Obligations under this Agreement, the Authority's ability to pay the Obligations under this Agreement or perform its obligations hereunder or the State's ability or obligation to pay or perform under the Loan Documents to which it is a party or the rights and remedies of the Lender, or the Authority shall seek an adjudication that this Agreement or the Authority or the State shall seek an adjudication that any other Loan Document or any provision of the Resolution or the State Contract relating to the security for the Term Loan or the Obligations under this Agreement, the Authority's ability to pay the Obligations under this Agreement or perform its obligations hereunder or the State's ability or obligation to pay or perform under the Loan Documents to which it is a party or the rights and remedies of the Lender, is not valid and binding on the Authority or the State, as applicable;

(g) Any provision of the Resolution or the State Contract relating to the security for the Term Loan, the Authority's ability or obligation to pay the Term Loan or perform its obligations hereunder or the State's ability or obligation to pay or perform under the Loan Documents to which it is a party, or the rights and remedies of the Lender, or any Loan Document, or any material provision thereof shall cease to be in full force or effect, or the Authority or the State or any Person duly authorized to act by or on behalf of the Authority or the State shall deny or disaffirm in a written proceeding the Authority's or the State's obligations under the Resolution or the State Contract or any other Loan Document;

(h) A Debt Moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment, or a repudiation by the Authority or the State of the payment, when due and payable of the principal of or interest on any obligation secured by a lien, charge or encumbrance upon the Pledged Property or any general obligation indebtedness of the State or any indebtedness of the State payable from an appropriation by the State Legislature; *provided, however,* that the failure of the State Legislature to make any appropriation with respect to the State's obligation under the State Contract shall not constitute a debt moratorium, a debt restructuring, a debt adjustment or a comparable restriction or a repudiation for purposes of this Section 7.01(h);

(i) Any two of Fitch, Moody's and S&P shall have downgraded its rating of any Parity Debt (without regard to credit enhancement) to below *"BBB-"* (or its equivalent), *"Baa3"* (or its equivalent), and *"BBB-"* (or its equivalent) respectively, or suspended or withdrawn its rating of the same; or

(j) any State Contract Event shall have occurred.

Section 7.02. Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Lender may exercise, or cause to be exercised, any and all remedies as it may have under the Resolution and as otherwise available at law and at equity.

Section 7.03. Solely for the Benefit of Lender. The rights and remedies of the Lender specified herein are for the sole and exclusive benefit, use and protection of the Lender, and the Lender is entitled, but shall have no duty or obligation to the Authority or any other Person or otherwise, to exercise or to refrain from exercising any right or remedy reserved to the Lender hereunder or under any of the other Loan Documents.

Section 7.04. Discontinuance of Proceedings. In case the Lender shall proceed to invoke any right, remedy or recourse permitted hereunder or under the Loan Documents and shall thereafter elect to discontinue or abandon the same for any reason, the Lender shall have the unqualified right so to do and, in such event, the Authority and the Lender shall be restored to their former positions with respect to the Obligations, the Loan Documents and otherwise, and the rights, remedies, recourse and powers of the Lender hereunder shall continue as if the same had never been invoked.

ARTICLE VIII

MISCELLANEOUS

Section 8.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Authority therefrom, shall be effective unless in writing signed by the Lender and the Authority, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. In the case of any such waiver or consent relating to any provision hereof, any Default or Event of Default so waived or consented to shall be deemed to be cured and not continuing, but no such waiver or consent shall extend to any other or subsequent Default or Event of Default or impair any right consequent thereto.

Section 8.02. Notices; Effectiveness; Electronic Communication. (a) Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax transmission or e-mail transmission as follows, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, if to the Authority or the Lender, to the address, fax number, e-mail address or telephone number specified for such Person on Schedule I. Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by fax transmission or e-mail transmission shall be deemed to have been given when sent (except that, if not given during normal business hours of the Authority, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below, shall be effective as provided in such subsection (c).

(b) *Electronic Communications.* Notices and other communications to the Lender hereunder may be delivered or furnished by electronic communication (including e-mail and

Internet or intranet websites) pursuant to procedures approved by the Lender. The Lender or the Authority, in its discretion, agrees to accept notices and other communications to it hereunder by electronic communications pursuant to procedures provided by it, provided that the approval of such procedures may be limited to particular notices or communications.

(c) Unless the Lender otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (i) of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both clauses (i) and (ii), if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice, email or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(d) *Change of Address, Etc.* Each of the Authority and the Lender may change its address, fax number or telephone number or e-mail address for notices and other communications hereunder by notice to the other parties hereto.

(e) *Reliance by the Lender.* The Lender shall be entitled to rely and act upon any notices (including telephonic or electronic notices) purportedly given by or on behalf of the Authority even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. All telephonic notices to and other telephonic communications with the Lender may be recorded by the Lender, and each of the parties hereto hereby consents to such recording.

(f) *Reliance by the Authority.* The Authority shall be entitled to rely and act upon any notices (including telephonic or electronic notices) purportedly given by or on behalf of the Lender even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. All telephonic notices to and other telephonic communications with the Authority may be recorded by the Authority, and each of the parties hereto hereby consents to such recording.

Section 8.03. No Waiver; Cumulative Remedies. No failure by the Lender to exercise, and no delay by the Lender in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

Section 8.04. Costs and Expenses; Damage Waiver. (a) The Authority shall pay all out-of-pocket expenses incurred by the Lender (including the fees, charges and disbursements of

any counsel for the Lender), and all fees and time charges for attorneys who may be employees of the Lender, in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section 8.04, or (B) all such out-of-pocket expenses incurred during any workout, restructuring or negotiations. Notwithstanding anything to the contrary contained herein, the foregoing is subject to the limitations of the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq. and the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 et seq., and to the provisions of Section 8.05 of this Agreement.

(b) *Reimbursement by the Authority.* To the fullest extent permitted by applicable law, the Authority shall reimburse the Lender for any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for the Lender) incurred by the Lender or asserted against the Lender by any Person (including the Authority) other than the Lender arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, (ii) the performance by the parties hereto of their respective obligations hereunder or thereunder, (iii) the Term Loan or the use or proposed use of the proceeds therefrom, or (iv) to the extent not otherwise paid by, or payable by, the Authority hereunder, the loss of tax exemption of the Term Loan, *provided* that such reimbursement shall not, as to the Lender, be available to the extent that such losses, claims, damages, liabilities or related expenses are the result of the gross negligence or willful misconduct of the Lender; *provided, however,* 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.; provided further,* that the foregoing is subject to Section 8.05 of this Agreement.

(c) *Waiver of Consequential Damages, Etc.* To the fullest extent permitted by applicable law, the Authority shall not assert any claim against the Lender on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Term Loan or the use of the proceeds thereof. The Lender shall not be liable for any damages arising from the use by unintended recipients of any information or other materials distributed to such unintended recipients by the Lender through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby other than for direct or actual damages resulting from the gross negligence or willful misconduct of the Lender as determined by a final and nonappealable judgment of a court of competent jurisdiction; *provided, however,* 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.; provided further,* that the foregoing is subject to Section 8.05 of this Agreement.

(d) *Payments.* All amounts due under this Section 8.04 shall be due and payable within ten (10) Business Days after receipt of demand therefor provided that, if there is not a sufficient State appropriation of amounts to satisfy any amounts due under this Section 8.04, the Authority hereby covenants to take reasonable action to request an appropriation from the State in an

amount sufficient to pay all such amounts due under this Section 8.04 and such amounts will be due and payable within ten (10) Business Days of appropriation by the State Legislature.

(e) *Survival.* The agreements in this Section 8.04 shall survive the payment in full of the Term Loan, the repayment, satisfaction or discharge of all other Obligations and the termination of this Agreement.

Section 8.05. Limited Obligation. The Authority's obligations under or that arise out of this Agreement shall be payable solely out of amounts paid to the Authority by the Treasurer under the State Contract in accordance with the terms thereof and the Resolution. THE STATE IS NOT OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE IS PLEDGED TO THE PAYMENT OF THE AUTHORITY'S OBLIGATIONS UNDER THIS AGREEMENT. THIS AGREEMENT AND THE LOAN DOCUMENTS ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE PLEDGED PROPERTY UNDER THE RESOLUTION. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS DO NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER. Notwithstanding the pledge effected by the Resolution or any provision of the Resolution, all amounts payable by the State pursuant to the State Contract shall be subject to and dependent upon appropriations being made from time to time for such purposes by the State Legislature; *provided, however,* that the State Legislature has no legal obligation to make any such appropriation and the failure of the Authority to pay any obligations hereunder as a result of the State Legislature not making any such appropriation shall not constitute an Event of Default under the Resolution or under this Agreement.

Section 8.06. Successors and Assigns.

(a) *Successors and Assigns Generally.* The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Authority may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender; *provided, however*, that the consent of the Lender shall not be required for a transfer of the Authority's rights or obligations as and to the extent it may be required by law (but, rather, the Authority will provide notice to the Lender of such transfer).

(b) The Lender shall not assign or transfer this Agreement without the prior written consent of the Authority (which consent shall not be unreasonably withheld or delayed); *provided, however*, that such limitation on assignment and transferability of this Agreement shall not prohibit the Lender from transferring the Agreement in whole to (i) upon notice to the Authority, an Affiliate of the Lender; or (ii) a Person that is not an Affiliate of the Lender during a time where a Default or an Event of Default hereunder has occurred and is continuing *provided further, however*, that any assignment or transfer of this Agreement pursuant to this Section 8.06(b) shall not be made to a natural Person or the Authority or any of the Authority's Affiliates. Notwithstanding anything to the contrary contained in this subsection (b), any assignment or transfer by the Lender hereunder shall be subject to the following conditions: (i) the Lender shall be responsible for all costs resulting from the transfer, and (ii) the transferee shall be in compliance with L. 2005, c. 51, L. 2005, c. 271, L. 2012, c.25 and all other applicable law.

(c) *Participations.* The Lender may at any time, without the consent of, or notice to, the Authority, sell participations to any Person (other than a natural Person or the Authority or any of the Authority's Affiliates) (each, a *"Participant"*) in all or a portion of the Lender's rights and/or obligations under this Agreement (including all or a portion of the Term Loan); *provided* that (i) the Lender's obligations under this Agreement shall remain unchanged, (ii) the Lender shall remain solely responsible to the Authority hereto for the performance of such obligations and (iii) the Authority shall continue to deal solely and directly with the Lender in connection with the Lender's rights and obligations under this Agreement.

Any agreement or instrument pursuant to which the Lender sells such a participation shall provide that the Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement.

(d) *Certain Pledges.* The Lender may at any time pledge or grant a security interest in all or any portion of its rights under this Agreement (including under its Bond, if any) to secure obligations of the Lender, including any pledge or grant to secure obligations to a Federal Reserve Bank; *provided* that no such pledge or grant shall release the Lender from any of its obligations hereunder or substitute any such pledgee or grantee for the Lender as a party hereto.

Section 8.07. Treatment of Certain Information; Confidentiality The Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section 8.07, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Authority and its obligations, this Agreement or payments hereunder, (g) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section 8.07 or (y) becomes available to the Lender or any of its Affiliates on a nonconfidential basis from a source other than the Authority. For purposes of this Section 8.07, "Information" means all information received from the Authority relating to the Authority, other than any such information that is available to the Lender on a nonconfidential basis prior to disclosure by the Authority or the State, provided that, in the case of information received from the Authority or the State after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section 8.07 shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to

maintain the confidentiality of such Information as such Person would accord to its own confidential information.

Section 8.08. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Lender and when the Lender shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by fax transmission or e-mail transmission (*e.g.*, "*pdf*" or "*tif*") shall be effective as delivery of a manually executed counterpart of this Agreement. Without limiting the foregoing, to the extent a manually executed counterpart is not specifically required to be delivered under the terms of any Loan Document, upon the request of any party, such fax transmission or e-mail transmission shall be promptly followed by such manually executed counterpart.

Section 8.09. Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Lender, regardless of any investigation made by the Lender or on its behalf and notwithstanding that the Lender may have had notice or knowledge of any Default at the time of making the Term Loan, and shall continue in full force and effect as long as any other Obligation hereunder shall remain unpaid or unsatisfied.

Section 8.10. Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions.

Section 8.11. Governing Law; Jurisdiction; Etc. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (EXCEPT, AS TO ANY OTHER LOAN DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW JERSEY.

(b) *Submission to Jurisdiction.* EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE OTHER PARTY OR ANY RELATED PARTY IN ANY WAY

RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE STATE COURTS OF THE STATE OF NEW JERSEY, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW JERSEY STATE COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

Section 8.12. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 8.12.

Section 8.13. Non-Reliance; Assessment and Understanding. Each of the Authority and the Lender are acting for its own account, and has made its own independent decisions to enter into this Agreement and this Agreement is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. Neither the Authority nor the Lender is relying on any communication (written or oral) of the other party as advice or a recommendation to enter into this Agreement; it being understood that information and explanation relating to the terms and conditions of this Agreement shall not be considered a advice or a recommendation to enter into this Agreement. Each party is also capable of assuming, and assumes, the risks of this Agreement. Neither the Authority nor the Lender is acting as a fiduciary for or as an adviser to the other in respect of this Agreement or the Term Loan.

Section 8.14. Electronic Execution of Certain Documents. If and to the extent applicable, the words "execute," "execution," "signed," "signature," and words of like import in any Loan Document (including waivers and consents) shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Lender, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, the New Jersey Uniform Electronic Transactions Act or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 8.15. USA Patriot Act. The Lender is subject to the Patriot Act and hereby notifies the Authority that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Authority, which information includes the name and address of the Authority and other information that will allow the Lender to identify the Authority in accordance with the Patriot Act. The Authority shall, promptly following a request by the Lender, provide all documentation and other information that the Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act.

Section 8.16. Tort Claims Act; Contractual Liability Act. Notwithstanding anything to the contrary contained herein, this Agreement is subject to the limitations of the provisions of the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq., the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 et seq. and the provisions of Section 8.05 of this Agreement. 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 Lender hereby agrees that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims arising against the Authority under this Agreement.

Section 8.17. Entire Agreement. This Agreement and the other Loan Documents represent the final agreement among the parties and may not be contradicted by evidence of prior, contemporaneous, or subsequent oral agreements of the parties. There are no unwritten oral agreements among the parties.

Section 8.18. No Third-Party Rights. Nothing in this Agreement, whether express or implied, shall be construed to give to any Person other than the parties hereto any legal or equitable right, remedy or claim under or in respect of this Agreement, which is intended for the sole and exclusive benefit of the parties hereto.

[SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the Effective Date.

DNT ASSET TRUST

[redacted]

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

[redacted]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the Effective Date.

DNT ASSET TRUST

[redacted]

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

[redacted]

SCHEDULE I

ADDRESSES

The Authority:

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540
Attention: Executive Director
Facsimile: (609) 987-0850
Telephone: (609) 987-0880

With a copy to:

New Jersey Office of Public Finance
50 West State Street
P.O. Box 005
Trenton, New Jersey 08625
Attention: Director, Office of Public Finance
Facsimile: (609) 777-1987
Telephone: (609) 984-4888

The Lender:

DNT Asset Trust
c/o JPMorgan Chase Bank, National Association
383 Madison Avenue, 8th Floor
Mail Code: NY1-M076
New York, New York 10179
[redacted]

With a copy to:

DNT Asset Trust
c/o JPMorgan Chase Bank, National Association
500 Stanton Christiana Road
OPs 2, Floor 03
Newark, Delaware 19713
[redacted]

With respect to payments: [redacted]

EXHIBIT A

FORM OF BOND

R-_

UNITED STATES OF AMERICA
STATE OF NEW JERSEY
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

REVENUE REFUNDING BONDS, HIGHER EDUCATION CAPITAL IMPROVEMENT FUND ISSUE, SERIES 2016 A

THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL OR REDEMPTION PRICE, IF ANY, HEREOF AND INTEREST HEREON ONLY FROM THE REVENUES AND OTHER FUNDS PLEDGED UNDER THE RESOLUTION. NEITHER THE STATE OF NEW JERSEY (THE "STATE") NOR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION) IS OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION) IS PLEDGED TO THE PAYMENT OF, THE PRINCIPAL OR REDEMPTION PRICE, IF ANY, OF OR INTEREST ON THIS BOND. THIS BOND IS A SPECIAL AND LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY OUT OF THE REVENUES OR OTHER RECEIPTS, FUNDS OR MONEYS OF THE AUTHORITY PLEDGED UNDER THE RESOLUTION AND FROM ANY OTHER AMOUNTS OTHERWISE AVAILABLE UNDER THE RESOLUTION. 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 Owner: [_____]

Principal Sum: [_____] ($[_____])

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (the "Authority"), a public body corporate and politic with corporate succession, constituting a political subdivision organized and existing under and by virtue of the laws of the State of New Jersey (the "State"), acknowledges itself indebted and for value received hereby promises to pay to the Registered Owner named above, or registered assigns, on the Maturity Date stated above, upon presentation and surrender of this bond at the principal corporate trust office of the Trustee hereinafter mentioned, in lawful money of the United States of America, the Principal Sum set forth above and to pay interest thereon until the Principal Sum is paid from the most recent interest payment date next preceding the date of authentication hereof, unless the date of authentication hereof is

an interest payment date, in which case from the date of authentication hereof, or unless the date of authentication hereof is prior to the first interest payment date, in which case from the Dated Date or unless the date of authentication hereof is between a record date (the "Record Date") for such interest, which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding an interest payment date, and the next succeeding interest payment date, in which case from such interest payment date, at the Interest Rate stated above, payable _____ 1, 201_, and semi-annually thereafter on the first day of ____ and ____ of each year, until maturity or earlier redemption. Payment of the interest on this Bond shall be payable (i) by check or draft and mailed to the registered owner hereof at the address of such registered owner as it shall appear on the registration books of the Authority, which shall be kept at the principal corporate trust office of the Trustee hereinafter mentioned, at the close of business on the Record Date, or (ii) by electronic transfer in immediately available funds to the Registered Owner, pursuant to the written instructions provided to the Authority and the Paying Agent by the Registered Owner. The principal of this Bond is payable upon surrender at the principal corporate trust office of The Bank of New York Mellon, Woodland Park, New Jersey, the Trustee, Paying Agent and Bond Registrar.

This Bond shall bear interest at the Interest Rate stated on Exhibit "B" attached to the Agreement, subject to adjustment in accordance with the terms of that certain Tax-Exempt Term Loan Agreement, dated as of July 26, 2016 (the "Agreement") between the Authority and DNT Asset Trust (the "Lender").

This Bond is one of a duly authorized issue of bonds of the Authority designated "New Jersey Educational Facilities Authority Revenue Refunding Bonds, Higher Education Capital Improvement Fund Issue, Series 2016 A" (the "Bonds"), which have been duly issued by the Authority under and pursuant to the laws of the State of New Jersey, particularly the Higher Education Capital Improvement Fund Act (being Chapter 217 of the Laws of 1999, as amended and supplemented by Chapter 308 of the Laws of 2009 and Chapter 42 of the Laws of 2012), which amended and supplemented the New Jersey Educational Facilities Authority Law (being Chapter 271 of the Laws of 1967, as amended and supplemented), as the same may be amended and supplemented (hereinafter, collectively called the "Act"), and pursuant to the Higher Education Capital Improvement General Bond Resolution, adopted by the Authority on June 21, 2000, as amended and supplemented, including by the Ninth Supplemental Higher Education Capital Improvement Fund Resolution adopted by the Authority on June 28, 2016 and a certificate executed by an Authorized Officer of the Authority on the date of issuance of the Series 2016 Bonds (hereinafter, collectively called the "Resolution"). This Bond and the issue of which it is a part is a special and limited obligation of the Authority payable from and secured by a pledge of and lien on the Pledged Property (as defined in the Resolution) equally and ratably with all other Bonds of this issue, any "Bonds" (as defined in the Resolution) previously issued and any "Bonds" (as defined in the Resolution) to be issued hereafter as permitted by the Resolution.

THE PAYMENT OF THE PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THIS BOND IS TO BE DERIVED FROM PAYMENTS TO BE MADE BY THE STATE TO THE AUTHORITY UNDER THE CONTRACT BETWEEN THE TREASURER OF THE STATE OF NEW JERSEY AND THE AUTHORITY DATED AS OF JULY 1, 2000 (THE

"STATE CONTRACT") AND AMOUNTS HELD UNDER THE RESOLUTION. ALL AMOUNTS PAID TO THE AUTHORITY UNDER THE STATE CONTRACT TO PAY THE PRINCIPAL OF, REDEMPTION PREMIUM, IF ANY, AND INTEREST ON THE BONDS ARE SUBJECT TO AND DEPENDENT UPON APPROPRIATIONS BEING MADE FROM TIME TO TIME BY THE NEW JERSEY STATE LEGISLATURE (THE "STATE LEGISLATURE") FOR SUCH PURPOSE. THE STATE LEGISLATURE HAS NO LEGAL OBLIGATION TO MAKE ANY SUCH APPROPRIATIONS.

NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION) IS OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION) IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OR REDEMPTION PRICE, IF ANY, OF OR INTEREST ON THIS BOND. THIS BOND IS A SPECIAL AND LIMITED OBLIGATION OF THE AUTHORITY PAYABLE SOLELY OUT OF THE REVENUES AND OTHER RECEIPTS, FUNDS OR MONEYS OF THE AUTHORITY PLEDGED UNDER THE RESOLUTION AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE RESOLUTION FOR THE PAYMENT OF THIS BOND. THIS BOND DOES NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

Reference to the Resolution and any and all resolutions supplemental thereto and any modifications and amendments thereof and to the Act is made for a description of the nature and extent of the security for the Bonds, the funds pledged for the payment thereof, the nature, manner and extent of the enforcement of such pledge, the rights and remedies of the holders of the Bonds with respect thereto, the terms and conditions upon which the Bonds are issued and upon which they may be issued thereunder, and a statement of the rights, duties, immunities and obligations of the Authority and of the Trustee. Certified copies of the Resolution are on file in the principal corporate trust office of the Trustee and in the office of the Authority.

This Bond is one of an authorized issue of $252,270,000, all of like date and tenor except as to number, interest rate, maturity date, denomination and redemption provisions, issued to refund bonds originally issued to make Grants to Public Institutions of Higher Education and Private Institutions of Higher Education within the State.

Pursuant to the Resolution, the Authority may hereafter issue additional bonds (herein called "Additional Bonds") for the purposes, in the amounts and on the conditions prescribed in the Resolution. All bonds issued and to be issued under the Resolution, including Additional Bonds, are and will be equally secured by the pledge of funds and Revenues provided in the Resolution except as otherwise provided in or pursuant to the Resolution. The aggregate principal amount of Bonds which may be outstanding at any one time, exclusive of certain refunding bonds, may not exceed $550,000,000.

The Bonds are not subject to redemption except as set forth in Section 2.12 of the Term Loan Agreement.

To the extent and in the respects permitted by the Resolution, the provisions of the Resolution or any resolution amendatory thereof or supplemental thereto may be modified or amended by action taken on behalf of the Authority in the manner and subject to the conditions and exceptions which are set forth in the Resolution. The pledge of moneys and securities and other obligations of the Authority under the terms of the Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms set forth in the Resolution.

This Bond is transferable, as provided in the Resolution, only upon the registration books of the Authority which are kept and maintained for that purpose at the principal corporate trust office of the Trustee, as Bond Registrar, or its successor as Bond Registrar, by the Registered Owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer which is satisfactory to the Trustee, as Bond Registrar and which is duly executed by the Registered Owner or by such duly authorized attorney, together with the required signature guarantee, and thereupon the Authority shall issue in the name of the transferee a new registered bond or bonds, of the same aggregate principal amount and series, designation, maturity and interest rate as the surrendered bond as provided in the Resolution upon payment of the charges therein prescribed. The Authority, the Trustee, the Trustee, as Bond Registrar, and any Paying Agent of the Authority may treat and consider the person in whose name this bond is registered as the Holder and absolute owner of this Bond for the purpose of receiving payment of the principal or Redemption Price of and interest due

thereon and for all other purposes whatsoever.

In case an Event of Default, as defined in the Resolution, shall occur, the principal of this Bond may be declared due and payable in the manner and with the effect provided in the Resolution.

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

THE BOND SHALL NOT, IN ANY WAY, BE A DEBT OR LIABILITY OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION) AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR OBLIGATION OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY TO THE LIMITED EXTENT SET FORTH IN THE RESOLUTION), OR BE OR CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF.

It is hereby certified, recited and declared by the Authority that all acts, conditions and things required by the constitution and statutes of the State and the Resolution to exist, to happen and to be performed precedent to and in the issuance of the Bonds in order to make them the legal, valid and binding obligations of the Authority in accordance with their terms, exist, have happened and have been performed in regular and due time, form and manner as required by law, and that the issuance of such Bonds does not exceed or violate any constitutional, statutory or other limitation upon the amount of the bonded indebtedness of the Authority.

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

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 Chair or Vice Chair or Executive Director and its corporate seal (or a facsimile thereof) to be hereunto affixed, imprinted, engraved or otherwise reproduced and attested by the manual or facsimile signature of its Assistant Secretary, all as of the Dated Date hereof.

[SEAL]

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By:_____
Name:
Title:

ATTEST:

By:_____
Name:
Title:

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2016 A Bonds described in and secured by the within-mentioned Resolution.

THE BANK OF NEW YORK MELLON, as Trustee

By:_____
Authorized Signature

Date of Authentication: _____, 2016

ASSIGNMENT

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

Dated:_____

Signature Guaranteed:

_____

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

EXHIBIT B

PRINCIPAL AMORTIZATION

Maturity Dates	Par Amount	Interest Rates
9/1/2016	$27,485,000	[redacted]
9/1/2017	$30,810,000	[redacted]
9/1/2018	$33,285,000	[redacted]
9/1/2019	$34,225,000	[redacted]
9/1/2020	$34,935,000	[redacted]
9/1/2021	$41,520,000	[redacted]
9/1/2022	$41,240,000	[redacted]
9/1/2023	$4,650,000	[redacted]
9/1/2024	$4,120,000	[redacted]
TOTAL:	$252,270,000	

EXHIBIT C

CALCULATION OF MAKE WHOLE AMOUNT

For purposes of determining the Make Whole Amount in connection with a prepayment of the Term Loan prior to the Maturity Dates, the Make Whole Amount will be the sum calculated separately for each Prepaid Installment, as follows:

(i) The Lender will first determine the amount of interest which would have accrued each month at the Taxable Equivalent Rate for the Prepaid Installment had it remained outstanding until the applicable Original Payment Date, using the interest rate applicable to the Prepaid Installment under Section 2.04 of the Agreement.

(ii) The Lender will then subtract from each monthly interest amount determined in (i) above, the amount of interest which would accrue for that Prepaid Installment if it were reinvested from the prepayment date through the Original Payment Date, using the Treasury Rate.

(iii) If (i) minus (ii) for the Prepaid Installment is greater than zero, the Lender will discount the monthly differences to the date of the prepayment date by the Treasury Rate. The Lender will then add together all of the discounted monthly differences to determine the amount of the Prepaid Installment.

The following definitions will apply to the calculation of the Make-Whole Amount:

"Original Payment Date" means, with respect to any Prepaid Installment, 9/1/2016, 9/1/2017, 9/1/2018, 9/1/2019, 9/1/2020, 9/1/2021, 9/1/2022, 9/1/2023 and 9/1/2024, as applicable.

"Prepaid Installment" means the principal amount of the Term Loan prepaid on a date other than an Original Payment Date.

"Taxable Equivalent Rate" means the interest rate per annum derived from the following formula: interest rate on the Term Loan divided by the difference of (1 minus the Maximum Corporate Income Tax Rate). The "Maximum Corporate Income Tax Rate" is the highest marginal federal income tax rate charged to U.S. Corporations in effect at the time of the prepayment calculation. The "Maximum Corporate Income Tax Rate" is currently 35% (or 0.35 in numerical terms).

"Treasury Rate" means the yield on the Treasury Constant Maturity Series with maturity equal to the Original Payment Date of the Prepaid Installment which are principal payments (calculated as of the date of redemption in accordance with accepted financial practice and rounded to the nearest quarter-year), as reported in Federal Reserve Statistical Release H.15, Selected Interest Rates of the Board of Governors of the Federal Reserve System, or any

successor publication. If no maturity exactly corresponding to such Original Payment Date appears in Release H.15, the Treasury Rate will be determined by linear interpolation between the yields reported in Release H.15. If for any reason Release H.15 is no longer published, the Lender shall select a comparable publication to determine the Treasury Rate.

Capitalized terms not otherwise defined herein shall have the meanings set forth in the Tax-Exempt Term Loan Agreement dated as of July 26, 2016, between the New Jersey Educational Facilities Authority and DNT Asset Trust.