NEW ISSUE - BOOK-ENTRY ONLY **RATINGS: See "RATINGS" herein**

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

NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

$41,770,000
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS, RIDER UNIVERSITY ISSUE, 2017 SERIES F

1865 RIDER UNIVERSITY

Dated: Date of Delivery **Due: July 1, as set forth on the inside cover**

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

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

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

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

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

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

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

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

The 2017 Series Bonds are offered when, as and if issued by the Authority and accepted by the Underwriters subject to prior sale, withdrawal or modification of the offer without notice and subject to the receipt of an approving legal opinion of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon for the University by its special counsel, Connell Foley LLP, Jersey City, New Jersey. Certain legal matters will be passed upon for the Underwriters by their Co-counsel, M. Jeremy Ostow, Esq., South Orange, New Jersey, and Eckert Seamans Cherin & Mellott, LLC, Lawrenceville, New Jersey, and Philadelphia, Pennsylvania. The 2017 Series Bonds are expected to be available for delivery to DTC in New York, New York, on or about November 30, 2017.

BofA Merrill Lynch

Drexel Hamilton, LLC **Raymond James**

Official Statement dated: November 14, 2017

$41,770,000
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

REVENUE BONDS, RIDER UNIVERSITY ISSUE,
2017 SERIES F

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

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP†
2028	$ 350,000	5.000%	2.970%*	646066Y61
2029	370,000	3.000	3.200	646066Y79
2030	380,000	3.250	3.420	646066Y87
2031	390,000	3.500	3.610	646066Y95
2032	405,000	5.000	3.380*	646066Z29
2033	425,000	5.000	3.440*	646066Z37
2034	445,000	3.625	3.820	646066Z45
2035	1,455,000	5.000	3.510*	646066Z52
2036	1,525,000	5.000	3.550*	646066Z60
2037	1,605,000	3.750	3.900	646066Z78

$15,355,000 4.00% Term Bond due July 1, 2042, Price 100.000% to Yield 4.000%, CUSIP†: 646066Z86

$19,065,000 5.00% Term Bond due July 1, 2047, Price 110.493% to Yield 3.690%* CUSIP†: 646066Z94

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

* Priced to the first optional redemption date of July 1, 2027 at a redemption price of 100%.

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

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

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

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

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

The University, in APPENDIX A, has provided the description of the University and certain relevant financial and operating data with respect thereto. It is noted that some of the financial information has been derived from the audited financial statements of the University. This information should be read in conjunction with the audited financial statements and the related notes which are included as APPENDIX B to this Official Statement.

The 2017 Series Bonds have not been registered under the Securities Act of 1933, as amended, and neither the Resolution nor the Indenture has been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions contained in such federal laws. In making an investment decision, investors must rely upon their own examination of the 2017 Series Bonds and the security therefor, including an analysis of the risk involved. The 2017 Series Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the 2017 Series Bonds in accordance with applicable provisions of securities laws of the various jurisdictions in which the 2017 Series Bonds have been registered, qualified or exempted cannot be regarded as a recommendation thereof. Neither such jurisdictions nor any of their agencies have passed upon the merits of the 2017 Series Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

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

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

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

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NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
103 COLLEGE ROAD EAST
PRINCETON, NEW JERSEY 08540-6612

OFFICIAL STATEMENT

$41,770,000 NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE BONDS, RIDER UNIVERSITY ISSUE, 2017 SERIES F

INTRODUCTORY STATEMENT

General

The purpose of this Official Statement (the "Official Statement"), which includes the cover page and the Appendices hereto, is to furnish information concerning the New Jersey Educational Facilities Authority (the "Authority") and its $41,770,000 Revenue Bonds, Rider University Issue, 2017 Series F (the "2017 Series Bonds"). The 2017 Series Bonds are being issued pursuant to (i) the Act (as defined herein); (ii) a Resolution adopted by the Authority on October 17, 2017 (the "Resolution"); and (iii) a Trust Indenture dated as of November 1, 2017 (the "Indenture") by and between the Authority and The Bank of New York Mellon, as trustee for the 2017 Series Bonds (the "Trustee"). The 2017 Series Bonds are being issued and will bear interest at the rates set forth on the inside front cover and shall be payable as set forth herein. See "SECURITY FOR THE 2017 SERIES BONDS" herein. The 2017 Series Bonds will be subject to optional, extraordinary optional and mandatory sinking fund redemption prior to maturity as described herein. See "DESCRIPTION OF THE 2017 SERIES BONDS – Redemption" herein. Capitalized terms used but not defined herein shall have the meanings ascribed to them in "APPENDIX C – FORMS OF CERTAIN LEGAL DOCUMENTS" attached hereto.

The information contained in this Official Statement has been prepared under the direction of the Authority for use in connection with the sale and delivery of the 2017 Series Bonds.

Authority for Issuance

The 2017 Series Bonds are being issued pursuant to the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Laws of 1967, as amended and supplemented (the "Act").

The Act, among other things, empowers the Authority to issue bonds, notes and other obligations to obtain funds to finance an eligible educational facility as such may be required or convenient for the purpose of a public or private participating institution of higher education, such as Rider University, located in Lawrence and Princeton, New Jersey, an independent, non-profit, four-year institution of higher education, organized and existing under and by virtue of the laws of the State of New Jersey (hereinafter referred to as the "University"). For information concerning the University, see "APPENDIX A – CERTAIN INFORMATION REGARDING RIDER UNIVERSITY" hereto and "APPENDIX B – AUDITED FINANCIAL STATEMENTS" hereto.

Purpose

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

Security and Other Financings

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

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

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

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

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

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

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

Additional Parity Obligations

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

THE AUTHORITY

Powers of the Authority

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

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

Authority Organization and Membership

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

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

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

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

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

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

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

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

Sheryl A. Stitt, Acting Executive Director; serves as the Acting Secretary to the Authority.

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

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

Ellen Yang, Director of Compliance Management; serves as an Assistant Secretary to the Authority.

Outstanding Obligations of the Authority

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

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

STATE OF NEW JERSEY HIGHER EDUCATION

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

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

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

The thirty (30) public colleges and universities are comprised of Rutgers, The State University of New Jersey ("Rutgers University"); Rowan University; the New Jersey Institute of Technology; Montclair State University; two (2) state colleges and five (5) state universities; and nineteen (19) community colleges. Pursuant to the New Jersey Medical and Health Sciences Education Restructuring Act, effective July 1, 2013, all liabilities and debt of the University of Medicine and Dentistry of New Jersey ("UMDNJ") and its assets were transferred to Rutgers University, Rowan University and University Hospital; and UMDNJ, as a legal entity, ceased to exist. The forty (40) independent institutions include fifteen (15) senior colleges and universities with a public mission, one (1) independent two-year religious college, thirteen (13) rabbinical schools and theological seminaries and eleven (11) proprietary institutions with degree-granting authority.

PLAN OF FINANCING

The proceeds of the 2017 Series Bonds will be used to (a) pay costs of the Capital Project, (b) fund capitalized interest for the 2017 Series Bonds through July 1, 2020; and (c) pay certain costs of issuance of the 2017 Series Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein.

DESCRIPTION OF THE 2017 SERIES BONDS

General

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

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

Registration and Place of Payment

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

In the event the 2017 Series Bonds are no longer subject to the book-entry only system, principal and redemption premium, if any, of the 2017 Series Bonds will be payable upon surrender of the respective 2017 Series Bonds at the principal corporate trust office of the Trustee. Interest on the 2017 Series Bonds will be paid by check or draft mailed by the Trustee to the registered owner thereof as of the fifteenth (15^{th}) day (whether or not a Business Day) of the calendar month next preceding an interest payment date at the addresses on file on the registration books of the Authority kept by the Trustee, as registrar. Notwithstanding the foregoing, payment of principal of, redemption premium, if any, and interest on any 2017 Series Bond shall be made by wire transfer to any account within the United States of America designated by a Bondholder owning $1,000,000 or more in aggregate principal amount of 2017 Series Bonds (if requested in writing of the Trustee by such Bondholder not less than five (5) Business Days prior to the applicable payment date and if such Bondholder otherwise complies with the reasonable requirements of the Trustee). A request for wire transfer may specify that it is effective with respect to all succeeding payments of principal, redemption premium, if any, and interest and will be so effective unless and until rescinded in writing by the Bondholder at least five (5) Business Days prior to the Record Date for the payment date to which such rescission is designated to apply.

Book-Entry-Only System

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

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

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

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

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

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

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

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

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

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

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

No Assurance Regarding DTC Practices

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

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

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

Redemption

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

<u>Optional Redemption</u>: The 2017 Series Bonds maturing on or after July 1, 2028 are subject to optional redemption on any date on or after July 1, 2027 at the option of the Authority with the written consent of the University, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the redemption date.

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

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

Mandatory Sinking Fund Redemption: The 2017 Series Bonds maturing on July 1, 2042 shall be retired by sinking fund installments as hereinafter described, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the 2017 Series Bonds on July 1 in each of the years and in the principal amounts as follows:

Year	Amount
2038	$2,835,000
2039	2,950,000
2040	3,065,000
2041	3,190,000
2042*	3,315,000

*Final Maturity

The 2017 Series Bonds maturing on July 1, 2047 shall be retired by sinking fund installments as hereinafter described, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the 2017 Series Bonds on July 1 in each of the years and in the principal amounts as follows:

Year	Amount
2043	$3,450,000
2044	3,620,000
2045	3,805,000
2046	3,995,000
2047*	4,195,000

*Final Maturity

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

Selection of 2017 Series Bonds for Redemption

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

Notice of Redemption

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

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

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

Negotiable Instruments

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

ESTIMATED SOURCES AND USES OF FUNDS

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

SOURCES:	**2017 Series Bonds**
Par Amount of the 2017 Series Bonds	$41,770,000.00
Net Original Issue Premium	2,458,160.45
TOTAL SOURCES:	**$44,228,160.45**
USES:	
Deposit to Construction Fund	$38,750,000.00
Deposit to Capitalized Interest Account	4,884,824.49
Costs of Issuance[1]	593,335.96
TOTAL USES:	**$44,228,160.45**

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[1]Includes Underwriters' discount, fees and expenses of Bond Counsel, University counsel, the Trustee, the Authority, financial advisor for the University, the Rating Agencies, title insurance, and other issuance costs.

SECURITY FOR THE 2017 SERIES BONDS

Special and Limited Obligations

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

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

As defined in the Indenture, "Revenues" are (i) all Basic Loan Payments; (ii) all amounts received by the Authority in respect of any entry of the Project Facilities, or portion thereof, pursuant to Article II of the Loan Agreement; (iii) any amount directed to be transferred to or deposited in the Construction Fund and the Debt Service Fund pursuant to this Indenture; (iv) all other moneys when received by the Trustee for deposit into the Construction Fund and the Debt

Service Fund, including prepayments, insurance proceeds and condemnation proceeds; and (v) all interest, profits or other income derived from the investment of amounts in any Fund or account established pursuant to this Indenture, but not including any administrative fees or expenses or any moneys required to be deposited in the Rebate Fund, the Additional Loan Payments Fund or the Project Mortgage Fund.

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

The Loan Agreement

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

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

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

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

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

Mortgage and Security Agreement

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

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ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS FOR THE UNIVERSITY

The following table sets forth, for each 12-month period ending on June 30 in the years 2018 through 2047, the amounts required for the payment of debt service by the University on the 2017 Series Bonds, other existing debt service of the University and the total debt service. In accordance with the Indenture, the principal and interest requirements for the 2017 Series Bonds for each 12-month period ending on June 30 are defined to include the respective amounts required to provide for the payment of interest on each January 1 and July 1, and for the payment of principal on each July 1.

Year Ending	2017 Series Bonds		Other Existing Debt Service of	Total Debt
June 30[1]	Principal	Interest[2]	the University[3]	Service
2018	-	-	$3,562,860	$3,562,860
2019	-	-	3,457,098	3,457,098
2020	-	-	3,445,194	3,445,194
2021	-	$1,888,869	3,435,363	5,324,232
2022	-	1,888,869	3,478,771	5,367,640
2023	-	1,888,869	3,490,946	5,379,815
2024	-	1,888,869	3,071,438	4,960,307
2025	-	1,888,869	3,071,929	4,960,798
2026	-	1,888,869	3,050,270	4,939,139
2027	-	1,888,869	3,061,279	4,950,148
2028	$350,000	1,888,869	2,203,435	4,442,304
2029	370,000	1,871,369	2,202,242	4,443,611
2030	380,000	1,860,269	2,202,476	4,442,745
2031	390,000	1,847,919	2,203,964	4,441,883
2032	405,000	1,834,269	2,201,450	4,440,719
2033	425,000	1,814,019	2,199,930	4,438,949
2034	445,000	1,792,769	2,204,230	4,441,999
2035	1,455,000	1,776,638	1,208,687	4,440,325
2036	1,525,000	1,703,888	1,213,220	4,442,108
2037	1,605,000	1,627,638	1,209,992	4,442,630
2038	2,835,000	1,567,450	-	4,402,450
2039	2,950,000	1,454,050	-	4,404,050
2040	3,065,000	1,336,050	-	4,401,050
2041	3,190,000	1,213,450	-	4,403,450
2042	3,315,000	1,085,850	-	4,400,850
2043	3,450,000	953,250	-	4,403,250
2044	3,620,000	780,750	-	4,400,750
2045	3,805,000	599,750	-	4,404,750
2046	3,995,000	409,500	-	4,404,500
2047	4,195,000	209,750	-	4,404,750
Totals[4]	$41,770,000	$40,849,575	$52,174,774	$134,794,349

[1] Principal and interest payable on July 1 of each year is included in the preceding year ending June 30.
[2] A portion of the proceeds of the 2017 Series Bonds will be applied to fund capitalized interest through July 1, 2020.
[3] Existing debt service of the University includes the Authority's outstanding 2012 Series A Bonds issued on behalf of the University and the University's portion of debt service for the following State Contract Bonds: (i) New Jersey Educational Facilities Authority, Capital Improvement Fund Bonds, Series 2002 A, Series 2014 C, Series 2016 A and Series 2016 B; and (ii) New Jersey Educational Facilities Authority, Dormitory Safety Trust Fund Bonds, Series 2003 A. See APPENDIX B – AUDITED FINANCIAL STATEMENTS for more information.
[4] Totals may not add due to rounding.

BONDHOLDERS' RISKS

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

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

Payment of Debt Service; Limitation on Revenues

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

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

Sources of Payment for the 2017 Series Bonds

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

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

Student Enrollment

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

Tuition Revenues

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

Reliance on Financial Aid

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

Investment Income: Unrestricted Net Assets

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

Competition

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

Fluctuations in Market Values of Investments

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

Damage or Destruction

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

Government Funding

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

Enforcement of Remedies

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

Limitations on Security

As stated above, the 2017 Series Bonds are secured by payments to be made by the University under the Loan Agreement. The University's obligation to make the payments required under the Loan Agreement constitutes a general obligation of the University, payable from any legally available funds of the University.

Realization of Value on the Mortgaged Facilities

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

Bankruptcy

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

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

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

The failure of the University to remain qualified as a tax-exempt organization could affect the amount of funds available to pay debt service on the 2017 Series Bonds. Such failure, as well as failure of the University to comply with certain legal requirements set forth in the Loan Agreement, the Tax Certificate and certain other documents aimed at satisfying applicable requirements of the Code (see "TAX MATTERS"), could cause the inclusion of interest on the 2017 Series Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the 2017 Series Bonds.

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

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

Economic Factors Beyond the University’s Control

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

Other Risk Factors

1. Inability of the University to control increases in operating costs, including salaries, wages and fringe benefits, supplies, utility costs, maintenance and other expenses without being able to obtain corresponding increases in revenues from students or other sources.

2. The ability of the University to attract experienced administrators, with the requisite skills and expertise, and a sufficient number of faculty and other professionals.

3. Employee strikes and other adverse labor actions that could result in a substantial reduction in revenues without corresponding decreases in costs.

4. The occurrence of natural disasters, including earthquakes, may damage the facilities of the University, interrupt utility service to the facilities, or otherwise impair the operation of the University and the generation of revenues from the facilities. To the extent commercially feasible, the facilities of the University are covered by general property insurance in an amount which management considers to be sufficient to provide for the replacement of such facilities in the event of a natural disaster.

5. Claims presently unknown to the University.

6. Withdrawal of any current exemptions from local real estate taxes, business privilege taxes and similar impositions.

LITIGATION

The Authority

There is not now pending nor, to the knowledge of the Authority, threatened, any litigation restraining or enjoining the issuance or delivery of the 2017 Series Bonds or questioning or affecting the validity of the 2017 Series Bonds or the proceedings or authority under which the 2017 Series Bonds are to be issued. There is no litigation pending or, to the Authority's knowledge, threatened which in any manner questions the right of the Authority to adopt the Resolution to enter into the Indenture or to enter into the Loan Agreement or to secure 2017 Series Bonds in the manner herein described.

The University

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

RATINGS

S&P Global Ratings, acting through Standard & Poor's Financial Services LLC ("S&P") and Moody's Investors Service, Inc. ("Moody's") have provided ratings for the 2017 Series Bonds of "BBB-" (outlook stable) and "Baa2" (outlook negative), respectively. These ratings reflect only the view of such organizations and any desired explanation of the significance of such ratings should be obtained from S&P and Moody's. There is no assurance that a particular rating will pertain for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency furnishing such rating, circumstances so warrant. Any downward revision or withdrawal of any such ratings could have an adverse effect on the market price of the 2017 Series Bonds.

FINANCIAL ADVISOR TO THE AUTHORITY

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

FINANCIAL ADVISOR TO THE UNIVERSITY

Prager & Co., LLC (the "Financial Advisor") has acted as financial advisor to the University concerning the 2017 Series Bonds, and will receive compensation contingent upon the sale and delivery of the 2017 Series Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken, an independent verification of, nor has it assumed responsibility for the accuracy, completeness or fairness of, the information contained in the Official Statement.

UNDERWRITING

Under a Bond Purchase Agreement (the "Bond Purchase Agreement") entered into between the Authority, the University and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the underwriters of the 2017 Series Bonds shown on the cover page hereof (the "Underwriters"), the 2017 Series Bonds are being purchased at an aggregate purchase price of $44,056,782.21 (said purchase price reflects the par amount of the 2017 Series Bonds, plus net original issue premium of $2,458,160.45 and less an Underwriters' discount of $171,378.24. The Bond Purchase Agreement provides that the Underwriters will purchase all of the 2017 Series Bonds, if any are purchased. The University has agreed to indemnify the Underwriters and the Authority against certain liabilities. The obligation of the Underwriters to accept delivery of the 2017 Series Bonds is subject to various conditions contained in the Bond Purchase Agreement.

The Underwriters intend to offer the 2017 Series Bonds to the public initially at the offering prices set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters may offer and sell the 2017 Series Bonds to certain dealers (including depositing 2017 Series Bonds into investment trusts) at prices lower than the public offering price.

CONTINUING DISCLOSURE

Pursuant to the requirements of paragraph (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended, on the date of delivery of the 2017 Series Bonds, the University will enter into an undertaking in the form of a Continuing Disclosure Agreement with the Trustee as dissemination agent, substantially in the form set forth in "APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT" for the benefit of the holders of the 2017 Series Bonds, to provide or cause a dissemination agent to provide certain financial information and operating data relating to the University not later than one hundred eighty (180) days after the end of its fiscal year (which fiscal year currently ends on June 30 of each year) commencing with the fiscal year of the University ending June 30, 2018 and provide notice of certain enumerated events to the Municipal Securities Rulemaking Board. The financial information to be provided generally will be consistent with the information set forth in "APPENDIX B – AUDITED FINANCIAL STATEMENTS". The operating data to be provided will be similar to the statistical information set forth in "APPENDIX A – CERTAIN INFORMATION REGARDING RIDER UNIVERSITY".

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

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

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

The University has procedures in place with respect to its continuing disclosure undertakings and has engaged the related bond trustee for each series of Bonds to serve as dissemination agent (each a "Dissemination Agent") to assist it in its compliance. The following information describes the instances of non-compliance with such continuing disclosure undertakings, known to the University, in the past five years:

It has come to the University's attention that the University's audited financial statements and Operating Data for the Fiscal Year ending June 30, 2012, which were required to be filed by December 27, 2012, were filed on February 1, 2013, the University's audited financial statements and Operating Data for the Fiscal Year June 30, 2013, which were required to be filed by December 27, 2013, were filed on February 18, 2014. Notice of the University's failure to timely file the aforesaid financial statements and Operating Data was filed on November 1, 2017.

It has also come to the University's attention that there was a failure to provide Disclosure Event notices within 10 Business Days of ratings downgrades by Moody's and S&P.

TAX MATTERS

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

In the opinion of McManimon, Scotland & Baumann, LLC ("Bond Counsel"), under existing statutes, regulations, administrative pronouncements and judicial decisions, and in reliance on the representations, certifications of fact and statements of reasonable expectation made by the Authority and the University in their Tax Certificates and assuming compliance by the Authority and the University with their ongoing covenants in the Tax Certificates, interest on the 2017 Series Bonds is not included in the gross income of the owners thereof for federal income tax purposes pursuant to the Code and is not an item of tax preference to be included in calculating alternative minimum taxable income under the Code for purposes of the alternative minimum tax imposed with respect to individuals and corporations. Bond Counsel is also of the opinion that interest on the 2017 Series Bonds held by corporate taxpayers is included in "adjusted current earnings" in calculating alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on corporations.

Certain Federal Tax Consequences Relating to the 2017 Series Bonds

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

Bank Qualification

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

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

New Jersey Gross Income Tax

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

Future Events

Future federal, state or local legislation, administrative pronouncements or court decisions may affect, perhaps significantly, the tax-exempt status of interest on the 2017 Series Bonds, in whole or in part, on a federal and/or state level, the market value of the 2017 Series Bonds or the marketability of the 2017 Series Bonds, may cause the recognition of gain from the sale or other disposition of the 2017 Series Bonds, or otherwise may prevent the owners of the 2017 Series Bonds from realizing the full current benefit of the exclusion from gross income of the interest thereon. For example, the recent federal tax reform proposals in the United States House of Representatives and the United States Senate would reduce corporate tax rates, modify individual tax rates, eliminate many deductions, repeal the alternative minimum tax, eliminate advance refundings and, in the case of the current version of the House proposal, eliminate private activity bonds, among other things. These proposals, if passed and signed by the President of the United States, may increase, reduce or otherwise change the financial benefits currently provided to certain owners of state and local government bonds. Additionally, investors in the 2017 Series Bonds should be aware that future legislative actions (including federal income tax reform) may retroactively affect such investors' federal, state or local tax liability. In all such events, the market value of the 2017 Series Bonds may be impacted and the ability of holders to sell their 2017 Series Bonds in the secondary market may be reduced.

PROSPECTIVE PURCHASERS OF THE 2017 SERIES BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS REGARDING THE POTENTIAL IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE TAX LEGISLATION, REGULATIONS OR LITIGATION, AS TO WHICH BOND COUNSEL WILL NOT EXPRESS AN OPINION.

OTHER LEGAL MATTERS

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

LEGALITY FOR INVESTMENT

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

PLEDGE OF STATE NOT TO AFFECT RIGHTS OF BONDHOLDERS

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

INDEPENDENT AUDITORS

The financial statements of the University as of June 30, 2017 and for the year then ended with comparative financial information as of and for the year ended June 30, 2016, included in APPENDIX B to this Official Statement, have been audited by KPMG LLP, independent auditors, as stated in their report, also included in APPENDIX B to this Official Statement.

MISCELLANEOUS

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

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

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

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

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

Information herein regarding DTC has been provided by DTC.

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

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By: /s/ Sheryl A. Stitt
Sheryl A. Stitt
Acting Executive Director

RIDER UNIVERSITY

By: /s/ Julie A. Karns
Julie A. Karns
Vice President for Finance and Treasurer

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APPENDIX A
CERTAIN INFORMATION REGARDING RIDER UNIVERSITY

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In addition to the information provided in the Official Statement, including each of the appendices attached thereto, with respect to the New Jersey Educational Facilities Authority Revenue Bonds, Rider University Issue, 2017 Series F (the "2017 Bonds"), the University (as defined herein) has provided the following description of the University and certain relevant financial and operating data with respect thereto. A complete review of this Appendix A, together with the body of the Official Statement and all other appendices attached thereto, is essential to the making of an informed investment decision by any purchaser of the 2017 Bonds. In the making of an informed investment decision relating to the 2017 Bonds, a potential purchaser should not conclude that the presentation of information in this Appendix A, versus presentation of the same information in the body of the Official Statement, denotes that the information so provided in this Appendix A is of less relevance or importance than the information set forth in the body of the Official Statement.

The University has not authorized anyone to give any information or to make any representations not contained herein or supplemental hereto, and if given or made, such other information or representations must not be relied upon as having been authorized. The delivery by the University of the information contained herein shall not, under any circumstances, create any implication that there has been no material change in the affairs of the University since the date of the Official Statement. All capitalized terms used herein and not otherwise expressly defined herein shall have the respective meanings set forth in the Official Statement.

Information included in this Appendix A includes forward-looking statements about the future that are necessarily subject to various risks and uncertainties (the "Forward-Looking Statements"). These Forward-Looking Statements are (i) based on the beliefs and assumptions of management of the University and on information currently available to such management; and (ii) often identifiable by words such as "estimates," "expects," "expected," "plans," "believes" and similar expressions.

Events that could cause future results to differ materially from those expressed in or implied by Forward-Looking Statements or historical experience include the impact or outcome of many factors that are described throughout this Appendix A and the rest of the Official Statement. Although the ultimate impact of such factors is uncertain, they may cause future performance to differ materially from results or outcomes that are currently sought or expected by the University. See also, "BONDHOLDERS' RISKS" in the front part of the Official Statement.

Unless otherwise noted, all information provided in this Appendix A, including the information in the tables, has been provided by the University, some of which has been derived from the audited financial statements of the University. This information should be read in conjunction with the audited financial statements and the related notes which are included as Appendix B to this Official Statement.

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Forward-Looking Statements

This Appendix A contains forward-looking statements (as defined in the Securities Act of 1933, as amended). The projections, expectations and other items that are embedded in those statements are subject to a variety of factors, risks and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. The factors, risks and uncertainties include, among others, general economic and business conditions, interest rate risk, delinquency and default rates, competition, changes in political initiatives, regulatory changes, compliance with governmental regulations and various other matters, many of which are beyond the control of Rider University. The forward-looking statements included in this Appendix A speak only as of the date of this Official Statement.

General

With campuses located in Lawrenceville and Princeton, New Jersey, Rider University ("Rider" or the "University") is a private, nonprofit, residential university with nearly 5,100 undergraduate, graduate and non-traditional adult students.

Founded in 1865 as Rider College, Rider initially prepared students for careers in accounting, bookkeeping, and stenography. In 1922, Rider was authorized to award its first baccalaureate degree. During the mid-1950s, Rider added programs in liberal arts and sciences and secondary education. In 1955, the University received initial accreditation by the Middle States Association. In 1957, with increasing enrollments making the existing buildings on the original downtown Trenton campus inadequate, Rider obtained 300 acres of farmland for a new campus in Lawrence Township. By 1964, the new campus was essentially completed and all operations moved to the Lawrenceville site.

During the 1960s, graduate programs were added in business education and business administration. The National Council for Accreditation of Teacher Education has accredited the University's undergraduate and graduate education and graduate business education programs since 1973. In the late 1970s, additional graduate and certificate education programs were introduced. In 1974, the faculty organized and the local chapter of the American Association of University Professors became a collective bargaining agent.

In 1991, Rider entered into an affiliation agreement with the Westminster Choir College in Princeton, New Jersey and, in 1992, the two institutions merged. The following year the University's undergraduate and graduate programs in business administration received accreditation from The Association to Advance Collegiate Schools of Business ("AACSB") International. That accreditation was later extended in 2000 to include specialized accreditation for the University's undergraduate and graduate accounting programs. In 1994, Rider became the first institution to be designated a teaching university by the New Jersey Board of Higher Education and Rider College officially became Rider University in April of that year. In 2007, the University established its newest college, Westminster College of the Arts, bridging Westminster Choir College in Princeton with the then newly created School of Fine and Performing Arts in Lawrenceville.

Today, Rider offers 71 undergraduate and 28 graduate programs, including its first doctoral program in educational leadership established in 2017. Programs are offered in business administration, education, liberal arts, sciences, music, fine and performing arts, counseling, human services and leadership. Twenty-seven certifications are also offered at the undergraduate and graduate level. The University is currently organized into five colleges – the College of Liberal Arts and Sciences, the College of Business Administration, the College of Education and Human Services, the College of Continuing Studies and Westminster College of the Arts. Rider currently has a full-time faculty of 241 and more than 97 percent of them hold the doctoral or other appropriate terminal degree for their disciplines.

Rider's mission is as follows:

Rider University welcomes students from throughout the region, across the nation, and around the world who seek to be challenged and supported as active members of our inclusive and vibrant living and learning community. Committed to student growth, transformation and leadership, we connect rigorous academic, artistic and professional programs of study with a rich array of learning experiences that engage students inside and outside the classroom. We prepare graduates to thrive professionally and to be lifelong independent learners and responsible citizens who embrace diversity, support the common good, and contribute meaningfully to the changing world in which they live and work.

Academic Programs

COLLEGE OF BUSINESS ADMINISTRATION

Undergraduate Programs – Rider's College of Business Administration ("CBA") offers diversified programs of study that fulfill the needs of undergraduates with clear career goals and presents undeclared students with a variety of options. The CBA's five departments offer the Bachelor of Science in Business Administration in accounting, business administration, economics, entrepreneurial studies, finance, global supply chain management, health care management, human resources management, information systems, international business, management and leadership, marketing, organizational psychology, and sport management. In addition, the CBA offers minors in business analytics, entrepreneurial studies, finance, general business, health administration, information systems, sales and sports studies. The CBA offers a certificate in investment analysis, a certificate in fraud and forensics, and the SAP Student Recognition Award as well as concentrations in financial services marketing and financial management. Special programs and activities in the CBA offer opportunities for Business and non-Business students to develop leadership and interpersonal skills.

Graduate Programs – The Master of Business Administration ("MBA") program provides advanced preparation for successful participation in a rapidly changing world. The MBA program offers concentrations in business analytics, finance, forensic accounting, and global business. The CBA offers a Master of Accountancy ("MAcc") program that develops students' technical competencies and that meets the credit-hour requirements for accounting licensure. The MAcc program offers concentrations in business analytics, finance, forensic accounting, and global business. In addition, the CBA offers an Executive MBA program and a Graduate Certificate Program in Business Analytics with two tracks – one for business professionals and one for information technology professionals.

COLLEGE OF EDUCATION AND HUMAN SERVICES

In 1997, Rider restructured its colleges to merge the College of Liberal Arts and Sciences with the College of Education and Human Services into the combined College of Liberal Arts, Education, and Sciences under the leadership of a single dean. In 2009, a dean was hired for the School of Education. The merger of the schools fostered effective collaboration among programs particularly between the sciences and education. By 2013, the two schools were operating as separate entities, and in spring 2017, the School of Education returned to being the College of Education and Human Services. The strong collaboration among the faculty and deans continues today even as separate units.

Undergraduate Programs – The Department of Teacher Education offers several degrees. All teacher education candidates who select the Bachelor of Arts in Elementary Education complete a major in elementary education and a second major in a liberal arts or science discipline, or a concentration in multidisciplinary studies. For these candidates, elementary education is the initial teaching license. They have the option of adding an endorsement onto the initial license in the following areas: early childhood, special education, middle school, English as a Second Language, or bilingual education. All teacher education candidates who select the Bachelor of Arts in Secondary Education complete a major in secondary education and a second major in one of the following disciplines: biochemistry, biology, chemistry, English, environmental science, geosciences, history, marine science, mathematics, science, social studies, and world languages. These candidates have the option of adding an endorsement onto the initial license in one of the following areas: special education, middle school, English as a Second Language, or bilingual education. The Department also offers the Bachelor of Science ("BS") degree in Education with a major in comprehensive business education and marketing and the Bachelor of Arts in Early Childhood Education. All teacher education candidates who select this latter option complete both the elementary education and early childhood education programs and a second major in a liberal arts or science discipline, or a concentration in multidisciplinary studies. For these candidates, early childhood education is the initial teaching license. All candidates have the option to earn a Rider certificate in technology. General studies core courses in liberal arts and science and mediated field experiences are required in all programs.

Graduate Programs – The Department of Graduate Education, Leadership and Counseling offers the Ed.D. in Educational Leadership, and the Master of Arts ("MA") degree in the following areas: clinical mental health counseling and school counseling; teacher leadership; educational leadership; organizational leadership; special education; and Teaching ("MAT"). Educational Specialist ("EdS") degree programs are offered in counseling services and in school psychology. Educational certificates are offered in 20 areas: bilingual education, business teacher, director of counseling services, elementary teacher (K-5), English as a Second Language ("ESL"), English teacher, mathematics teacher, preschool-grade three teacher (P-3), reading specialist, reading teaching, school administrator (principal), school business administrator, school counselor, school psychologist, science teacher (biological sciences, chemistry, physics, earth science), social studies teacher, supervisor of instruction, teacher of students with disabilities, teacher-coordinator of cooperative vocational/technical education, and world languages teacher – French, German, Spanish (K-12). Rider University Professional Development Certificates are offered in Mathematics, English/Language Arts, Science, Early Childhood and Teacher Leadership.

COLLEGE OF LIBERAL ARTS AND SCIENCES

Undergraduate Programs – The College of Liberal Arts and Sciences ("CLAS") comprises 11 academic departments and several interdepartmental programs. Bachelor of Arts degrees are offered in the following disciplines: American studies, chemistry, communication studies, criminal justice, economics, English, filmmaking, TV, and radio, French, German, global studies, graphic design, health care policy, history, integrated science and math, journalism, mathematics, organizational psychology, philosophy, political science, psychology, public relations, sociology, Spanish, and sports media. The Bachelor of Science degree is offered in behavioral neuroscience, biochemistry, biology, biopsychology, chemistry, computer science, environmental sciences, geosciences, health sciences, and marine sciences. Minors are offered in a wide array of areas including: American studies, biology, chemistry, Chinese, communication studies, criminal justice, economics, English, ethics, event planning and production, film and media studies, filmmaking, TV, and radio, French, gender and sexuality studies, German, global studies, graphic design, health communication, history, homeland security policy, journalism, law and justice, marine sciences, mathematics, multicultural studies, philosophy, physics, political communication, political science, psychology, public relations, science for business, social work, sociology, Spanish, sustainability studies, and web design.

Graduate Programs – The Department of Communication and Journalism offers a Master of Arts in Business Communication. Students can choose between the traditional program and a new fully on-line concentration in Health Communication. The Department of Political Science offers a Master of Arts in Homeland Security. The interdisciplinary program provides broad training in the theoretical and applied nature of security studies. The Department of Psychology offers a Master of Arts in Applied Psychology: Applied Behavior Analysis ("ABA") that includes a required field placement experience over two semesters.

COLLEGE OF CONTINUING STUDIES

The College of Continuing Studies ("CCS") offers undergraduate and graduate degree programs including Associate in Arts degrees in Business Administration and General Studies; Bachelor of Arts (in Criminal Justice, Liberal Studies, Organizational Psychology and Psychology), Bachelor of Science (in Allied Health Studies and Nursing), Bachelor of Science in Business Administration (in Accounting, Business Administration, Entrepreneurial Studies, Finance, Human Resource Management, Information Systems, Management and Leadership, Marketing, and Organizational Psychology); and a Master of Arts in Athletic Administration. CCS also offers a number of certificates in Business, Fraud and Business Forensics, Public Relations and Pre-medical Studies. CCS programs are offered in the classroom (evening and day classes) and online.

WESTMINSTER COLLEGE OF THE ARTS

Westminster College of the Arts educates and trains aspiring performers, artists, teachers, and students with artistic interests, to pursue professional, scholarly and lifelong personal opportunities in art, dance, music and theater. The college consists of two schools: Westminster Choir College in Princeton and The School of Fine and Performing Arts in Lawrenceville. The University is currently in a due diligence process with a potential buyer of the Westminster Choir College campus and programs, as further discussed on Page 9 in this APPENDIX A under the heading "Westminster Special Committee Initiative."

Undergraduate Programs – A pioneer in establishing the highest standards in choral performance and church music, Westminster Choir College ("Westminster") is a professional college of music with a unique choral emphasis that prepares undergraduate and graduate students for careers in performance, teaching, sacred music and composition. Westminster complements professional training in music with studies in the liberal arts.

The School of Fine and Performing Arts (the "School") offers programs and study opportunities in art, arts administration, dance, music, musical theatre, and theatre. Through programs that provide a historical, aesthetic, practical and professional perspective, students develop the skills to excel in a professional career while growing intellectually from a broadly based liberal arts curriculum. The School fosters meaningful engagement in the arts to students who wish to become professional artists as well as students who view the arts as an integral part of overall intellectual growth. Selected programs are available as a second major for Elementary Education students.

Graduate Programs – Westminster offers Master of Music programs in musicology, choral conducting, composition, music education, organ, piano, sacred music, and voice pedagogy and performance. Other graduate degrees include the Master of Music Education and Master of Voice Pedagogy. In a unique 4+1 program, music education students earn the Bachelor of Music degree from Westminster and the Master of Arts in Teaching degree from the College of Education and Human Services.

Accreditation and Memberships

Rider is accredited by the Middle States Commission on Higher Education. Middle States accreditation covers all colleges and schools of the University.

The College of Business Administration holds accreditation from The Association to Advance Collegiate Schools of Business ("AACSB"). The undergraduate and graduate programs in accounting hold additional AACSB accreditation.

The College of Education and Human Services offers curricula that are approved by the New Jersey Department of Education using the New Jersey Professional Teaching Standards ("NJPTS") and the Interstate Teacher Assessment and Support Consortium Standards ("InTASC"). The Council for the Accreditation of Educator Preparation ("CAEP") has accredited the teacher preparation programs. This is the highest accreditation possible in teacher education. The counseling program is accredited by the Council for Accreditation of Counseling and Related Educational Programs ("CACREP"). The school psychology program is accredited by the National Accreditation of School Psychologists ("NASP"). Rider is also on the approved list of the American Association of University Women and the American Chemical Society.

Westminster Choir College is fully accredited by the National Association of Schools of Music ("NASM") and the Council for the Accreditation of Educator Preparation ("CAEP"). The undergraduate program in Music Education is approved by the State of New Jersey and leads to certification to teach public school music, K-12. This program is also approved by the National Association of State Directors of Teacher Education and Certification ("NASDTEC").

Governance and Administration

Rider is governed by a Board of Trustees (the "Board") that currently consists of 25 members. As per the By-Laws, the Board consists of not fewer than 20 or more than 34 elected members of whom no fewer than 10 are graduates of the University. All members of the Board are elected except for the President who is an ex-officio member. No employees of the University other than the President or individuals who teach part-time as adjunct faculty can serve as a member of the Board.

The policies of the Board are carried out under the direction of the President of the University, Dr. Gregory G. Dell'Omo. The other principal officers of the University are the Provost and Vice President for Academic Affairs, Dr. DonnaJean Fredeen; Vice President for Finance and Treasurer, Ms. Julie Karns; and Vice President for University Advancement and Secretary, Mr. Jonathan Meer. Vice Presidents also include: Interim Vice President for Enrollment Management, Mr. Drew Aromando; Vice President for Facilities and University Operations, Mr. Michael Reca; and Vice President for Student Affairs, Dr. Leanna Fenneberg. A brief description of each of these officials appears below.

Gregory G. Dell'Omo became Rider's seventh president on August 1, 2015. Dr. Dell'Omo earned a Bachelor of Arts in economics from Montclair State University, a Master of Science in industrial relations from Rutgers University and a Ph.D. in industrial relations/human resource management from the University of Wisconsin-Madison. He also earned certifications at Harvard

University from the Institute for Education Management and the Seminar for New Presidents. Prior to joining Rider, Dr. Dell'Omo served as President of Robert Morris University from 2005 to 2015 where he led the institution to significant growth through very comprehensive strategic planning processes. Dr. Dell'Omo held positions at Canisius College as an Assistant Professor of Labor Relations and Human Resources and St. Joseph's University in Philadelphia, where he was dean of the Haub School of Business, Associate Vice President for Academic Affairs and Vice President for External Affairs. Dr. Dell'Omo serves on the boards of Mid-Jersey Chamber of Commerce, Princeton Regional Chamber of Commerce, New Jersey Presidents' Council, AICUNJ (Association of Independent Colleges and University in New Jersey) and MAAC (Metro Atlantic Athletic Commission) Presidents' Council.

DonnaJean A. Fredeen has served as Provost and Vice President for Academic Affairs for the past four years. Prior to joining Rider, Dr. Fredeen served as the dean of the School of Arts and Sciences at Southern Connecticut State University from 1998 to 2013, department chairperson from 1994 to 1998 and a member of the University's Chemistry Department faculty for 10 years. As Rider's Provost, Dr. Fredeen has led initiatives within the division of Academic Affairs that are focused on student success, assessment of student learning, and the new program development. In March 2017, Dr. Fredeen was named to the Texas A&M Science Academy of Distinguished Former Students for her work in science education. A frequent presenter at SENCER institutes and workshops, her current research focuses on leading change in higher education, with particular emphasis placed on the application of marketing theories to the higher education setting. She earned her Ph.D. in analytical/inorganic chemistry from Texas A&M University and her B.A. in chemistry from McMurry College.

Julie Karns has served as Vice President for Finance and Treasurer since 1994. Prior to joining Rider, she served as Vice President for Finance and Administration of Pratt Institute in Brooklyn, New York. Her responsibilities at both institutions have included financial accounting and reporting, budgeting, cash management, facilities, human resources, and labor relations. Ms. Karns' career also includes seven years' professional experience with KPMG Peat Marwick in the audit and not-for-profit specialized industry consulting practices. Ms. Karns has been actively involved in professional development activities for college and university financial professionals including chairing the New Jersey Professional Development Committee of the Eastern Association of College and University Business Officers ("EACUBO"), and serving in several volunteer capacities with the National Association of College and University Business Officers. She is a member of the Minnesota Society of CPAs and the American Institute of Certified Public Accountants. Ms. Karns holds a B.A. in biology from Transylvania University in Lexington, Kentucky.

Jonathan Meer joined the University as Vice President for University Advancement and Secretary in 2005. In that role, he oversees the University's fund raising, alumni relations, and communications functions. Before joining Rider's administration, Mr. Meer served as Vice President of University Advancement at University of the Pacific, where he planned and executed a successful $200 million comprehensive campaign. From 1994 to 2000, he served as Executive Director of Development at Whittier College in Southern California. A native of Brooklyn, New York, Mr. Meer is a 1983 graduate of Williams College with double majors in Political Science and American Studies.

Michael Reca is Vice President for Facilities and University Operations. In this role, Mr. Reca provides strategic leadership for Facilities Management, Planning and Construction, Sustainability, and all Auxiliary Operations. Mr. Reca has been a member of the University's administration since 1990, when he joined the institution as manager of Residence Services.

Since then he has progressed to a number of leadership roles. Prior to joining Rider, Mike served as the Assistant Manager of Housing Operations at The College of New Jersey, then known as Trenton State College. He has a B.A. from Trenton State College and a M.A. from Rider University.

Leanna Fenneberg joined Rider as Vice President for Student Affairs in summer 2017. Her responsibilities include oversight of areas including the Dean of Students Office, Campus Life, Greek Life, Service Learning, Community Standards, Counseling Services, Alcohol, Drug & Sexual Assault Prevention, Educational Opportunity Program, First & Second Year Programs, Health Services, McNair Scholars, Multicultural Affairs, Radio Station, Recreation & Intramural Programs, Residential Life and Student Support Services. Prior to her arrival at Rider, Dr. Fenneberg served as Assistant Vice President for Student Development at Saint Louis University where she contributed to institutional goals supporting student success and retention. She holds a Ph.D. in Higher Education Administration from Saint Louis University, a M.Ed. in Student Personnel Administration from the University of South Carolina and a B.A. in Psychology and Broadcast Communication from Marquette University.

Drew Aromando currently serves as Interim Vice President for Enrollment Management. He is responsible for undergraduate, graduate, and non-traditional admissions; financial aid; bursar; and enrollment marketing. Prior to serving as Interim Vice President, Mr. Aromando served in a number of capacities at the University for over 18 years, most recently as the Executive Director of One Stop Services which encompasses financial aid, student accounts, and financial counseling services and administration. Mr. Aromando is a graduate of Rider University, earning both his undergraduate Accounting and MBA degrees. He began his career in public accounting and subsequently worked at Grey Advertising in corporate tax, mergers and acquisitions and at Marubeni America Corporation, a multi-billion dollar import/export company, in the tax, internal audit and process re-engineering division. He serves as chair of the New Jersey Association of Student Financial Aid Administrators (NJASFAA) Government Relations Committee, working on legislative topics related to college readiness and affordability.

Trustees

Dr. E. Bruce DiDonato ’76
President, Campus Eye Laser and Surgery Centers, Inc.

Ms. Molly O’Neil Frank
Development Consultant

Mr. John Guarino ’82 (Vice Chair)
Former President, Coca-Cola Refreshments Canada

Mr. Michael B. Kennedy ’72, ’75
Former Partner, PFS National Practice Leader, PricewaterhouseCoopers, LLP

Mr. Thomas J. Lynch ’75
Executive Chairman of the Board of Directors, TE Connectivity, Ltd.

Mr. Thomas Marino ’69
Retired CEO, Cohn Reznick, LLP

Mr. Terry K. McEwen ’98
Business Administrator, City of Trenton

Mr. Thomas M. Mulhare ‘70
Retired Partner In Charge, Financial Services & Business and Risk Advisory Services, EisnerAmper LLP

Mr. Gary Neubeck '76, '82
Managing Director, Derivatives Products Group and President of Prudential Global Funding LLC, Prudential Investment Company

Mr. Christopher Nikolich ’92 (Secretary)
Head, Research and Investment Design, Alliance Bernstein Defined Contributions Investments

Mr. Lewis Pepperman
Firm Co-Managing Director, Stark & Stark, Attorneys at Law

Ms. Denise Petitta ’86, ‘91
Executive Director, Bank Marketing, JP Morgan Chase & Co.

Mr. William M. Rue ’69
President, Rue Insurance Company

Mr. Robert S. Schimek ’87 (Chair)
Former Executive Vice President and CEO, Commercial, AIG

Mr. Gary Shapiro ’72
Principal, Tropico Management, LP

Ms. Colleen (Stacy) Shapiro
Partner, Tropico Management, LP

Mr. Arthur J. Stainman ’65
Senior Managing Director, First Manhattan Company

Mr. Alan Wexler ’85, ‘90
CEO, SapientNitro

The Board meets three times a year. The principal Board committees are: Academic Affairs and Enrollment Management Committee, Audit and Enterprise Risk Management Committee, Business Affairs Committee, Executive Committee, Facilities Committee, Governance Committee, Human Resources Committee, Senior Compensation Committee, Student Affairs and Athletics Committee and the University Advancement Committee. The Business Affairs Committee is responsible for, among other things, overseeing all matters pertaining to the University’s finances and making applicable recommendations to the Board. The Investment Sub-Committee of the Business Affairs Committee is responsible for monitoring the University’s investments and recommending to the Board actions pertaining to the management, supervision, and control of those investments. The Business Affairs Committee, in conjunction with the University Advancement Committee, seeks ways and means of providing the funds necessary for the fulfillment of the University’s aims and objectives.

Strategic Plan

The University has made a substantial commitment to ongoing strategic planning and implementation. Following the completion of Strategic Plan 2005 – 2010 and its successor plan, The Innovation Agenda, Rider embarked on its latest comprehensive and highly participatory strategic planning process soon after the arrival in August 2015 of Dr. Gregory Dell’Omo as President. Approved by the Board of Trustees in June 2017 and entitled Our Path Forward, the plan includes a new vision and mission and a clearly articulated set of supporting goals, action plans and key performance indicators within five strategic themes or priority areas of focus:

- Our unwavering focus on student growth and development
- The branding, marketing and promotion of our University
- The importance of our people
- The strategic cultivation, management and investment of our resources
- Our commitment to planning, implementation and continuous improvement

Our Path Forward represents the work of over 100 faculty, staff, administrators, students, alumni, Trustees and external representatives over the past year and a half. Its implementation over the next three to five years will be effected through annual planning and implementation at the division and department levels. Progress will be communicated by the President and senior officers via the President’s annual Convocation addresses, town hall and smaller division/department meetings, and via the University’s website. The President is also responsible for updating the Board of Trustees on the Plan’s progress at regular Board meetings.

Westminster Special Committee Initiative

One of the major Strategic Plan initiatives was a Board led study regarding the future of Westminster and the Princeton campus. The costs of maintaining a second campus and the economics of the Westminster academic programs were factors in undertaking the study. A Westminster Special Committee of the Board of Trustees (the “Committee”) and members of senior management was established in fall 2016 to consider the implications of maintaining the programs and campus in Princeton, relocating the programs to the Lawrenceville campus, or transitioning the programs to a successor institution. As a result of its in-depth analysis of the options, in March 2017 the Committee recommended and the Board approved undertaking a project to solicit proposals to acquire Westminster and retain the programs in Princeton, acquire the programs for relocation to a successor institution, or acquire the campus real estate only. The Board also established a set of Guiding Principles related to mission, quality, financial and community impacts that would be used to assess all proposals.

The University received multiple proposals for each alternative and following another in-depth review and process this time by the Committee, the Board selected the entity and proposal that it believes can best ensure the long-term success of Westminster and of Rider as a whole. The University has entered into a due diligence period with an international bidder that intends to maintain and enhance both the academic programs in Princeton and the Princeton campus facilities. The University intends to utilize proceeds from the transaction to, among other things, increase its unrestricted net assets and for strategic program development and facility improvements. Please refer to the related discussion in the Legal and Insurance section on page 24 of this Appendix A.

In the event the transaction does not occur, the University may pursue other potential bidders or consider other alternatives that may include phasing out academic programs at Westminster and sale of the Princeton campus.

Facilities

Located midway between New York and Philadelphia, the University has expanded considerably since its early years. The Lawrenceville campus is situated on Route 206 in Lawrence Township, a quarter mile south of the junction of I-95, five miles south of Princeton and three miles north of Trenton. The Lawrenceville campus comprises more than 280 acres of which 168 is the main campus and the balance is held as investment property. Westminster is situated on a 23-acre campus located in nearby Princeton. Maps of the two campuses are located in Exhibit A to this APPENDIX A.

University facilities were specifically designed to meet the academic, social and recreational needs of the Rider community. Approximately 60% of the University's full-time students are residential students. Lawrenceville's campus includes 16 residence halls and six Greek houses, with a maximum capacity of approximately 2,500 students. Two of the Lawrenceville residence halls, with combined capacity of 156 beds, are closed for the 2017-18 academic year for renovations, and one 44 bed residence is currently designated to house international students in non-degree programs. The Westminster campus has a capacity of approximately 201 students in three residence halls. Residence hall occupancy based on available beds for fall 2017 is approximately 87% and 83% on the Lawrenceville and Princeton campuses, respectively.

There are 15 buildings on the Princeton campus, including the library-learning center, the playhouse, student center, instructional and residential buildings and faculty administrative offices and a recently constructed rehearsal and performance hall.

Sweigart Hall, North Hall, Memorial Hall, the Science and Technology Center, the Fine Arts Center, the Academic Annex and Maurer Center contain the majority of classrooms and laboratories for all curricula on the Lawrenceville campus. The Franklin F. Moore Library holds a collection of more than 440,000 print and audiovisual volumes, provides access to more than 146 databases, and more than 44,000 full text journals to support the academic curriculum and for research and recreational reading. The Katharine Houk Talbott Library at Westminster provides more than 85,000 volumes of music books and scores, over 7,200 choral music titles in performance quantities, over 80,000 choral music reference titles, over 28,000 sound and video recordings, over 200 music journals in print, and numerous audio and video streaming databases. Both libraries maintain significant institutional archives and special collections.

The Bart Luedeke Center on the Lawrenceville campus serves as a student service center. In addition to traditional student center facilities such as a snack bar, faculty and staff dining room, University Store and campus pub, the Center includes a state-of-the-art Career Service Center, a centralized student affairs suite of service offices, an expanded multi-purpose theater, two dance studios and campus assembly space. Other existing campus facilities include a non-denominational chapel, several utility buildings a gymnasium and basketball practice facility and other athletic and recreational facilities that support the University's 20 NCAA Division I sports.

Rider's facilities management professionals maintain inventories of facilities needs for each campus. Short to intermediate-term projects in the inventories include specific bid pricing. Longer-term projects and those without identified funding sources have internally developed cost estimates. Decision-making regarding priority facilities projects is a collaborative effort involving facilities management staff, senior officers including the President, and the Board of Trustees under the guidance of the Strategic Plan's priorities and goals. Rider engages a specialized facilities consulting firm to regularly assess the University's physical assets and an evaluation of operating effectiveness and service through trend analysis, benchmarking, and survey analysis. While the University still has meaningful deferred maintenance needs on both campuses, it has made continual progress on facilities and will continue to do so through a combination of operating resources, fundraising, bond issues and State funding as available. No additional debt financing is currently planned.

During the late 1980s and early 1990s, Rider experienced a period of major construction which resulted in new buildings for the College of Business Administration, Admissions, and Science and Technology programs. The University's 1996 and 2000 Strategic Plans redirected capital expenditures to emphasize renovation, adaptation and repair of facilities and renewal of the infrastructure. Construction was completed on a 154-bed residence hall and Student Recreation Center in 2005. These projects, totaling more than $20 million, were funded by the University's 2004 bond proceeds, donor gifts and operating resources.

Over the last 10 years, Rider has completed nearly $85 million of construction, renovation and deferred maintenance projects. Approximately $19.2 million of the total was funded by the proceeds of the University's 2007 tax-exempt bond issue. Subsequently, in 2012, the University's 2012A Series bond issue refunded the 2004 and 2007 Series bonds and yielded $10 million for energy efficiency projects and $5.55 million in 2015-16 construction and renovation projects were funded by State bond and grant funds. Other sources of funding include donor support, plant reserves and operating budgets. The projects included academic and residential space renewal, landscape and hardscape improvements, and safety and utility infrastructure projects. All of the projects addressed the need to maintain and upgrade present facilities and for construction of improved recreational, instructional and student life facilities. Safe, clean, functional and attractive buildings and grounds support both the University's academic mission and the quality of campus life.

On the Lawrenceville campus, the larger projects included construction of North Hall, a 22,800-square-foot academic building and adjacent plaza, and an 11,300-square-foot Luedeke Center Theater addition that serves the University's growing performing arts program. Other key facilities projects during this ten-year time frame were the construction of a 152-bed LEED Silver certified residence complex with apartment and suite style housing, creation of a new parking lot, expansion of the Daly Dining Hall and Cranberry Cafe, and renovations and improvements to a number of student life and public use buildings. There have also been notable improvements to academic and athletic facilities including Sweigart Hall, Memorial Hall, the Fine Arts Center, lab and teaching space renovations to the Science and Technology Center, and Alumni Gym enhancements including a new basketball practice facility as well as new coaches' offices and renovated locker rooms. In addition, the University enhanced the Lawrenceville electrical infrastructure through a series of energy based projects that were highlighted by construction of the Tri-generation plant. These projects improved building utility systems and generated significant utility savings for the University. There has also been significant work completed in all of the aforementioned spaces to upgrade the University's technology infrastructure.

On the Princeton campus, improvements were made to a number of residential and academic facilities, including the Talbott Library. The most significant project during this time was the construction of the Marion Buckelew Cullen Center. This 11,800 square foot academic facility opened in September 2014 and was designed to meet the needs of delivering the music curriculum and support practices and performances for the choirs. Projects in Bristol Chapel and the Scheide Student Center improved accessibility for students and visitors with disabilities. More recently, the dining commons in the Scheide Student Center was completely renovated; an addition to the playhouse was constructed to increase performance and teaching space and Seabrook residence hall received modest improvements to address student amenities.

Strategic Importance of the Projects to be Funded with 2017 Bond Proceeds

The University has developed facilities master plans for both campuses that have helped shape its investments on the two campuses. In August 2017, Rider initiated a broad-based initiative to update its Facilities Master Plan in line with the recently approved Strategic Plan.

With funding provided by a portion of the proceeds from the 2017 bond issue, the University will undertake a number of projects to improve students' living and learning environment. The most significant bond funded investment will be construction of an approximately 30,000-square-foot addition to the Science and Technology Center. Renovations to existing classrooms and laboratories in the Science and Technology Center will also help support growing enrollment in the University's Health Science major and other science degree programs. Additional academic facilities renovations to be funded with bond proceeds include the Bart Luedeke Center Theater, Fine Arts Theater, and Sweigart Hall.

The University regularly solicits feedback from admitted students, both those attending the University and those who choose to enroll elsewhere, that have helped inform the facilities projects that will be funded by the 2017 bond proceeds. In addition to enhancing residence hall facilities that are important to student recruitment and retention, the project selection focused on academic facilities that support high enrollment programs as well as those with meaningful future growth potential.

Residence halls support the student life experience in important ways, and residence hall quality is an important consideration for prospective students in choosing a college or university. The University will also utilize bond proceeds to renovate a number of residential facilities: Conover Hall, Delta Phi Epsilon Sorority Residence (House 10), Kroner Hall, Lake House, Ridge House, and Wright Hall. Improvements will vary by residence, and will include new windows and roofs, air conditioning and bathroom renovations and improved entrances and student gathering spaces. The University believes that improvements to the residential facilities can help expand the residential population and increase student satisfaction.

Faculty

The University faculty teaches on both the graduate and undergraduate levels. As of fall 2017, there are approximately 241 full-time faculty members with the titles chair, professor, associate professor, assistant professor, instructor and lecturer, of whom 80.5% are tenured. Additional individuals are appointed as visiting or part-time faculty each year. The student/faculty ratios have remained fairly constant over the past five years at approximately 12:1.

Below is the record of the full-time faculty over the past five years.

FULL-TIME FACULTY

Academic Year	Number	% Tenured
2013-2014	252	77.8
2014-2015	244	77.9
2015-2016	251	75.7
2016-2017	243	76.1
2017-2018	241	80.5

Employees

In addition to faculty mentioned above, Rider employs 334 adjunct faculty, 264 full- and part-time administrative and professional staff, 49 professional library and athletics personnel, 131 secretarial and clerical support staff and 63 craft and service personnel. The Westminster Conservatory (the “Conservatory”), the University’s non-credit community music school, employs approximately 113 part-time music instructors. Two labor unions represent certain employees. The American Federation of State, County and Municipal Employees (“AFSCME”) represents 85 of the secretarial and clerical personnel. The AFSCME contract negotiated in 2015 extends to August 31, 2018. Negotiations will commence in June 2018. The American Association of University Professors (“AAUP”) represents the full-time and adjunct faculty, librarians and coaches. Conservatory instructors are not members of the AAUP bargaining unit. Negotiations were completed in September on a new three year AAUP contract that expires in August 2020, as discussed further in the Management Discussion on Financial Performance. There have been no work stoppages involving Rider labor unions for more than 30 years, and the University has productive relations with both collective bargaining groups.

Since 2000, the University has maintained a compensation program designed to ensure recruitment and retention of highly capable administrative and professional employees. The administrative position benchmarks are updated and reviewed for competitiveness regularly. In 2006, the University completed a comprehensive study of its clerical compensation program with similar goals. That review resulted in establishment of a new classification system and confirmed that University clerical compensation is competitive for its recruitment market. This study was updated in 2009, 2012, and 2017. Design and implementation of both of these programs satisfied Strategic Plan objectives for the University.

In 2007, the University established a Senior Compensation Committee of the Board of Trustees. The Committee has oversight for compensation matters impacting the President and Vice Presidents, and continues the University’s long-standing practices of utilizing peer benchmarking data and engaging outside counsel and an independent consultant to advise on compensation matters. Those practices predate the Committee’s creation.

Pension Plans

The University offers a defined contribution retirement plan that offers a full range of investment options for eligible employees. TIAA is the plan record keeper and as of the balance sheet date each year, there are minimal accrued employer or employee contributions. Effective September 1, 2017, the University contributes 7.0% of base salary for AAUP members and 5.0% for other employee groups. The University contribution for AAUP members will decline to 6.0% on September 1, 2018 and 5.0% on September 1, 2019. Employees must contribute a minimum of 5% on a tax-deferred basis to participate. Additionally, employees may participate in a voluntary, full-contributory 403(b) tax-deferred annuity retirement annuity vehicle offered through TIAA.

The University has established a 457(b) Deferred Compensation Plan to provide deferred compensation for senior executives. The Plan allows eligible employees to make elective contributions up to the maximum amount allowed under the Internal Revenue Code. All contributions may be invested in the full range of investment options provided under the pension plans.

Post-Retirement Medical Benefits

As discussed more fully in the audited financial statements, the University provides postretirement medical benefits to age 65 for employees who attain 60 years of age and complete a minimum of ten years of service and to age 70 for certain faculty who retire after age 65. The liability relating to those benefits totals $9.1 million at June 30, 2017. Projected post-retirement medical benefit payments range from $350,000 to $618,000 per year over the next five years.

Student Enrollment

The following table provides data on undergraduate and graduate student head counts and full-time equivalent enrollments for the fall semester for the last five academic years. Full-time equivalent enrollments ("FTE") are calculated for undergraduates by dividing part-time credits by 12, and for graduates by dividing part-time credits by nine.

Enrollment:	2013/14	2014/15	2015/16	2016/17	2017/18
Undergraduate FTE	4,147	4,089	3,918	3,848	3,933
Undergraduate head count	4,449	4,356	4,143	4,072	4,111
Graduate & Professional FTE	710	731	678	754	720
Graduate & Professional head count	995	1,005	942	1,052	983
Total enrollment FTE	**4,857**	**4,820**	**4,596**	**4,602**	**4,653**
Net tuition per FTE	**$20,911**	**$21,350**	**$21,381**	**$21,819**	**NA**

Total FTE enrollment for fall 2017 is 4,653, 51 FTE's higher than fall 2016. That increase is the net of an 85 FTE growth in undergraduate enrollment, with substantially higher net revenue per student, and a 34 FTE decline in graduate enrollment. The University's strategic goals over the last decade have consistently called for a focus on recruitment and retention of full-time undergraduate students. Those efforts, coupled with strategic deployment of financial aid resources, have helped the University increase its FTE enrollments over the last two years and contributed to enrollment stabilization during a period of national declining numbers of high school graduating seniors.

From fall 2013 to fall 2015, Rider experienced a 5.4% reduction in FTE enrollment, from 4,857 in fall 2013 to 4,596 in fall 2015. The University continues to experience declines among its part-time adult non-traditional enrollment, which will be the subject of a pricing and marketing review in the current fiscal year. Graduate enrollments have been fairly constant over the five year period, with new program offerings in Applied Psychology and a fully online Masters of Accounting program helping to offset other Graduate Business enrollment declines.

In contrast, full-time undergraduate enrollment, also part of the undergraduate FTE totals, has shown improvement, the result of both new academic program offerings and enhanced scholarship funding. The fall new student enrollment, reflected in the table below, increased by 12.5% to 1,237 in fall 2017 up from 1,100 in fall 2016.

New Student Enrollment:	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**
Freshman	915	1,012	865	872	1,013
Transfer	248	220	246	211	203
Full-time Continuing Studies	13	25	20	17	21
Total	**1,176**	**1,257**	**1,131**	**1,100**	**1,237**

Freshman enrollment exceeded goal as a result of several initiatives. The new Engaged Learning Program, new academic programs, targeted electronic and print marketing, and new financial aid strategies all helped enroll the new freshman class.

New transfer student enrollment continues to be a challenge as local community colleges have strong articulation and dual enrollment agreements with the public New Jersey institutions at significantly lower costs. Further, the competitive market for freshmen is fierce and institutions are finding more aggressive ways to enroll transfer students to maximize enrollment.

Freshman applications showed a 17.8% increase over the five-year period ended fall 2017, for an additional 1,436 applications. The University utilizes a broad array of targeted print and social media marketing campaigns as well as recruitment events to attract applicants. Demand statistics for undergraduate and graduate students for the last five years is shown below.

Freshmen:	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**
Applications	8,077	9,362	9,849	9,165	9,513
Acceptances	5,806	6,639	6,796	6,359	6,383
Selectivity ratio	71.9%	70.9%	69.0%	69.4%	67.1%
Matriculation	915	1,012	865	872	1,013
Matriculation ratio	15.8%	15.2%	12.7%	13.7%	15.9%
Mean SAT score	1078	1058	1039	1036	1123*
Transfers:					
Applications	833	743	763	732	749
Acceptances	615	549	565	529	469
Selectivity ratio	73.9%	73.9%	74.0%	72.3%	62.6%
Matriculation	248	220	246	211	204
Matriculation ratio	40.3%	40.1%	43.5%	39.9%	43.5%

* Please note that the SAT scores were re-centered for the 2017 entering class. Based on concordance tables issued by The College Board, the average SAT score for 2017 is similar to that of 2016.

The University has been successful in developing and implementing new academic programs to maintain enrollments. Rider enrolled 242 students for fall 2017 from 4 new undergraduate and 2 new graduate programs. New undergraduate programs in Computer Science (27), Organizational Psychology (18), Health Science (137) and Sport Media (22), all introduced in the last two years, enrolled 204 students this semester. New graduate programs in Athletic Leadership (22), the first M.A. degree offered by the College of Continuing Studies, and the Ed.D. in Educational Leadership (16), the University's first doctoral program, all began in summer 2017 and currently enroll 38 students.

During the five-year period ending fall 2017, the University experienced growth in underrepresented racial and ethnic enrollment groups. Rider's Hispanic student population during the period grew by 56%, from 402 in fall 2012 to 627 in fall 2017, and the University anticipates continued growth. Successful recruitment of students from underrepresented groups will be important to enrollment growth at public and private universities given demographic forecasts of future high school graduates. The Western Interstate Commission for Higher Education (WICHE) maintains data on historical and projected high school graduates nationally and by state. Its most recent study indicates that the expected growth in the Hispanic enrollment group is projected by the 2018-19 academic year to be 21.8% nationally and 19.8% in New Jersey over five years versus the 2013-14 academic year and 47.4% through the ten years ending in 2023-24. This is an area of strategic opportunity for the University and one that has contributed to its recent enrollment growth.

Retention is also a significant focus for the University. A new student retention task force was organized in fall 2016, focusing on academic, social environment and financial affordability issues that affect student retention. Targeted interaction and support across these areas contributed to a 2% improvement in freshman retention for fall 2017 versus 2016.

Freshmen Retention:	2012/13	2013/14	2014/15	2015/16	2016/17
Freshmen Headcount	932	915	1012	865	872
Retained	735	737	812	676	699
Retention Rate	78.86%	80.55%	80.24%	78.15%	80.16%

Tuition and Fees

The summary of annual tuition and mandatory fees for full-time undergraduate students, and room and board fees during the academic years indicated are presented below. The University regularly benchmarks tuition and fees against cross-enrolled institutions, both public and private.

Academic Year	Tuition and Fees	Room and Board	Total
2012-13	$33,420	$12,340	$45,760
2013-14	35,270	12,900	48,170
2014-15	36,830	13,330	50,160
2015-16	38,360	13,770	52,130
2016-17	39,820	14,230	54,050
2017-18	41,410	14,700	56,110

A summary of private competitors' tuition and fees for the last five years are depicted below.

Academic Year	2012-13	2013-14	2014-15	2015-16	2016-17
Quinnipiac University	$38,000	$39,330	$40,670	$42,270	$43,940
St. Joseph's University	37,830	39,040	40,580	42,180	43,020
University of Scranton	37,456	38,754	39,956	41,044	42,162
Hofstra University	35,950	37,400	38,900	40,455	42,160
Ithaca University	37,000	38,400	39,532	40,658	41,776
LaSalle University	36,650	38,100	39,800	41,100	41,100
Fairleigh Dickinson University (Florham Campus)	36,352	37,208	38,096	38,952	40,092
Rider University	**33,420**	**35,270**	**36,830**	**38,360**	**39,820**
Seton Hall University	34,750	35,640	36,926	38,072	39,258
Monmouth University	29,710	31,018	32,310	33,728	35,364
Marist University	30,000	31,200	32,500	33,800	35,110

Source: U.S. Department of Education, Institute of Education Sciences (ies.ed.gov)

Financial Aid

As a matter of policy, the University provides financial aid to qualified students who cannot attend the University without such assistance. The University engaged a new enrollment consulting firm to refine its financial aid strategy for the fall 2017 entering class. Rider's approach to distributing adequate financial aid resources is based on a matrix of academic talent and financial need. When awarding financial aid, the University identifies targeted price points based on affinity and calculated demand elasticity by student. This new approach has placed a more predictive approach to enrollment and sets a more accurate long term approach to affordability using all available resources. In doing so, the University makes maximum use of federal, state, institutional and private funds. In addition, Rider provides an extensive outreach program to increase the awareness by the general public of financial aid and the opportunities available to enhance affordability and access.

The table below presents total unrestricted and restricted institutional scholarship and fellowship money distributed at the University for the past five academic years.

Academic Year	Unrestricted	Restricted	Total
2012-13	$50,275,900	$2,893,257	$53,169,157
2013-14	52,397,124	4,933,208	57,330,332
2014-15	56,382,252	6,354,867	62,737,119
2015-16	60,798,443	7,073,334	67,871,777
2016-17	66,219,450	4,077,807	70,297,257

These figures exclude federal and State of New Jersey student financial assistance programs and the institutional match for federal programs.

Accounting Matters

The University financial statements are presented on the accrual basis of accounting, and are prepared with a focus on the University as a whole. The University reports its net assets and changes therein in three classes: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets

Unrestricted net assets represent resources that are generally available for support of the University's activities, with certain limitations, as follows:

- Certain unrestricted net assets are previously committed through contractual agreements. Such amounts primarily consist of matching funds under student loan programs of the federal government.

- Net investment in plant assets.

- The Board of Trustees, through voluntary resolutions, has set aside portions of the University's unrestricted net assets to function as quasi-endowment and for other specific purposes.

Temporarily Restricted Net Assets

The University reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or donor-specified purpose is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. In addition, the remaining portion of a donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated by the University in a manner consistent with the standard of prudence prescribed by the State of New Jersey Uniform Prudent Management of Institutional Funds Act.

Permanently Restricted Net Assets

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the University. Generally, the donors of these assets permit the University to use all or part of the total return on related investments for donor specified or unrestricted purposes.

Related revenues are reported as increases in unrestricted net assets unless their use is limited by donor imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

A portion of long term investment income and gains and losses is allocated to operating revenue each year in accordance with the University's spending policy for investments held for endowment and similar purposes. All other investment income earned and gains and losses on investments held for long-term purposes (including land), pension adjustment, and other non-recurring activities are considered non-operating activities in the statement of activities.

Management Discussion on Financial Performance

Through the collaborative work of many individuals throughout the University, Rider has successfully managed its fiscal resources over the past five years in a challenging economy. Rider has been impacted over the last several years as a result of declining demographics of high school graduates, state funded capital investments at New Jersey public colleges and universities, and the effects of the weak regional economy generally. The University's senior leadership worked collaboratively to mitigate the impacts of those pressures through new program development, tuition pricing strategies, hiring restraint, implementation of a faculty retirement incentive program, operating budget reductions, and strategic facility investments to maintain the University's competitive position.

Instructional costs represent 41% of the University's total operating expenses. The University has worked to address those costs as well as other expense categories to match revenues and expenses and to aid student affordability. The University and the AAUP faculty union agreed on changes in the faculty collective bargaining agreement in the last two contract negotiations that will help moderate the cost of instruction. Currently, 27 faculty members are on a phased early retirement program, and an additional opportunity to declare for early retirement will come in December 2017. The 2017-20 Collective Bargaining Agreement became effective September 1, 2017 and includes a three-year base salary freeze for bargaining unit members, medical plan design changes and increased member contributions, a higher cap on the proportion of courses taught by adjunct instructors, and a new 20% allowance for full-time faculty to be hired into non-tenure track positions.

These and other changes agreed to in the negotiations are expected to produce instructional cost savings of $2.2 million in fiscal 2018, $4.4 million in fiscal 2019, and $6.1 million in fiscal 2020. The savings will help bring the University's faculty cost per FTE student more in line with peers and are intended to help improve Rider's cost competitiveness.

As summarized in the tables below, Rider's operating results were positive in fiscal years 2013 and 2014 by a combined $5.7 million. Negative operating results of $0.7, $3.2 and $0.5 million resulted in fiscal years 2015, 2016, and 2017 respectively. Over that three-year period, the University funded $19.8 million in purchase of plant assets, and reduced its bonds and mortgage notes payable by $8.4 million to $41.9 million at June 30, 2017.

The University's net assets increased by $5.56 million in fiscal 2017, compared to a $4.57 million decrease in fiscal 2016. Operating activities were near balanced with a $512,000 decrease in net assets from operations. Non-operating revenue and gains produced increased endowment net asset increases of $6.1 million. Of that amount, $4.1 million represents endowment gifts and performance above the spending rate and $2.0 million is the result of a decline in the University's post-retirement benefit obligation. The comparable values from 2016 were declines from operating activities of $3.2 million and $1.4 million from non-operating sources.

Fiscal 2017 operating revenues were essentially flat, at $150.0 million in fiscal 2017 and $150.8 million in fiscal 2016. In 2017 net tuition revenue increased by $2.1 million, or 2.2%, and other revenues increased by $1.2 million. Offsetting that revenue growth before scholarships were sales and services of auxiliary enterprises declines of $3.8 million from 2016 to 2017. Of that total, $3.2 million resulted from the net of growth in conference revenue and a $3.4 million decline from elimination of satellite locations for the University's International Study Tours programs, to refocus efforts on campus based camp and conference programs with higher net revenue potential. Declines in the residential student population, in part due to the lower fall 2015 freshman enrollment, resulted in housing and dining revenue declines of $0.7 million.

Operating expenses in fiscal 2017 were $3.4 million lower than in 2016. Approximately $3.34 million of the decrease represents lower auxiliary services expense. Approximately $3 million of the auxiliary service decrease resulted from the discontinuation of the International Study Tours low margin off-site locations, with a related decline in operating revenues as noted above. Fiscal 2017 results included a $0.5 million charge for a faculty early retirement incentive program. Based on incentives over the past three years, 44 faculty members elected early retirement, and 27 are currently in the process of phasing toward retirement on reduced teaching schedules. The retirement incentive program will both facilitate academic renewal and produce short term and ongoing salary savings for the University. Increases in food service expense and wages and benefits were the primary sources of cost growth, but were largely offset by budgetary reductions in both personnel and non-personnel spending categories.

The following table provides summary financial information, in thousands, for the indicated fiscal years ended June 30:

Condensed Statements of Activities	**2013**	**2014**	**2015**	**2016**	**2017**
Total operating revenues and other support	$154,713	$160,340	$155,250	$150,781	$150,020
Total operating expenses	152,979	156,343	155,997	153,948	150,532
Increase (decrease) in net assets from operating activities	1,734	3,997	(747)	(3,167)	(512)
Non-operating endowment contributions	1,366	3,068	792	2,611	1,140
Non-operating endowment surplus (loss)	3,288	6,261	(2,421)	(3,973)	2,987
Postretirement benefit adjustment	1,722	(2,243)	707	207	1,998
Change in value of beneficial interest in perpetual trusts	100	256	(7)	(90)	139
Write-off of contribution receivable	(5)	-	(15)	(154)	(197)
Increase (decrease) in net assets	$8,205	$11,339	$(1,691)	$(4,566)	$5,555

Condensed Balance Sheets	**2013**	**2014**	**2015**	**2016**	**2017**
Total assets	$235,324	$247,427	$239,157	$228,244	$225,964
Total liabilities	103,595	104,359	97,780	91,433	83,598
Total net assets:	131,729	143,068	141,377	136,811	142,366
Unrestricted	67,008	66,486	75,910	76,356	78,887
Temporarily restricted	29,744	38,455	26,540	18,983	20,631
Permanently restricted	34,977	38,127	38,927	41,472	42,848
Total liabilities and net assets	$235,324	$247,427	$239,157	$228,244	$225,964

The University maintains multi-year financial forecasts that are prepared on a modified cash basis for the current unrestricted fund only. The current unrestricted fund comprises the majority of the financial activity reflected in the unrestricted column on the Statement of Activities. For example, essentially all of the operating revenue reflected in the fiscal 2017 audited financial statements was realized in the current unrestricted fund. The current unrestricted fund forecasts are conservative in that they include a $2 million contingency each year as well as debt service principal payments and facilities and equipment purchases that are not expenses in the audited financial statements. Depreciation is not included in the current unrestricted fund forecasts.

The University's current unrestricted fund forecast reflects a deficit for fiscal 2018 of $6.2 million and additional operating deficits in fiscal years 2019 to 2021. Fiscal year 2022 currently reflects a surplus. The Strategic Plan reflects four key strategies for strengthening Rider's finances: selective expansion of academic program offerings and continued growth in recently launched and growing programs, discontinuation of the low margin Westminster Choir College programs and campus sale, improvement of campus facilities to aid recruitment, retention and support planned growth, and realignment of Rider's net tuition price through scholarship investment. All of these are important to Rider's value proposition. Additionally, sale of the Princeton campus property is expected to have a significant positive effect on the University's unrestricted net assets. Fall 2017 recruitment results indicate the positive impacts of the strategies as does the enrollment Rider has gained in more recently established programs such as criminal justice, health sciences and computer science, among others.

Endowment Funds

Total endowment net assets consist of donor-restricted endowment and quasi-endowment, and totaled $57.3 million at June 30, 2017. Rider currently utilizes Prime Buchholz as its endowment investment advisor. The total endowment, principally cash and investments, is carried in the balance sheet under unrestricted, temporarily restricted and permanently restricted net assets. Included in permanently restricted net assets are true endowment funds, which include assets whose earnings have been donor restricted for specific purposes, including scholarships, faculty development and other programs as well as unrestricted purposes. The accumulated net appreciation of the endowment funds are classified as temporarily restricted net assets until those amounts are appropriated in accordance with the University's spending policy. The endowment net assets exclusive of quasi-endowment at June 30, 2017 of $53.3 million include endowment gifts of $40.4 million and accumulated net appreciation of endowment gifts of $12.9 million. Uncalled capital commitments on the University's non-marketable investments totaled $5.1 million at June 30, 2017.

Quasi-endowment unrestricted net assets, unlike endowment corpus, are not subject to donor or other outside restrictions. Quasi-endowment net assets have been designated by the Board of Trustees and are expended only at its discretion. The quasi-endowment fund consists principally of cash, investments and land held for investment purposes. The University utilizes quasi-endowment funds for operating deficits and capital projects with prior approval of the Board. The quasi-endowment net assets at June 30, 2017 of $4.0 million included land with a fair value of approximately $3.3 million.

The value of the endowment net assets in thousands, including unrealized income and gains, included in net assets as of June 30th of each fiscal year was as follows:

Year	Total Endowment	Endowment	Quasi-Endowment
2013	$56,356	$43,407	$12,949
2014	66,011	51,393	14,618
2015	56,381	50,192	6,189
2016	55,014	48,999	6,015
2017	57,308	53,293	4,015

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Outstanding Indebtedness

Bonds and mortgage notes payable consist of the following as of June 30, 2016 and 2017[1] (in thousands):

	Interest Rate	2017	2016
Bonds Payable:			
New Jersey Educational Facilities Authority Series 2012 A (due serially to 2037)	2.00% - 5.00%	$37,105	$41,055
Higher Educational Capital Improvement Fund (various series)	2.22% - 5.75%	1,544	1,151
Dormitory Safety Trust Fund 2003 A (face value $1.525 discounted at 4.0%)		102	200
U.S. Department of Education (due serially to 2017)	3.00% - 3.63%	-	27
Total Bonds Payable:		$38,751	$42,433
Mortgage Notes Payable:			
U.S. Department of Education (due semi-annually to 2019)	3.00%	55	86
U.S. Department of Education (due semi-annually to 2023)	6.00%	1,037	1,180
Total Mortgage Notes Payable:		1,092	1,266
Total Bonds and Mortgage Notes Payable		$39,843	$43,699
Unamortized Premium		2,522	2,648
Unamortized Bond Issuance Costs		(458)	(477)
Total		**$41,907**	**$45,870**

[1] In October 2017, First Bank approved a line of credit to the University of up to $15 million with $8 million available on closing and an additional $7 million at the bank's discretion based on enrollment and financial progress against plan. The closing is subject to certain conditions. The line of credit will be secured by the Princeton Campus real estate. Interest will be at the prime rate and would increase or decrease a quarter percent with any change (negative or positive) in the University's bond rating. The maturity of the loan is October 15, 2019, and will require the loan to be brought to a zero balance for 30 consecutive days within the fiscal period ending June 30, 2018 and for the fiscal period ending June 30, 2019.

Fund Raising Activity

The following is a table of University gift results over the past five years, in thousands.

Fiscal Year Ended June 30	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
2013	$1,562	$1,758	$1,366	$4,686
2014	2,596	3,104	3,068	8,768
2015	1,634	2,737	792	5,163
2016	1,385	2,621	2,611	6,617
2017	1,765	1,792	1,140	4,697

On July 1, 2017, the University entered the "quiet phase" of what will likely be the largest comprehensive fundraising campaign in its history. A campaign feasibility study will be undertaken in the coming year to determine the fundraising capacity of the University over a seven-year period. The study will test Rider's ability to raise between $75 and $100 million in gifts and pledges from July 1, 2017 through June 30, 2024. By comparison, Rider raised $55 million in gifts and pledges during its last comprehensive campaign which concluded June 30, 2003. While the precise size, scope and ultimate designations of the funds are not yet known, some major fundraising themes are already emerging. Among the most prominent of these are current use and endowed scholarships and strategically important campus facilities. In this latter category, major investments are needed to expand and improve the Science and Technology Center, a variety of residence halls, Sweigart Hall (home of the College of Business Administration) and Rider's athletics facilities. The University will seek donor funds to supplement, not supplant, the bond proceeds and enhance the value of improvements for the bond projects as well as other needed facility improvements. These facility enhancements will improve the University's value proposition and should increase Rider's enrollments accordingly.

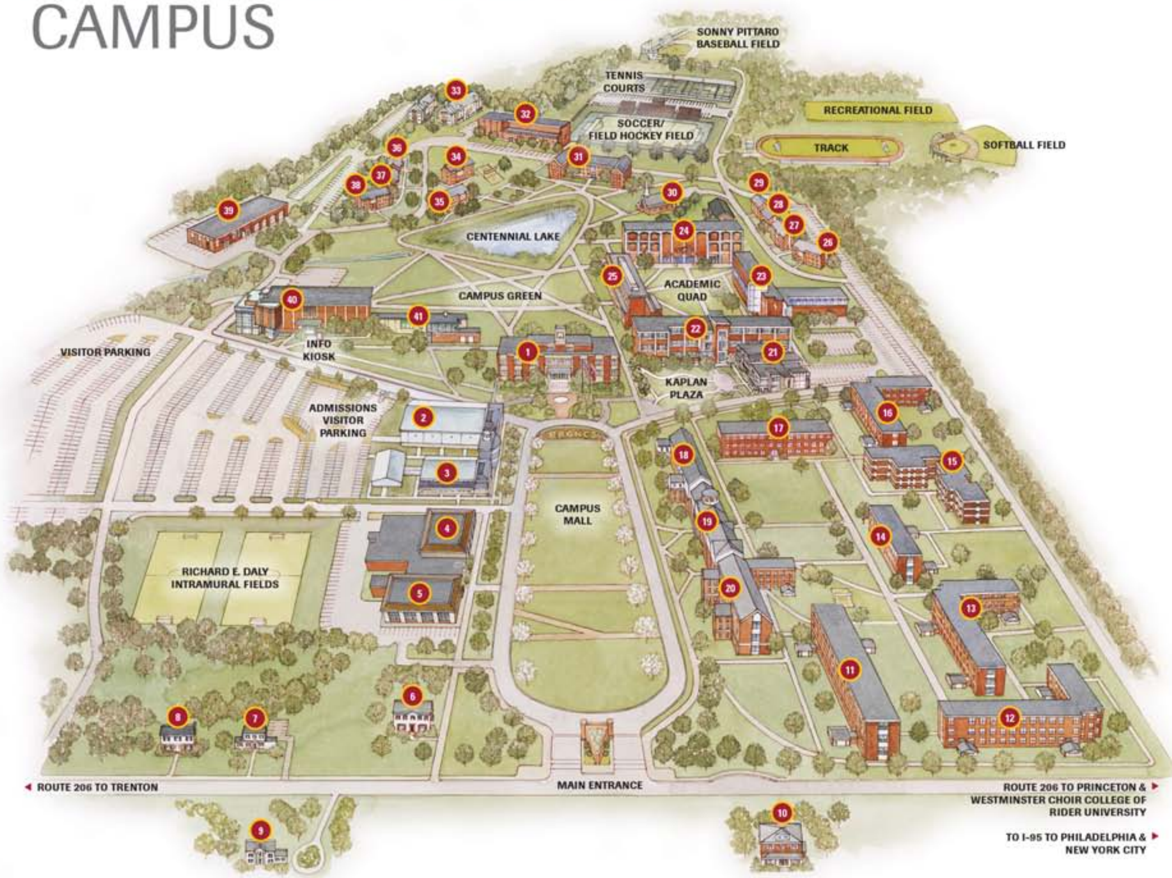
Legal and Insurance

The University is party to various legal actions and other claims in the normal course of business. It is the opinion of management that the outcome thereof if adversely determined, will not have a material adverse effect on the financial condition or operations of the University.

The University is in the due diligence process with an entity proposing to buy Westminster Choir College, including all programs, personal property and real estate, with the plan to continue to operate Westminster on its Princeton campus. A group of individual plaintiffs has filed suit seeking to stop the transaction, alleging that such a sale violates a 1991 merger agreement between Westminster and the University. Because the proposed transaction, intended to preserve and continue Westminster's legacy, aligns to a great extent with the goals of the plaintiffs, the possibility exists that the litigation can be resolved amicably.

Rider maintains a comprehensive array of liability, property and other insurance policies to protect the University.

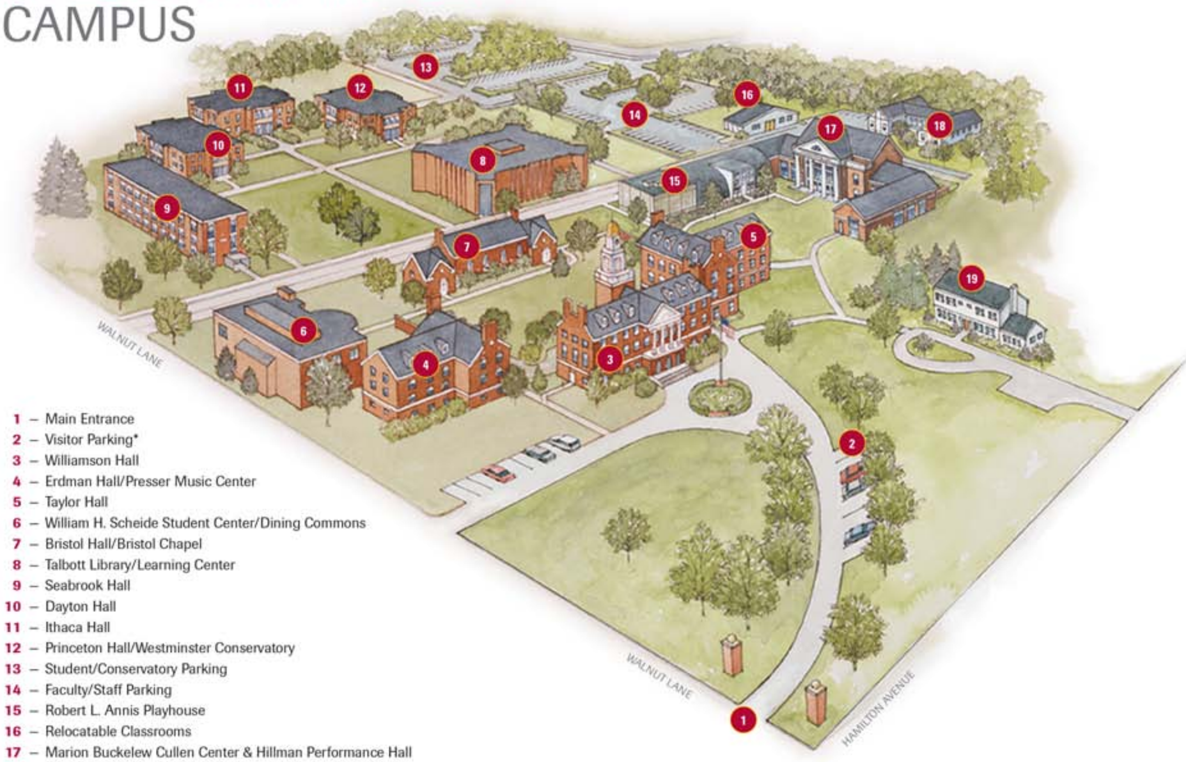
LAWRENCEVILLE
CAMPUS



1 – Franklin F. Moore Library (Ground Floor: University Administrative Offices)
2 – Student Recreation Center
3 – Alumni Gymnasium
4 – Daly's Dining Hall
5 – Joseph P. Vona Academic Annex (Learning Resource Center)
6 – Van Cleve Alumni House
7 – Zoerner House (Counseling Center)
8 – West House (Public Safety)
9 – President's House
10 – Emmaus House (Catholic Student Center)
11 – Switlik Residence Hall
12 – Conover Residence Hall
13 – Olson Residence Hall
14 – Gee Residence Hall
15 – Lincoln Residence Hall
16 – Kroner Residence Hall
17 – Wright Residence Hall
18 – Ziegler Residence Hall
19 – Hank & Bonnie Moore Residence Hall
20 – Hill Residence Hall
21 – North Hall
22 – Memorial Hall (School of Education)
23 – Science & Technology Center
24 – Fine Arts Building & The Yvonne Theater
25 – Anne Brossman Sweigart Hall (College of Business Administration)
26 – Delta Phi Epsilon Sorority
27 – Centennial House
28 – Alpha Xi Delta Sorority
29 – Zeta Tau Alpha Sorority
30 – Gill Memorial Chapel
31 – Poyda Residence Hall
32 – Maurer Physical Education Center
33 – West Village
34 – Omega House
35 – University House
36 – Phi Sigma Sigma Sorority
37 – Ridge House
38 – Lake House
39 – General Services Building
40 – The Bart Luedeke Center (Student Center)
41 – P.J. Ciambelli Hall (Admission Office)

Exhibit A

WESTMINSTER
CAMPUS



1 – Main Entrance
2 – Visitor Parking*
3 – Williamson Hall
4 – Erdman Hall/Presser Music Center
5 – Taylor Hall
6 – William H. Scheide Student Center/Dining Commons
7 – Bristol Hall/Bristol Chapel
8 – Talbott Library/Learning Center
9 – Seabrook Hall
10 – Dayton Hall
11 – Ithaca Hall
12 – Princeton Hall/Westminster Conservatory
13 – Student/Conservatory Parking
14 – Faculty/Staff Parking
15 – Robert L. Annis Playhouse
16 – Relocatable Classrooms
17 – Marion Buckelew Cullen Center & Hillman Performance Hall
18 – Cottage
19 – Hamilton House

* Additional visitor parking is available behind Bristol Hall (#7) and in the Faculty/Staff Parking area (#14)

APPENDIX B
AUDITED FINANCIAL STATEMENTS

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RIDER UNIVERSITY

Financial Statements

June 30, 2017
(with summarized comparative financial
information as of June 30, 2016)

(With Independent Auditors' Report Thereon)

KPMG LLP
345 Park Avenue
New York, NY 10154-0102

Independent Auditors' Report

The Board of Trustees
Rider University:

We have audited the accompanying financial statements of Rider University, which comprise the balance sheet as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Rider University as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended, in accordance with U.S. generally accepted accounting principles.

KPMG

Report on Summarized Comparative Information

We have previously audited Rider University's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 2, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

KPMG LLP

October 31, 2017

RIDER UNIVERSITY

Balance Sheet

June 30, 2017
(with summarized comparative financial
information as of June 30, 2016)

(In thousands)

Assets		Unrestricted	Temporarily restricted	Permanently restricted	Total 2017	Total 2016
Cash and cash equivalents	$	22,967	5,046	63	28,076	24,044
Cash and cash equivalents – board designated (note 8)		1,710	—	—	1,710	4,933
Student accounts receivable, net of allowance for doubtful accounts of $5,173 and $5,370 in 2017 and 2016, respectively		2,284	—	—	2,284	2,936
Grants and other receivables		3,091	2,472	—	5,563	3,971
Contributions receivable, net (notes 2 and 7)		20	936	3,082	4,038	4,222
Student loans, net of allowance for doubtful loans of $2,688 and $2,619 in 2017 and 2016, respectively		4,667	—	—	4,667	4,956
Investments (notes 3 and 7):						
Funds held by bond trustees		4,598	—	—	4,598	5,229
Long-term investments		4,485	12,929	39,703	57,117	55,387
Plant assets, net (notes 4 and 6)		113,930	—	—	113,930	118,623
Other assets		3,981	—	—	3,981	3,943
Total assets	$	161,733	21,383	42,848	225,964	228,244
Liabilities and Net Assets						
Liabilities:						
Accounts payable	$	2,231	—	—	2,231	2,180
Accrued wages and benefits		7,626	—	—	7,626	8,151
Other liabilities		4,757	752	—	5,509	6,740
Deferred revenue		8,093	—	—	8,093	9,150
Postretirement benefits other than pensions (note 5)		9,120	—	—	9,120	10,469
Refundable government loan funds		4,125	—	—	4,125	4,076
Asset retirement obligation		4,987	—	—	4,987	4,797
Bonds and mortgage notes payable (note 6)		41,907	—	—	41,907	45,870
Total liabilities		82,846	752	—	83,598	91,433
Net assets (note 8):						
Net investment in plant assets		65,868	—	—	65,868	66,943
Donor-restricted endowment		—	12,935	40,421	53,356	49,062
Quasi-endowment		4,015	—	—	4,015	6,015
Board designated for working capital		1,710	—	—	1,710	4,933
Other unexpended restricted contributions and grants		—	6,402	—	6,402	8,695
Beneficial interest in perpetual trusts		—	—	2,427	2,427	2,288
Construction in progress funded by contributions and grants		(1,294)	1,294	—	—	—
Designated for capital projects (note 4)		1,950	—	—	1,950	1,070
Undesignated net asset (deficit)		6,638	—	—	6,638	(2,195)
Total net assets		78,887	20,631	42,848	142,366	136,811
Total liabilities and net assets	$	161,733	21,383	42,848	225,964	228,244

See accompanying notes to financial statements.

RIDER UNIVERSITY

Statement of Activities

Year ended June 30, 2017
(with summarized comparative financial
information for the year ended June 30, 2016)

(In thousands)

	Unrestricted	Temporarily restricted	Permanently restricted	Total 2017	Total 2016
Operating revenues and other support:					
Student tuition and fees	$ 170,073	—	—	170,073	165,787
Less scholarship allowance	(69,683)	—	—	(69,683)	(67,521)
Net student tuition and fees	100,390	—	—	100,390	98,266
Sales and services of auxiliary enterprises	34,000	—	—	34,000	37,805
Less scholarship allowance	(614)	—	—	(614)	(351)
Net sales and services of auxiliary enterprises	33,386	—	—	33,386	37,454
State of New Jersey appropriation	96	—	—	96	148
Grants and contracts	—	4,172	—	4,172	4,545
Contributions	1,765	1,792	—	3,557	4,006
Endowment spending policy (note 8)	431	2,867	—	3,298	2,518
Return on working capital	220	4	—	224	130
Other revenues	4,123	774	—	4,897	3,714
Total operating revenues	140,411	9,609	—	150,020	150,781
Net assets released from restrictions	8,264	(8,264)	—	—	—
Total operating revenues and other support	148,675	1,345	—	150,020	150,781
Operating expenses (note 9):					
Instruction	61,894	—	—	61,894	63,411
Research	1,565	—	—	1,565	1,615
Academic support	15,858	—	—	15,858	15,870
Student services	26,774	—	—	26,774	26,667
Institutional support	21,218	—	—	21,218	19,891
Fundraising	2,888	—	—	2,888	2,824
Auxiliary enterprises	20,335	—	—	20,335	23,670
Total operating expenses	150,532	—	—	150,532	153,948
Increase (decrease) in net assets from operating activities	(1,857)	1,345	—	(512)	(3,167)
Nonoperating activities:					
Endowment contributions (note 8)	—	—	1,140	1,140	2,611
Net endowment surplus (loss) (note 8)	225	2,660	102	2,987	(3,973)
Postretirement benefit adjustment (note 5)	1,998	—	—	1,998	207
Change in value of beneficial interest in perpetual trusts	—	—	139	139	(90)
Net assets released from restrictions – capital	2,165	(2,165)	—	—	—
Write-off of contribution receivable	—	(192)	(5)	(197)	(154)
Increase (decrease) in net assets	2,531	1,648	1,376	5,555	(4,566)
Net assets as of beginning of year	76,356	18,983	41,472	136,811	141,377
Net assets as of end of year	$ 78,887	20,631	42,848	142,366	136,811

See accompanying notes to financial statements.

RIDER UNIVERSITY

Statement of Cash Flows

Year ended June 30, 2017
(with comparative financial information
for the year ended June 30, 2016)

(In thousands)

		2017	2016
Cash flows from operating activities:			
Increase (decrease) in net assets	$	5,555	(4,566)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:			
Depreciation expense		10,194	10,133
Write-off of contribution receivables		197	154
Loss on disposal of plant assets		37	1
Accretion expense related to asset retirement obligation		270	258
Amortization of bond premium		(126)	(126)
Amortization of bond issuance costs		19	19
Postretirement adjustment		(1,998)	(207)
Net realized gains on sales of investments		(839)	(1,200)
(Increase) decrease in unrealized appreciation on investments		(4,303)	3,717
Provision for doubtful student accounts receivable		661	475
Provision for doubtful student loans		(69)	(71)
Contributions and grants restricted for plant facilities		(718)	(858)
Contributions and investment income permanently restricted for long-term investment		(1,376)	(2,545)
Changes in operating assets and liabilities:			
Student accounts receivable		(9)	(244)
Grants and other receivables		(1,592)	(1,384)
Contributions receivable		60	4
Other assets		(38)	534
Accounts payable		(55)	(498)
Accrued wages and benefits		(525)	690
Other liabilities		(1,231)	(507)
Deferred revenue		(1,057)	(915)
Postretirement benefits other than pensions		649	693
Refundable government loan funds		49	(1,252)
Asset retirement obligation		(80)	(6)
Net cash provided by operating activities		3,675	2,299
Cash flows from investing activities:			
Purchases of investments		(33,059)	(32,749)
Proceeds from sales of investments		37,102	29,832
Purchases of plant assets, net of change in related accounts payable		(5,432)	(6,588)
Student loans issued		(789)	(943)
Proceeds from student loan collections		1,147	1,206
Net cash used in investing activities		(1,031)	(9,242)
Cash flows from financing activities:			
Repayment of bonds and mortgage notes payable		(4,344)	(4,311)
Proceeds from bonds and mortgage notes payable		488	—
Proceeds from contributions and grants restricted for plant facilities		791	1,196
Proceeds from contributions and investment income permanently restricted for long-term investment		1,230	2,025
Net cash used in financing activities		(1,835)	(1,090)
Net increase (decrease) in cash and cash equivalents		809	(8,033)
Cash and cash equivalents as of beginning of year		28,977	37,010
Cash and cash equivalents as of end of year	$	29,786	28,977
Supplementary disclosure of cash flow information:			
Cash paid during the year for interest	$	1,673	1,842

See accompanying notes to financial statements.

(1) Organization and Summary of Significant Accounting Policies

Organization

Rider University (the University) is a private, not for profit institution founded in 1865. The University's five academic units include the College of Business Administration, the College of Liberal Arts and Sciences, the College of Education and Human Services, the College of Continuing Studies, and the Westminster College of the Arts. During the year ended June 30, 2017, the University enrolled approximately 4,005 full-time and 1,100 part-time undergraduate and graduate students.

Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements, which are presented on the accrual basis of accounting, have been prepared to focus on the University as a whole and to present balances and transactions according to the presence or absence of donor-imposed restrictions.

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles (GAAP). Accordingly, such information should be read in conjunction with the University's financial statements as of and for the year ended June 30, 2016, from which the summarized information was derived.

(b) Classification of Net Assets

The University reports its net assets and changes therein in three classes: unrestricted, temporarily restricted, and permanently restricted.

(i) Unrestricted Net Assets

Unrestricted net assets represent resources that are generally available for support of the University's activities and include net investment in plant assets, amounts designated by the Board of Trustees to function as quasi-endowment; and other amounts designated for specific purposes.

(ii) Temporarily Restricted Net Assets

The University reports gifts of cash and other assets as restricted revenue if they are received with donor stipulations that limit their use. When a donor restriction expires, that is, when a stipulated time restriction ends or donor-specified purpose is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. In addition, the remaining portion of a donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated by the University in a manner consistent with the standard of prudence prescribed by the State of New Jersey Uniform Prudent Management of Institutional Funds Act.

(iii) Permanently Restricted Net Assets

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by the University. The University classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Generally, the donors of these assets permit the University to use all or part of the investment return on related investments for donor specified purposes, primarily for scholarship, or for unrestricted purposes.

(c) Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are as follows:

- Level 1: Quoted or published prices in active markets for identical assets or liabilities
- Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

(d) Statement of Activities

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

(e) Nonoperating Activities

A portion of long-term investment income and gains and losses is allocated to operating revenue each year in accordance with the University’s spending policy for investments held for endowment, as more fully discussed in note 8. All other investment income earned and gains and losses on investments held for long-term purposes (including land), contribution-related activity for long-term purposes, net assets released from restrictions related to capital, the postretirement benefit adjustment, and nonrecurring activities are considered nonoperating activities in the statement of activities.

(f) Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions of assets other than cash are recorded at their estimated fair value at date of donation.

(Continued)

Contributions of plant assets without donor stipulations concerning the use of such long-lived assets are reported as revenues of the unrestricted net asset class. Contributions of cash or other assets to be used to acquire plant assets with such donor stipulations are reported as revenues of the temporarily restricted net asset class; the restrictions are considered to be released at the time such long-lived assets are acquired or in the case of construction when the project is complete. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risk involved. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history, type of contribution, and nature of fundraising activities.

(g) Split-interest Agreements

The University's split-interest agreements with donors consist primarily of charitable gift annuities and irrevocable charitable remainder trusts. Assets are invested and payments are made to donors and/or beneficiaries in accordance with the respective agreements. Contribution revenue for charitable gift annuities and charitable remainder trusts is recognized at the date the agreement is established, net of the liability for the present value of the estimated future payments to be made to the respective donors and/or beneficiaries.

The present value of payments to beneficiaries of charitable gift annuities and charitable remainder trusts is calculated using discount rates, which represent the risk-adjusted rates in existence at the date of the gift. Gain or losses resulting from changes in actuarial assumptions and accretions of the discount are recorded as increases or decreases in the respective net asset class in the accompanying statement of activities.

The University also has beneficial interest in perpetual trusts. Under the terms of the trusts, the University has the irrevocable right to receive the income earned on the trust assets in perpetuity, but never receives the assets held in trust. Contribution revenue and an asset are recognized at the time the University is notified of the trust's existence. The value of the interest in perpetual trusts is based on the fair value of the assets held by the perpetual trusts and is adjusted annually. Gains or losses resulting from changes in fair value of the trust assets are recorded as increases or decreases in the respective net asset class in the accompanying statement of activities.

(h) Income Taxes

The University is an organization described under Section 501(c)(3) of the Internal Revenue Code (the Code) and, therefore, is exempt from Federal income taxes under Section 501(a) of the Code. Accordingly, the University is not subject to income taxes except to the extent it has taxable income from activities unrelated to its exempt purpose. The University recognizes the effects of income tax provisions only if those provisions are more likely than not of being sustained. No provision for income taxes was required in 2017 and 2016.

(i) Cash Equivalents

Cash equivalents include short-term, highly liquid investments held for current operating purposes and consist principally of money market accounts and securities having an original maturity of three months or less.

(j) Plant Assets

All property is carried at cost at date of acquisition or at fair value at date of gift, less accumulated depreciation computed on a straight-line basis over their estimated useful lives (buildings – 50 years; building systems, renovations, and land improvements – 20 to 30 years; and equipment – 3 to 20 years).

(k) Deferred Revenue

Amounts received in advance for tuition and fees and vendor funding for capital improvements, which are amortized over the life of the contract, are included in deferred revenue in the balance sheet.

(l) Asset Retirements

The University recognizes the fair value of a liability for legal obligations associated with asset retirements in the period in which the obligation is incurred, if a reasonable estimate of the fair value of the obligation can be made. When the liability is initially recorded, the University capitalizes the cost of the asset retirement obligation by increasing the carrying amount of the related long-lived asset. The liability is accreted to its present value each period, and the capitalized cost associated with the retirement obligation is depreciated over the useful life of the related asset. Upon settlement of the obligation, any difference between the cost to settle the asset retirement obligation and the liability recorded is recognized as a gain or loss in the statement of activities.

(m) Refundable Government Loan Funds

Funds provided by the U.S. government under the Federal Perkins Loan Program are loaned to qualified students and may be reloaned after collections. These funds are ultimately refundable to the U.S. government and are presented in the balance sheet as a liability.

(n) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that include the fair value of alternative investments, the net realizable value of receivables, the useful lives of fixed assets, the functional allocation of expenses, the valuation of the postretirement benefit obligation, and the estimate of the asset retirement obligation. Such estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(o) Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

(2) Contributions Receivable

Contributions receivable consist of the following as of June 30, 2017 and 2016 (in thousands):

		2017	2016
Unconditional promises to give, net	$	1,611	1,934
Beneficial interest in perpetual trusts		2,427	2,288
	$	4,038	4,222

The top two donors represent 58% and the top three donors represent 60% of unconditional promises to give at June 30, 2017 and 2016, respectively. In addition, one donor represents 21% and two donors represent 63% of endowment contribution revenue at June 30, 2017 and 2016, respectively.

Unconditional promises to give are expected to be received during the indicated time periods and have been discounted at rates ranging from 0.01% to 0.99% as of June 30 (in thousands):

		2017	2016
One year or less	$	557	634
Greater than one year		1,202	1,388
		1,759	2,022
Less:			
Present value discount		(96)	(28)
Allowance for uncollectible contributions receivable		(52)	(60)
	$	1,611	1,934

(3) Investments

(a) Funds Held by Bond Trustees

Under the terms of certain debt agreements, funds are required to be placed on deposit with specified financial institutions acting as trustee. These funds are reported as funds held by bond trustees in the balance sheet. As of June 30, 2017 and 2016, investments held by bond trustees related to bonds and mortgage notes payable were composed of funds held for the following purposes (in thousands):

		2017	2016
Principal funds	$	3,765	3,950
Interest funds		833	873
Debt service reserve funds		—	342
Renewal and replacement funds		—	61
Project mortgage funds		—	3
	$	4,598	5,229

(b) Long-Term Investments

Investments in equity securities, mutual funds, and certain alternative investments with readily determinable fair values and all investments in debt securities are reported at fair value based upon quoted or published market prices. Certain investments in alternative investments are reflected at net asset value as estimated and reported by the general partners, based upon the underlying net asset value of the fund or partnership, as a practical expedient. These estimated values are reviewed and evaluated by the University. As of June 30, 2017 and 2016, the University holds land for investment purposes. The fair value of the land is based upon an appraisal obtained in 2015.

Long-term investments consist of the following as of June 30 (in thousands):

		2017	2016
Fixed income:			
Mutual funds	$	3,505	4,061
Other		1,657	2,532
Equities:			
Mutual funds		22,046	18,750
Common and preferred stocks		1,395	290
Alternatives:			
Private equity		4,450	4,380
Domestic equity		2,561	1,934
International equity		6,801	5,297
Fixed income		2,359	2,392

(Continued)

		2017	2016
Inflation hedging	$	—	907
Flexible capital		4,999	8,105
Private real assets		3,252	2,648
Other		762	761
Land		3,330	3,330
Total long-term investments	$	57,117	55,387

(c) Redemption and Investment Strategy

As of June 30, 2017, alternative investments are allocated between the following investment strategies:

Private equity funds ($4,450,000) consist of thirteen funds representing limited partnerships, which were formed for the purpose of investing in private equity funds including venture capital, buyouts, growth capital, international private equity, and other private equity investments. Under the terms of certain private equity agreements, the University had open commitments of approximately $3,873,000 at June 30, 2017. These investments are generally less liquid, and redemption of these investments is at the discretion of the general manager over the duration of the investment term.

Remaining alternative investments ($20,734,000) consist of sixteen funds representing investments in a broad range of investment strategies that seek to exploit opportunities as they occur in the markets due to temporary dislocations or structural inefficiencies and in mutual equity and fixed income funds. These investments contain various restrictions with required notice ranging from 1 to 90 days. Under the terms of certain fund agreements, the University had open commitments of approximately $1,305,000 at June 30, 2017.

The following table summarizes the redemption frequency by category of alternative investments as of June 30, 2017 (in thousands):

		Remaining alternative investments	Private equity	Total
Redemption frequency:				
Weekly	$	762	—	762
Semi-monthly		2,359	—	2,359
Monthly		9,362	—	9,362
Quarterly		1,268	—	1,268
Annual		3,731	—	3,731
No redemptions (a)		3,252	4,450	7,702
	$	20,734	4,450	25,184

(a) Underlying assets of the remaining alternative investments are expected to be liquidated between 5 and 13 years. Underlying assets of the private equity investments are expected to be liquidated between 1 and 15 years.

(4) Plant Assets

Plant assets consist of the following as of June 30 (in thousands):

	2017			2016
	Cost	Accumulated depreciation and amortization	Net carrying value	Net carrying value
Land	$ 253	—	253	253
Land improvements	13,530	6,914	6,616	6,783
Buildings and improvements	187,853	101,176	86,677	91,032
Equipment	38,193	21,960	16,233	17,502
Library collection	18,950	16,861	2,089	2,821
Construction in progress	2,062	—	2,062	232
	$ 260,841	146,911	113,930	118,623

Commitments outstanding on projects included in construction in progress as of June 30, 2017 amounted to approximately $1,482,000. Net assets designated for capital projects totaled $1,950,000 and $1,070,000 at June 30, 2017 and 2016, respectively.

(5) Postretirement Benefits Other than Pensions

The University provides postretirement medical benefits to former employees who meet certain criteria.

Information with respect to the plan at June 30, 2017 and 2016 is as follows (in thousands):

	2017	2016
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 10,469	9,983
Service cost	546	483
Interest cost	290	373
Assumption change	—	941
Actuarial gain	(1,998)	(1,148)
Benefits paid	(187)	(163)
Benefit obligation at end of year	9,120	10,469

		2017	2016
Change in plan assets:			
Fair value of plan assets at beginning of year	$	—	—
Employer contributions		187	163
Benefits paid		(187)	(163)
Fair value of plan assets at end of year		—	—
Funded status	$	(9,120)	(10,469)

		2017	2016
Components of net periodic benefit cost:			
Service cost	$	546	483
Interest cost		290	373
Net periodic benefit cost	$	836	856
Weighted average assumptions as of June 30:			
Benefit obligation discount rate		3.75 %	3.25 %
Periodic benefit cost discount rate		3.25	4.25

As of June 30, 2017 and thereafter, the medical trend and inflation rate is 4.0%.

The effects of a 1% increase or decrease in health care trend rates on total service and interest costs and the postretirement benefit obligation are as follows (in thousands):

		One-percentage-point increase		One-percentage-point decrease	
		2017	2016	2017	2016
Effect on total of service and interest cost components	$	138	126	(114)	(106)
Effect on postretirement benefit obligation		1,099	983	(937)	(847)

Projected benefits payments are as follows (in thousands):

		Amount
Year ending June 30:		
2018	$	350
2019		447
2020		547
2021		598
2022		618
2023 through 2027		3,558

The University expects to contribute approximately $256,000 in fiscal year 2018.

A postretirement benefit adjustment of $1,998,000 and $207,000 was recorded in nonoperating activities in the statement of activities in 2017 and 2016, respectively.

A net gain of $863,000 in 2017 and a net loss of $1,135,000 in 2016, respectively, has not yet been recognized as a component of net periodic benefit cost. No amount of this gain is expected to be recognized in revenue in 2018.

(6) Bonds and Mortgage Notes Payable

Bonds and mortgage notes payable consist of the following as of June 30 (in thousands):

	Interest rate		2017	2016
Bonds payable:				
New Jersey Educational Facilities Authority:				
Series 2012 A (due serially to 2037)	2.00% to 5.00%	$	37,105	41,055
Higher Education Capital Improvement Fund Various Series	2.22% to 5.75%		1,544	1,151
Dormitory Safety Trust Fund 2003 A (face value $1,525 discounted at 4.0%)	— %		102	200
U.S. Department of Education (due serially to 2017)	3.00% to 3.63%		—	27
Total bonds payable			38,751	42,433

	Interest rate	2017	2016
Mortgage notes payable:			
U.S. Department of Education (due semiannually to 2019)	3.00 %	$ 55	86
U.S. Department of Education (due semiannually to 2023)	6.00	1,037	1,180
Total mortgage notes payable		1,092	1,266
Total bonds and mortgage notes payable		39,843	43,699
Unamortized premium		2,522	2,648
Unamortized bond issuance costs		(458)	(477)
		$ 41,907	45,870

Annual debt service requirements (principal and interest) over the next five years are as follows (in thousands):

	Bonds	Mortgages	Total	Interest	Total debt service requirement
Year:					
2018	$ 1,789	182	1,971	1,580	3,551
2019	1,763	182	1,945	1,512	3,457
2020	1,859	168	2,027	1,418	3,445
2021	1,923	177	2,100	1,336	3,436
2022	2,025	187	2,212	1,267	3,479

Certain University debt, aggregating approximately $37,105,000, is collateralized by plant assets with a carrying value of approximately $45,783,000 as of June 30, 2017.

Interest expense on bonds and mortgage notes payable for the years ended June 30, 2017 and 2016 was approximately $1,633,000 and $1,766,000, respectively.

(7) Fair Value Measurement

The University's assets at June 30, 2017 that are reported at fair value are summarized in the following table by their fair value hierarchy (in thousands):

	Total	Level 1	Level 2	Level 3
Contribution receivable:				
Beneficial interest in perpetual trusts	$ 2,427	—	—	2,427
Funds held by bond trustees:				
Money market funds	$ 4,598	4,598	—	—
Long-term investments:				
Fixed income:				
Mutual funds	$ 3,505	3,505	—	—
Other	1,657	1,473	184	—
Equities:				
Mutual funds	22,046	22,046	—	—
Common and preferred stocks	1,395	1,395	—	—
Alternatives:				
International equity	6,801	6,801	—	—
Fixed income	2,359	2,359	—	—
Other	762	762	—	—
Land	3,330	—	—	3,330
Subtotal	41,855	$ 38,341	184	3,330
Long-term investments reported at net asset value:				
Alternatives:				
Private equity	4,450			
Domestic equity	2,561			
Flexible capital	4,999			
Private real assets	3,252			
Subtotal	15,262			
Total long-term investments	$ 57,117			

The University's assets at June 30, 2016 that are reported at fair value are summarized in the following table by their fair value hierarchy (in thousands):

	Total	Level 1	Level 2	Level 3
Contribution receivable:				
Beneficial interest in perpetual trusts	$ 2,288	—	—	2,288
Funds held by bond trustees:				
Money market funds	$ 5,229	5,229	—	—
Long-term investments:				
Fixed income:				
Mutual funds	$ 4,061	4,061	—	—
Other	2,532	2,376	156	—
Equities:				
Mutual funds	18,750	18,750	—	—
Common and preferred stocks	290	290	—	—
Alternatives:				
International equity	5,297	5,297	—	—
Fixed income	2,392	2,392	—	—
Inflation hedging	907	907	—	—
Other	761	761	—	—
Land	3,330	—	—	3,330
Subtotal	38,320	$ 34,834	156	3,330
Long-term investments reported at net asset value:				
Alternatives:				
Private equity	4,380			
Domestic equity	1,934			
Flexible capital	8,105			
Private real assets	2,648			
Subtotal	17,067			
Total long-term investments	$ 55,387			

(Continued)

The following table presents the University's activity for all Level 3 assets measured at fair value for the period June 30, 2015 to June 30, 2017 (in thousands):

		Total	Beneficial interest in perpetual trust	Land
Fair value at June 30, 2015	$	5,721	2,391	3,330
Trust distributions		(3)	(3)	—
Unrealized losses		(100)	(100)	—
Fair value at June 30, 2016		5,618	2,288	3,330
Unrealized gains		139	139	—
Fair value at June 30, 2017	$	5,757	2,427	3,330

(8) Net Assets

Endowment

The University's endowment consists of both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments. Quasi-endowment net assets, unlike donor-restricted endowments, are not subject to donor or other outside restrictions. Quasi-endowment net assets have been designated by the University's Board of Trustees and are expended at its discretion. Information regarding the University's endowment follows:

(a) Return Objectives and Risk Parameters

The University has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of income and growth, while seeking to maintain the purchasing power of the endowment assets. Under these policies, as approved by the University's Board of Trustees, the endowment assets are invested in a number of different asset classes and investment strategies to diversify the investments to provide a balance that attempts to enhance the long-term total return of the overall investment portfolio while avoiding undue risk or concentration in any single asset class or investment category.

(b) Spending Policy

Each year, the University includes a portion of the endowment return in its operating budget, with the amount of such planned support determined using its spending policy. The policy of the University for the year ended June 30, 2017 is to distribute for current spending 7% of a three-year moving average of the fair value of endowment investments and for the year ended June 30, 2016 was to distribute for current spending 4.9% of a three-year moving average of the fair value of endowment investments. In establishing this policy, the University considered the expected return on its endowment. Accordingly, the University expects the current spending policy to allow its endowment over the long term to maintain its purchasing power by growing at a rate commensurate with planned payouts. Additional real growth may be provided through new gifts and any excess investment returns.

(c) Interpretation of Relevant Law

The Board of Trustees of the University has interpreted the State of New Jersey Uniform Prudent Management of Institutional Funds Act as allowing the University to appropriate for expenditure or accumulate so much of a donor-restricted endowment fund as the University determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument.

The University has interpreted New Jersey State law to allow the spending of income and net realized and unrealized gains on investments of permanently restricted net assets, absent explicit donor stipulations that all or a portion of such income or net realized or unrealized gains be maintained in perpetuity. New Jersey State law allows the University to appropriate and spend such income and gains as is prudent. The spending policy allocations are made considering such factors as the University's long-term and short-term needs, present and anticipated financial requirements, expected total return on investments, price level trends, and general economic conditions.

Endowment net assets (excluding perpetual trusts) consisted of the following at June 30, 2017 and 2016 (in thousands):

		2017			
		Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor restricted	$	—	12,935	40,358	53,293
Quasi (board designated)		4,015	—	—	4,015
Total	$	4,015	12,935	40,358	57,308

		2016			
		Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor restricted	$	(312)	10,190	39,121	48,999
Quasi (board designated)		6,015	—	—	6,015
Total	$	5,703	10,190	39,121	55,014

Changes in endowment net assets for the years ended June 30, 2017 and 2016 are as follows (in thousands):

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, June 30, 2015	$ 6,088	13,807	36,486	56,381
Interest, dividends, and realized gains	109	1,976	—	2,085
Unrealized (losses) gains	(176)	(3,493)	34	(3,635)
Unspent appropriation related to underwater endowments	—	95	—	95
Total investment (loss) return	(67)	(1,422)	34	(1,455)
Contributions	5	—	2,611	2,616
Write-off of contribution receivable	—	—	(10)	(10)
Appropriation of endowment assets for expenditures	(323)	(2,195)	—	(2,518)
Endowment net assets, June 30, 2016	5,703	10,190	39,121	55,014
Interest, dividends, and realized gains	593	1,044	—	1,637
Unrealized gains	31	4,257	102	4,390
Unspent appropriation related to underwater endowments	—	311	—	311
Total investment return	624	5,612	102	6,338
Contributions	2	—	1,140	1,142
Write-off of contribution receivable	—	—	(5)	(5)
Appropriation of endowment assets for expenditures	(431)	(2,867)	—	(3,298)
Withdrawal from quasi-endowment	(1,883)	—	—	(1,883)
Endowment net assets, June 30, 2017	$ 4,015	12,935	40,358	57,308

(Continued)

The quasi-endowment activity for the years ended June 30 was as follows (in thousands):

		2017	2016
Balance as of beginning of year	$	6,015	6,189
Withdrawal from the quasi-endowment:			
Future operating cash requirements		(1,883)	—
Return on quasi-endowment funds		314	149
Quasi-endowment spending policy		(431)	(323)
Net decrease for the year		(2,000)	(174)
Balance as of end of year	$	4,015	6,015

In anticipation of future operating cash requirements, the University withdrew $1,883,000 in 2017 from its quasi-endowment as funding for a board designated fund for working capital.

The quasi-endowment net assets include land held for investment purposes with a fair value of $3,330,000 as of June 30, 2017 and 2016, respectively.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below its historic dollar level. In accordance with U.S. GAAP, deficiencies of this nature are reported in unrestricted net assets and were approximately $312,000 as of 2016. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the Board of Trustees. Subsequent gains that restore the fair value of the assets of the endowment fund to the required level will be classified as an increase in unrestricted net assets. There were no such deficiencies as of June 30, 2017.

(i) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following as of June 30 (in thousands):

		2017	2016
Instruction and scholarships	$	4,330	4,126
Capital acquisitions		732	1,704
Annuity and life income funds		—	91
Future periods		15,569	13,062
Total temporarily restricted net assets	$	20,631	18,983

(9) Functional Allocation of Expenses

The costs of providing program and supporting services of the University have been summarized on a functional basis in the statement of activities and are reported in the University's financial statements in categories recommended by the National Association of College and University Business Officers. Accordingly, certain operating costs have been allocated among the functional categories.

The allocation of University operating expenses to program and supporting services for the years ended June 30 is as follows (in thousands):

		2017	2016
Program	$	126,426	131,233
Supporting services:			
Institutional support		21,218	19,891
Fundraising		2,888	2,824
Total operating expenses	$	150,532	153,948

(10) Retirement Plan

The University has a contributory defined contribution retirement plan, covering substantially all employees under arrangements with Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF) that provides for the purchase of annuities for employees. Employees are eligible after one year of service and must contribute 5% of compensation to participate. The University matched employee contributions at rates ranging from 5.0% to 8.5% depending on the employee's classification for the years ended June 30, 2017 and 2016. The cost to the University for the retirement plan for the years ended June 30, 2017 and 2016 was approximately $3,602,000 and $3,158,000, respectively.

(11) Commitments and Contingencies

The University receives support from Federal and State of New Jersey grant programs, primarily student financial assistance. Entitlement to the resources requires compliance with terms of the grant agreements and applicable regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits by the grantors. As of June 30, 2017, the University believes it has complied with the terms of the grant agreements and applicable regulations in all material respects.

The University is party to various legal actions and other claims in the normal course of business, and it is the opinion of management that the outcome thereof will not have a material effect on its financial position.

(Continued)

(12) Subsequent Events

The University evaluated events subsequent to June 30, 2017 and through October 31, 2017 the date on which the financial statements were issued, and has concluded that there are no subsequent events to be disclosed other than the following:

In August 2017, the Board of Trustees of Rider authorized the issuance of tax exempt bonds with a par amount of approximately $40 million to fund facilities improvements. Bond funded projects will include both new construction and renovation of University science facilities, renovation of business and performing arts academic facilities, and renovation of a number of residence halls. It is anticipated that the financing will occur in November 2017.

The University is in the due diligence process with an entity proposing to buy the Westminster Choir College (WCC), including all programs, personal property and real estate, with the plan to continue to operate WCC on its Princeton campus. A group of individual plaintiffs has filed suit seeking to stop the transaction alleging that such a sale violates a 1991 merger agreement between WCC and the University. At this time, it is too early to predict the outcome of the suit; however, management believes that the proposed transaction, intended to preserve and continue the legacy of WCC, aligns to a great extent with the goals of the plaintiffs, and there is a possibility that the litigation can be resolved amicably.

In October 2017, First Bank approved a line of credit to the University of up to $15 million with $8 million available on closing and an additional $7 million at the bank's discretion based on enrollment and financial progress against plan. The closing is subject to certain conditions. The line of credit will be secured by the Princeton Campus real estate. Interest will be at the prime rate and would increase or decrease a quarter percent with any change (negative or positive) in the University's bond rating. The maturity of the loan is October 15, 2019 and will require the loan to be brought to a zero balance for 30 consecutive days within the fiscal period ending June 30, 2018 and for the fiscal period ending June 30, 2019.

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APPENDIX C
FORMS OF CERTAIN LEGAL DOCUMENTS

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TRUST INDENTURE

By and Between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

THE BANK OF NEW YORK MELLON,
as Trustee

Dated as of November 1, 2017

relating to

New Jersey Educational Facilities Authority
Revenue Bonds, Rider University Issue, 2017 Series F

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ARTICLE X

MISCELLANEOUS

TRUST INDENTURE

THIS TRUST INDENTURE, dated as of November 1, 2017, by and between the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (the "*Authority*") and THE BANK OF NEW YORK MELLON, a state banking corporation organized and existing under the laws of the State of New York with trust and fiduciary powers in the State of New Jersey being qualified to accept and administer the trusts hereby created (the "*Trustee*");

W I T N E S S E T H:

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

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

WHEREAS, the Borrower has requested that the Authority issue one or more series of bonds as described herein for the purpose of providing funds to: (i) finance the Capital Project; (ii) fund capitalized interest for the Bonds (as hereinafter defined) through July 1, 2020; and (iii) pay certain costs of issuance of the Bonds (collectively, the "*Project*"), all as presented, submitted and approved by the Borrower's Board of Trustees; and

WHEREAS, pursuant to a resolution of the Authority adopted on October 17, 2017, the Authority has determined that it is necessary and in keeping with its authorized purposes to issue a series of bonds to be designated "New Jersey Educational Facilities Authority Revenue Bonds, Rider University Issue, 2017 Series F" (the "*Bonds*") or such other designation as may be determined by the Authority for the purpose of providing funds to finance the Project; and

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

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

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

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

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

ARTICLE I

DEFINITIONS

Section 1.01. **Definitions.**

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

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

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

"Authority" means the New Jersey Educational Facilities Authority.

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

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

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

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

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

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

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

"Bond Year" means each twelve (12) month period beginning July 1 and ending the following June 30; except that the initial Bond Year shall commence on the date of issuance of the Bonds and shall end on June 30, 2018.

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

"Bonds" means the $41,770,000 principal amount of New Jersey Educational Facilities Authority Revenue Bonds, Rider University Issue, 2017 Series F, dated their date of delivery, issued hereunder and from time to time Outstanding under this Indenture.

"Borrower" means Rider University, and its successors and assigns.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"Investment Obligations" means the investments identified in **Exhibit A** hereto.

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

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

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

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

"Mortgage" means the Mortgage and Security Agreement, dated November 30, 2017, by and between the Borrower and the Authority, which secures the Borrower's obligations hereunder.

"Mortgage Note" means the Mortgage Note, dated November 30, 2017, from the Borrower to the Authority.

"Notice Address" means:

(a) As to the Borrower:	Rider University 2083 Lawrenceville Road Lawrenceville, New Jersey 08648 Attention: Vice President for Finance/Treasurer
(b) As to the Authority:	New Jersey Educational Facilities Authority 103 College Road East Princeton, New Jersey 08540 Attention: Executive Director
(c) As to the Trustee:	The Bank of New York Mellon Corporate Trust Department 385 Rifle Camp Road – 3rd Floor Woodland Park, New Jersey 07424
(d) As to DTC:	The Depository Trust Company 55 Water Street New York, New York 10022 Attention: Announcements (facsimile 212-855-4566); and Attention: Reorganization (facsimile 813-470-1109)

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

"Official Statement" means the Official Statement, dated November 14, 2017, relating to the Bonds, including all Appendices thereto.

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

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

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

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

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

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

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

"Project" means the financing, through the issuance of the Bonds, of the costs of a project consisting of: (a) financing the renovation and equipping of the following residential facilities: Conover Hall, Delta Phi Epsilon Sorority Residence (House 10), Kroner Hall, Lake House, Ridge House and Wright Hall; the renovation and equipping of the following academic facilities: Bart Luedeke Center Theater, Fine Arts Theater, Science and Technology Center and Sweigart Hall; and the construction of an approximately 30,000 sq. ft. addition to the Science and Technology Center; (b) funding capitalized interest for the Bonds through July 1, 2020; and (c) paying certain costs of issuing the Bonds.

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

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

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

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

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

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

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

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

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

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

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

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

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

"State" means the State of New Jersey.

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

"Trustee" means The Bank of New York Mellon, a New York banking corporation, with trust and fiduciary powers in the State, and its successors and assigns.

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

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

Section 1.02. **Certain References.**

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

Section 1.03. **Timing of Actions.**

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

ARTICLE II

DEFEASANCE OF LIEN; ADDITIONAL OBLIGATIONS

Section 2.01. **Defeasance of Lien.**

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

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

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

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

Section 2.02. **Additional Obligations.**

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

ARTICLE III

THE BONDS

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

(a) Issuance. The Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Bonds, Rider University Issue, 2017 Series F", shall be issued in the original aggregate principal amount of $41,770,000 and shall be substantially in the form set forth in **Exhibit B** attached hereto, with such variations, omissions and insertions as are permitted or required hereby. Except to the extent otherwise provided in Section 3.05 hereof or made necessary as a result of a partial redemption, the Bonds shall be issued in fully registered form, without coupons, numbered from R-1 upwards and in Authorized Denominations.

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

(c) Maturities. The Bonds shall bear interest and mature on July 1 in each of the years set forth in the chart below, and shall be subject to redemption prior to stated maturity as and to the extent provided in Section 4.01 hereof.

Maturity Date (July 1)	Principal Amount	Interest Rate
2028	$ 350,000	5.000%
2029	370,000	3.000
2030	380,000	3.250
2031	390,000	3.500
2032	405,000	5.000
2033	425,000	5.000
2034	445,000	3.625
2035	1,455,000	5.000
2036	1,525,000	5.000
2037	1,605,000	3.750
2042	15,355,000	4.000
2047	19,065,000	5.000

(d) Interest. The provisions of Section 3.07 hereof shall govern the interest rates per annum and the payment terms of the Bonds.

Section 3.02. **Authentication and Delivery of Bonds.**

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

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

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

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

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

(e) an executed counterpart of the Tax Certificate.

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

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

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

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

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

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

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

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

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

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

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

charge made by the Trustee for any such registration of transfer or exchange shall be paid by the Borrower.

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

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

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

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

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

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

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

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

Upon occurrence of the event described in clause (a) or (b) above, the Borrower shall attempt to locate another qualified Securities Depository. If the Borrower fails to locate another qualified Securities Depository to replace DTC, the Trustee shall authenticate and deliver Bonds in certificated form. In the event the Borrower makes the determination noted in clause (b) or (c) above (as to which the Borrower undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the Borrower to make any such

determination), and has made provisions to notify the Beneficial Owners of the Bonds of the availability of Bond certificates by mailing an appropriate notice to DTC, the Authority shall cause the Trustee to authenticate and deliver Bonds in certificated form pursuant to **Exhibit B** to DTC's Participants (as requested by DTC) in appropriate amounts. Principal of and interest on the Bonds shall be payable as otherwise provided in this Article III.

Section 3.06. **Temporary Bonds.**

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

Section 3.07. **Interest on Bonds.**

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

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

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

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

Section 3.08. **Method and Place of Payment.**

The principal of and redemption premium, if any, and interest on the Bonds shall be payable in lawful money of the United States of America. Principal of and redemption premium, if any, on the Bonds are payable upon presentation of the Bonds to the Trustee. Interest on the Bonds shall be paid by the Trustee on the applicable Payment Dates, by check mailed by the Trustee to the respective Holders thereof on the applicable Record Date at their addresses as they appear as of the close of business on the applicable Record Date in the books kept by the Trustee, as bond registrar, except that in the case of such a Holder of $1,000,000 or more in aggregate principal amount of such Bonds, upon the written request of such Holder to the

Trustee, specifying the account or accounts (within the continental United States) to which such payment shall be made, such payments shall be made by wire transfer of immediately available funds on the applicable Interest Payment Date following such Record Date. Any request referred to in the preceding sentence shall remain in effect until revoked or revised by such Holder by an instrument in writing delivered to the Trustee.

ARTICLE IV

REDEMPTION AND PURCHASE OF BONDS BEFORE MATURITY

Section 4.01. **Redemption of Bonds.**

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

(a) Optional Redemption. The Bonds maturing on or after July 1, 2028 are subject to optional redemption on any date on or after July 1, 2027 at the option of the Authority with the written consent of the Borrower, in whole or in part, at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the redemption date.

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

(c) Mandatory Sinking Fund Redemption. The Bonds maturing on July 1, 2042 shall be retired by sinking fund installments as hereinafter described, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the Bonds on July 1 in each of the years and in the principal amounts as follows:

Year	Amount
2038	$2,835,000
2039	2,950,000
2040	3,065,000
2041	3,190,000
2042*	3,315,000

*Final maturity.

The Bonds maturing on July 1, 2047 shall be retired by sinking fund installments as hereinafter described, which shall be accumulated in the Debt Service Fund, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the

redemption date. The sinking fund installments shall be sufficient to redeem the principal amount of the Bonds on July 1 in each of the years and in the principal amounts as follows:

Year	Amount
2043	$3,450,000
2044	3,620,000
2045	3,805,000
2046	3,995,000
2047*	4,195,000

*Final maturity.

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

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

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

Section 4.02. **Selection of Bonds to be Redeemed.**

In the case of any redemption in part of the Bonds, the Bonds to be redeemed under Section 4.01 hereof shall be selected by the Trustee, subject to any requirements of this Section 4.02. A redemption of Bonds shall be a redemption of the whole or of any part of the Bonds; *provided*, that there shall be no partial redemption of less than $5,000. If less than all the maturities of the Bonds shall be called for redemption under any provision of this Indenture

permitting such partial redemption, the particular maturity or maturities of the Bonds to be redeemed shall be selected by the Authority with the consent of the Borrower. If less than all of the Bonds Outstanding of any maturity shall be called for redemption, such Bonds shall be selected by the Trustee, in such manner as the Trustee in its discretion may deem fair and appropriate consistent with industry standards and the requirements of the last paragraph of Section 4.01(c); *provided*, *however*, (a) that the portion of any Bond to be redeemed under any provision of this Indenture shall be in the principal amount of $5,000 or any multiple thereof, (b) that, in selecting Bonds for redemption, the Trustee shall treat each Bond as representing that number of Bonds that is obtained by dividing the principal amount of such Bond by $5,000, and (c) that, to the extent practicable, the Trustee will not select any Bond for partial redemption if the amount of such Bond remaining Outstanding would be reduced by such partial redemption to less than the Authorized Denomination. If there shall be called for redemption less than all of a Bond, the Authority shall execute and deliver and the Trustee shall authenticate, upon surrender of such Bond and at the expense of the Borrower and without charge to the owner thereof, a replacement Bond in the principal amount of the unredeemed balance of the Bond so surrendered.

Section 4.03. **Procedure for Redemption.**

(a) In the event any of the Bonds are called for redemption, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds, which notice shall (i) specify the Bonds to be redeemed, the redemption date, the redemption price and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Trustee) and, if less than all of the Bonds are to be redeemed, the numbers of the Bonds, and the portions of the Bonds, so to be redeemed, (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Bonds to be redeemed shall cease to bear interest. CUSIP number identification shall accompany all redemption notices. Such notice may set forth any additional information relating to such redemption.

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

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

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

(e) For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Trustee shall provide the notices specified in this Section 4.03 only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the Beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a Beneficial Owner of a Bond (having been mailed notice from the Trustee, a Participant or otherwise) to notify the Beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

ARTICLE V

SOURCE AND APPLICATION OF FUNDS

Section 5.01. **Pledge and Assignment.**

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

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

Section 5.02. **Construction Fund.**

There is hereby created and established with the Trustee a trust fund to be designated "2017 Construction Fund", which shall be funded and from which moneys deposited therein shall be expended in accordance with the provisions of this Section 5.02 and as otherwise

provided in the Loan Agreement, which Construction Fund shall have a Costs of Issuance Account and a Capitalized Interest Account.

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

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

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

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

Section 5.03. **Debt Service Fund.**

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

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

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

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

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

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

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

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

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

Section 5.04. **Rebate Fund.**

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

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

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

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

(d) Upon receipt of the Authority's written direction, the Trustee shall remit part or all of the balance in the Rebate Fund to the United States of America, as so directed. In addition, if the Authority so directs, the Trustee will deposit money into or transfer money out of the Rebate Fund from or into such accounts or funds as directed by the Authority's written directions. Any funds remaining in the Rebate Fund after redemption and payment of the Bonds and payment and satisfaction of any Rebate Amount, or provision made therefor satisfactory to the Trustee, and payment of any amount then owed to the Trustee, shall be withdrawn and remitted to the Borrower.

Notwithstanding any other provision of this Indenture, the obligation to remit Rebate Amounts to the United States of America and to comply with all other requirements of this Section and the Tax Certificate shall survive the defeasance or payment in full of the Bonds.

Any provision hereof to the contrary notwithstanding, amounts credited to the Rebate Fund shall be free and clear of any lien hereunder and the Holders of the Bonds shall not have any claim or right thereto. The provisions concerning the calculation and payment of the required Rebate Amount are set forth in the Tax Certificate.

Section 5.05. **Additional Loan Payments Fund.**

There is hereby created and established with the Trustee a trust fund to be designated "2017 Additional Loan Payments Fund", which shall be funded and expended in accordance with this Section 5.05. It shall be held by the Trustee separate and apart from the other Funds held under this Indenture and shall not be part of the Pledged Property.

In addition to making the deposits and payments required by the preceding sections, the Trustee shall deposit all Additional Loan Payments received pursuant to the terms of Section 2.12 of the Loan Agreement into the Additional Loan Payments Fund and shall pay such fees and expenses for which such Additional Loan Payments were made when due at the written direction of the Authority.

Any provision hereof to the contrary notwithstanding, amounts credited to the Additional Loan Payments Fund shall be free and clear of any lien hereunder and the Holders of the Bonds shall not have any claim or right thereto.

Section 5.06. **Investment of Moneys in Funds.**

(a) Investment. All moneys in any of the Funds and accounts created or established hereunder shall be invested or reinvested by the Trustee in Investment Obligations at the written direction of the Authority. In the event no such direction is given to the Trustee, such moneys shall be invested in shares of an open-end, diversified investment company that is registered under the Investment Company Act of 1940, as amended, and that invests its assets exclusively in obligations of or guaranteed by the United States of America or any instrumentality or agency thereof, and for which the Trustee may or may not act as the investment manager or advisor, as previously designated by the Authority. Moneys shall be invested in Investment Obligations

maturing or redeemable at the written direction of the Authority at the times and in the amounts necessary for the purposes specified in this Indenture. Investment Obligations purchased under a repurchase agreement may be deemed to mature on the date or dates on which the Trustee may deliver such Investment Obligations for repurchase pursuant to such agreement.

All interest, profit and other income received from the investment of moneys in any Fund or account established hereunder shall be deposited when received in such Fund or account. Notwithstanding anything herein to the contrary, an amount of interest received with respect to any Investment Obligation equal to the amount of accrued interest, if any, paid as part of the purchase price of such Investment Obligation shall be credited to the Fund or account for the credit of which such Investment Obligation was acquired.

Pursuant to any written directions from the Authority with respect thereto, from time to time, the Trustee shall sell those investments and reinvest the proceeds therefrom in Investment Obligations maturing or redeemable as aforesaid. Any of those investments may be purchased from or sold to the Trustee, or a Paying Agent, or any bank, trust company, savings and loan association or broker/dealer affiliated with any of the foregoing. The Trustee shall sell or redeem investments credited to the Debt Service Fund as necessary to produce sufficient money applicable hereunder to and at the times required for the purposes of paying interest on, principal or sinking fund payments of or the redemption price of the Bonds when due as aforesaid.

The Trustee may commingle any of the Funds or accounts established pursuant to this Indenture (other than the Rebate Fund) into a separate fund or funds for investment purposes only, provided that all Funds or accounts held by the Trustee hereunder shall be accounted for separately as required by this Indenture.

The Trustee shall not be responsible or liable for any loss or decrease in value of the investments made pursuant this Article V.

(b) Valuation. For the purpose of determining the amount on deposit to the credit of any Fund or account, the value of obligations in which money in such Fund or account shall have been invested shall be computed at the lower of cost or market value, exclusive of accrued interest, with the market value determined by the Trustee and as set forth in statements provided by the Trustee for such purpose.

So long as the Bonds are then Outstanding, the Trustee shall value the Funds and accounts established and held by the Trustee hereunder on June 30 of each year and at such other times as requested by the Authority.

Although the Authority recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Authority agrees that confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered.

Section 5.07. **Moneys to be Held in Trust.**

Except where money has been deposited with or paid to the Trustee pursuant to an instrument restricting its application to particular Bonds, all money required or permitted to be deposited with or paid to the Trustee or any Paying Agent under any provision of this Indenture and the Loan Agreement, and any investments thereof, shall be held by the Trustee (or any of its affiliates) or any Paying Agent in trust for all Bonds. Except for (i) money deposited with or paid to the Trustee or any Paying Agent for the redemption of Bonds, notice of the redemption of which shall have been duly given, and (ii) money in the Rebate Fund, the Project Mortgage Fund and the Additional Loan Payments Fund; all money described in the preceding sentence held by the Trustee or any Paying Agent shall be subject to the lien hereof while so held.

Section 5.08. **Nonpresentment of Bonds.**

In the event any Bonds shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, if moneys sufficient to pay any such Bonds shall have been deposited with the Trustee for the benefit of the Holder thereof, all liability of the Authority to the Holder thereof for the payment of such Bonds shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds, uninvested or invested in non-callable United States Obligations maturing overnight, but in any event without liability for interest thereon, for the benefit of the Holder of such Bonds, which shall thereafter be restricted exclusively to such funds for any claim of whatever nature on its part under this Indenture with respect to such Bonds.

If any Bond or evidence of beneficial ownership of such Bond shall not be presented for payment when the principal thereof becomes due (whether at maturity, by acceleration, upon call for redemption, upon purchase or otherwise), all liability of the Authority to the Holder thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged if funds sufficient to pay such Bond and interest due thereon, if any, are held by the Trustee uninvested for the benefit of the Holder thereof. Thereupon, it shall be the duty of the Trustee to comply with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq*., with respect to such funds. The Holder shall thereafter be restricted exclusively to such funds for any claim of whatever nature on its part under this Indenture or on, or with respect to, such Bond.

Section 5.09. **Project Mortgage Fund.**

The Project Mortgage Fund created pursuant to Section 3.5 of the Loan Agreement shall be held by the Trustee pursuant to this Indenture. It shall be held by the Trustee separate and apart from the other Funds held under this Indenture and shall not be part of the Pledged Property. Moneys shall be deposited in the Project Mortgage Fund, applied to the payment of debt service and returned to the Borrower at the times and as set forth in Section 3.5 of the Loan Agreement. At the written direction of the Borrower or the Authority, the Trustee shall invest all amounts in the Project Mortgage Fund in (i) United States Obligations and (ii) money market funds described in clause (i) of the definition of Investment Obligations. If the investment instructions of the Authority and the Borrower, given pursuant to this Section 5.09, conflict, then the Borrower's instructions shall control.

Any funds remaining in the Project Mortgage Fund after redemption and payment of the Bonds, and payment of any amount then owed to the Trustee, shall be withdrawn and remitted to the Borrower.

Any provision hereof to the contrary notwithstanding, amounts credited to the Project Mortgage Fund shall be free and clear of any lien hereunder and the Holders of the Bonds shall not have any claim or right thereto.

Section 5.10. **Additional Funds, Accounts and Sub-accounts.**

The Trustee shall establish any additional Funds, accounts or sub-accounts within any Fund as directed by the Authority, in writing.

ARTICLE VI

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 6.01. **Payment of Principal, Redemption Premium, if any, and Interest.**

Except as permitted herein, the Authority covenants that it will promptly pay, or cause to be paid, the principal of, redemption premium (if any) and interest on the Bonds, at the places, on the dates and in the manner provided herein and in the Bonds, according to the true intent and meaning thereof, but only from the Pledged Property. The Authority further covenants that it will faithfully perform at all times all of its covenants, undertakings and agreements contained in this Indenture, the Loan Agreement, in the Bonds or in any proceedings of the Authority pertaining thereto. The Authority represents and warrants that it is duly authorized under the Constitution and laws of the State, particularly the Act, to issue the Bonds and to enter into this Indenture and the Loan Agreement and to pledge the Pledged Property in the manner and to the extent herein set forth; that all action on its part for the issuance of the Bonds initially issued hereunder and the adoption of this Indenture has been duly and effectively taken; and that the Bonds in the hands of the Holders thereof are and will be valid and enforceable, special and limited obligations of the Authority according to their terms.

The Bonds shall not be general obligations of the Authority but special and limited obligations payable solely from the Pledged Property. No Holder of any Bonds has the right to compel any exercise of taxing power (if any) of the State or of any political subdivision thereof, including the Authority, to pay the Bonds or the interest thereon, and the Bonds do not constitute an indebtedness or a loan of credit of the State or of any political subdivision thereof, including the Authority, within the meaning of any constitutional or statutory provisions. The Authority has no taxing power.

Section 6.02. **Extension of Payment of Bonds.**

The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon that shall not have been so extended. Nothing in this Section 6.02 shall be deemed to limit the right of the Authority to issue bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 6.03. **Against Encumbrances.**

Except as permitted herein, the Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves

the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Act, and reserves the right to issue other obligations for such purposes.

Section 6.04. **Power to Issue Bonds and Make Pledge and Assignment.**

The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under this Indenture in the manner and to the extent provided in this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding special and limited obligations of the Authority in accordance with their terms, and the Authority and Trustee shall at all times, to the extent permitted by law, defend, preserve and protect said pledge and assignment of Revenues and other assets and all the rights of the Bondholders under this Indenture against all claims and demands of all persons whomsoever.

Section 6.05. **Accounting Records and Financial Statements.**

(a) The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with the Trustee's accounting practices for books of record and account relating to similar trust accounts, in which complete and accurate entries shall be made of all transactions relating to the proceeds of the Bonds, the Revenues, the Loan Agreement and all Funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority, the Borrower and any Bondholder, or his agent or representative duly authorized in writing, at reasonable hours and under reasonable circumstances.

(b) The Trustee shall file and furnish on or before the fifteenth (15th) day of each month to the Authority, the Borrower and each Bondholder who shall have filed his or her name and address with the Trustee for such purpose a complete financial statement (which need not be audited) covering receipts, disbursements, allocation and application of Revenues and any other moneys (including proceeds of the Bonds) in any of the Funds and accounts established pursuant to this Indenture for the preceding month.

Section 6.06. **Tax Covenants.**

The Authority shall at all times do and perform all acts and things required by law and require the Borrower at all times to do and perform all acts and things required by law and this Indenture that are necessary or desirable in order to assure that interest paid on the Bonds will be excluded from gross income for purposes of federal income taxes and shall neither take action nor permit any other person to take any action that would result in such interest not being excluded from gross income for federal income tax purposes.

Section 6.07. **Waiver of Laws.**

The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in this Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

Section 6.08. **Continuing Disclosure.**

Pursuant to Section 3.8 of the Loan Agreement, the Borrower has covenanted to comply with and carry out all of the provisions of a disclosure agreement with respect to the Bonds that complies with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission (as amended from time to time, the "*Rule*"), in form and substance satisfactory to the Participating Underwriters (as defined in the Rule). Notwithstanding any other provision of this Indenture, failure of the Borrower to enter into and comply with such a disclosure agreement shall not be considered an Event of Default; *however*, any Bondholder or beneficial owner may, and the Trustee, at the written request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Borrower to comply with its obligations under Section 3.8 of the Loan Agreement.

ARTICLE VII

DEFAULT PROVISIONS AND REMEDIES.

Section 7.01. **Events of Default; Defaults.**

The occurrence of any one or more of the following events shall constitute an "*Event of Default*" hereunder:

(a) failure to pay interest on any Bond when due and payable;

(b) failure to pay any principal of or redemption premium on any Bond when due and payable, whether at stated maturity or pursuant to any redemption requirement under Section 4.01 hereof;

(c) failure by the Authority to observe or perform any other covenant, condition or agreement on its part to be observed or performed in this Indenture or the Bonds, for a period of thirty (30) days after written notice of such failure shall have been given to the Borrower and the Authority by the Trustee; *provided*, *however*, that if such observance or performance requires work to be done, actions to be taken or conditions to be remedied that by its or their nature cannot reasonably be done, taken or remedied, as the case may be, within such 30-day period, no Event of Default under this subsection (c) shall be deemed to have occurred or to exist if and so long as the Authority or the Borrower, as the case may be, shall have commenced such work, action or remediation within such 30-day period and provided written notice thereof to the Trustee and shall diligently and continuously prosecute the same to completion; and

(d) the occurrence of an Event of Default under the Loan Agreement as defined in Section 2.5 thereof, which Event of Default has not been waived pursuant to Section 7.08 hereof.

Within five (5) Business Days after actual knowledge by a Responsible Officer of the Trustee of an Event of Default, the Trustee shall give written notice, by registered or certified mail, to the Authority, the Borrower and the Bondholders and, upon notice as provided in Section 8.01(h) hereof, shall give similar notice of any other Event of Default.

Section 7.02. **Acceleration.**

Upon the occurrence of any Event of Default known to a Responsible Officer of the Trustee, the Trustee shall declare all Bonds then Outstanding to be due and payable immediately, and, upon such declaration, all principal and interest accrued thereon shall become immediately due and payable, and there shall be an automatic corresponding acceleration of the Borrower's obligation to make all payments required to be made under the Loan Agreement and the Mortgage Note in an amount sufficient to pay immediately all principal of and accrued and unpaid interest on the accelerated Bonds. Interest shall accrue on the Bonds to the date of payment (even if after the date of acceleration).

The provisions of the preceding paragraph, however, are subject to the condition that if, after the principal of the Bonds shall have been so declared to be due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, there shall be deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all Bonds and the principal of any and all Bonds that shall have become due otherwise than by reason of such declaration and such amount as shall be sufficient to cover reasonable compensation and reimbursement of expenses payable to the Trustee and each Paying Agent, and all Events of Default hereunder other than nonpayment of the principal of Bonds that shall have become due by such declaration shall have been remedied, then, in every such case, such Event of Default shall be deemed waived and such declaration and its consequences rescinded or annulled, and the Trustee shall promptly give written notice of such waiver, rescission or annulment to the Authority, each Paying Agent and the Borrower and shall give notice thereof to all Holders of Outstanding Bonds; but no such waiver, rescission or annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Section 7.03. **Other Remedies; Rights of Bondholders.**

Upon the continuance of an Event of Default, if so requested, in writing, by a Majority of the Bondholders, and if satisfactory indemnity has been furnished to it, the Trustee shall exercise such of the rights and powers conferred by this Indenture, the Borrower Security Instruments or any other Basic Agreement as the Trustee, being advised by counsel, shall deem most effective to enforce and protect the interests of the Bondholders; *provided*, that the Trustee may take action with respect to the Loan Agreement and the Mortgage Note only to enforce the rights expressly and specifically assigned to the Trustee under Section 5.01 of this Indenture.

No remedy under this Indenture is intended to be exclusive and, to the extent permitted by law, each remedy shall be cumulative and in addition to any other remedy hereunder or now or hereafter existing. No delay or omission to exercise any right or power shall impair such right or power or constitute a waiver of any Default or Event of Default or acquiescence therein; and each such right and power may be exercised as often as deemed expedient. No waiver by the Trustee or the Bondholders of any Default or Event of Default shall extend to any subsequent Default or Event of Default.

Section 7.04. **Right of Bondholders to Direct Proceedings.**

A Majority of the Bondholders shall have the right at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, the Borrower Security Instruments or any other Basic Agreement or for the appointment of a receiver or any other proceedings hereunder or thereunder; *provided*, that such direction shall be in accordance with applicable law and this Indenture and, if applicable, the Borrower Security Instruments or such other Basic Agreement, and provided that the Trustee shall be indemnified to its satisfaction.

Section 7.05. **Application of Moneys.**

All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses (including reasonable attorneys' fees and expenses), liabilities and advances owing to or incurred or made by the Trustee, be deposited in the Debt Service Fund, and the moneys in the Debt Service Fund shall be applied as follows:

(a) Unless the principal of all the Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied in the following order of priority:

(A) – To the payment to the Persons entitled thereto of all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest (with interest on overdue installments of such interest, to the extent permitted by law, at the rate of interest borne by the Bonds) and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

(B) – To the payment to the Persons entitled thereto of the unpaid principal of and redemption premium, if any, on any of the Bonds that shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture) (with interest on overdue installments of principal and redemption premium, if any, to the extent permitted by law, at the rate of interest borne by the Bonds) and, if the amount available shall not be sufficient to pay in full all Bonds due on any particular date, then to the payment ratably, according to the amount of principal due on such date, to the Persons entitled thereto without any discrimination or privilege; and

(C) – To the payment to the Persons entitled thereto as the same shall become due of the principal of and redemption premium, if any, and interest on the Bonds that may thereafter become due and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with interest and redemption premium, if any, then due and owing thereon, payment shall be made ratably, according to the amount of interest, principal and redemption premium, if any, due on such date, to the Persons entitled thereto without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due, respectively, for principal and interest, to the Persons entitled thereto without any discrimination or privilege, with interest on overdue installments of interest or principal, to the extent permitted by law, at the rate of interest borne by the Bonds.

(c) If the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article VII, then, subject to the provisions of paragraph (b) above, in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) above.

Whenever moneys are to be applied pursuant to the provisions of this Section 7.05, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue; *provided*, that upon an acceleration of Bonds pursuant to Section 7.02 hereof, interest shall cease to accrue on the Bonds on and after the date of actual payment. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date, and shall not be required to make payment to the owner of any Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 7.06. **Remedies Vested in Trustee.**

All rights of action (including the right to file proof of claims) under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Bondholders, and any recovery of judgment shall be for the equal and ratable benefit of the Holders of the Outstanding Bonds.

Section 7.07. **Rights and Remedies of Bondholders.**

No Bondholder shall have any right to institute any proceeding for the enforcement of this Indenture or any right or remedy granted hereby unless (i) an Event of Default is continuing, (ii) a Responsible Officer of the Trustee is deemed to have notice or knowledge thereof or has been notified as provided in Section 8.01(h) hereof, (iii) a Majority of the Bondholders shall have made written request to the Trustee and shall have afforded the Trustee reasonable opportunity to exercise its powers or to institute such proceeding in its own name, and have offered to the Trustee indemnity satisfactory to it, and (iv) the Trustee shall have failed or refused to exercise its power or to institute such proceeding. Such notice, request, offer of indemnity and failure or refusal shall, at the option of the Trustee, be conditions precedent to the execution of the powers and trusts of this Indenture and to any action for the enforcement of this Indenture or of any right or remedy granted hereby; the Holders of the Bonds shall have no right to affect or prejudice the lien of this Indenture by their action or to enforce any right hereunder except in the manner herein provided and proceedings shall be instituted and maintained in the manner herein provided and for the benefit of the Holders of all Bonds then Outstanding. Notwithstanding the foregoing, each Bondholder shall have a right of action to enforce the payment of the principal of and redemption premium, if any, and interest on any Bond held by it at and after the maturity thereof, from the sources and in the manner expressed in such Bond.

Section 7.08. **Waivers of Events of Default.**

The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of principal upon the written request of the Holders of (1) at least a majority in aggregate principal amount of all Outstanding Bonds in respect of which default in the payment of principal or interest, or both, exists or (2) at least a majority in aggregate principal amount of all Outstanding Bonds in the case of any other Event of Default; *provided*, that there shall not be waived any Event of Default specified in subsection (a) or (b) of Section 7.01 hereof unless, prior to such waiver or rescission, the Borrower shall have caused to be paid to the Trustee (i) all arrears of principal and interest (other than principal of or interest on the Bonds that became due and payable by declaration of acceleration), with interest at the rate then borne by the Bonds on overdue installments, to the extent permitted by law, and (ii) all expenses of the Trustee in connection with such Event of Default. In case of any waiver or rescission described above, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or concluded or determined adversely, then and in every such case the Authority, the Trustee and the Holders of Bonds shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default or impair any right consequent thereon.

Section 7.09. **Intervention by Trustee.**

In any judicial proceeding that the Trustee believes has a substantial bearing on the interests of the Bondholders, the Trustee may intervene on behalf of the Bondholders.

Section 7.10. **Remedies of Authority on Event of Default.**

Upon the occurrence and continuance of an Event of Default, the Authority or the Trustee shall not be required to take any action that, in its opinion, might cause it to expend time or money or otherwise incur any liability unless satisfactory indemnity has been furnished to it.

ARTICLE VIII

THE TRUSTEE

Section 8.01. **Acceptance of Trusts.**

The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of a Default and after the curing of all Defaults that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and the Loan Agreement. In case a Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in the exercise of such rights and powers as an ordinary, prudent trustee would exercise or use in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, but shall not be answerable for the conduct of the same if appointed with due care, and the Trustee shall be entitled to advice of counsel concerning its duties hereunder and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of any attorney (who may be the attorney or attorneys for the Authority or the Borrower) selected by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or inaction taken or not taken, as the case may be, in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except with respect to the certificate of authentication endorsed on the Bonds), or for insuring the Project Facilities, or for collecting any insurance moneys, or for the validity of the execution by the Authority of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the Project Facilities or any lien waivers with respect to the Project Facilities, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Borrower under the Loan Agreement except as hereinafter set forth; but the Trustee may require of the Authority and the Borrower full information and advice as to the performance of the aforesaid covenants, conditions and agreements. The Trustee shall have no obligation to perform any of the duties of the Authority under the Loan Agreement.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the owner of Bonds secured hereby with the same rights that it would have if not the Trustee hereunder.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to conclusively rely upon a certificate signed by an Authorized Officer or an Borrower Representative as sufficient evidence of the facts therein contained and prior to the occurrence of a Default of which the Trustee has been notified as provided in Section 8.01(h) hereof, or of which by said subsection the Trustee is deemed to have notice, and shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Authorized Officer to the effect that a resolution in the form therein set forth has been adopted by the Authority as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Default hereunder except for Defaults specified in subsection (a) or (b) of Section 7.01 hereof, unless a Responsible Officer of the Trustee shall be specifically notified in writing at its Principal Office of such Default by the Authority or by the Holders of at least 50% in aggregate principal amount of Outstanding Bonds, and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be received by a Responsible Officer at the Principal Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Default except as aforesaid.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books and records of the Authority pertaining to the Bonds and to make such copies and memoranda from and with regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of this Indenture or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a

condition of such action, deemed desirable by the Trustee for the purpose of establishing the right of the Authority to the authentication of any Bonds, the withdrawal of any cash, the release of any property or the taking of any other action.

(l) Before taking any action under this Indenture or under the Loan Agreement (other than accelerating the Bonds as required under Section 7.02 hereof and paying the principal of, redemption premium (if any) and interest on the Bonds as the same shall become due and payable), the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of any expenses to which it may be put and to protect it against all liability, except liability that is adjudicated to have resulted from its negligence or willful misconduct in connection with any such action.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent otherwise required herein or required by law.

(n) The Trustee's immunities and protections from liability and its right to compensation and indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents and employees. Notwithstanding anything else contained herein or in any other document or instrument executed by or on behalf of the Trustee in connection herewith, no stipulation, covenant, agreement or obligation contained herein or therein shall be deemed or construed to be a stipulation, covenant, agreement or obligation of any present or future officer, director, employee or agent of the Trustee in any such person's individual capacity, and no such person, in his individual capacity, shall be liable personally for any breach or non-observance of or for any failure to perform, fulfill or comply with any such stipulation, covenant, agreement or obligation. All immunities and protections and rights to indemnification of the Trustee and its officers, directors, employees and agents, together with the Trustee's rights to compensation, shall survive the Trustee's resignation or removal and final payment of the Bonds.

(o) Notwithstanding anything else herein contained, (i) the Trustee shall not be liable for any error or judgment made in good faith unless it is proven that the Trustee was negligent in ascertaining the pertinent facts, and (ii) no provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it believes the repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(p) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Holders of the Bonds, each representing less than a majority in aggregate principal amount of the Bonds Outstanding, the Trustee, in its sole discretion, may determine what action, if any, shall be taken.

(q) The Trustee shall have no responsibility for any registration, filing, recording, registration, refiling or rerecording of this Indenture or any other document or instrument executed in connection with this Indenture and the issuance and sale of the Bonds,

including, without limitation, any financing statements or continuation statements with respect thereto.

(r) To the extent that it is necessary for the Trustee to determine whether any Person is a Beneficial Owner, the Trustee shall make such determination based on a certification of such Person (on which the Trustee may conclusively rely) setting forth in satisfactory detail the principal balance and Bond certificate owned and any intermediaries through which such Bond certificate is held. The Trustee shall be entitled to rely conclusively on information it receives from DTC or other applicable Securities Depository, its direct participants and the indirect participating brokerage firms for such participants with respect to the identity of a Beneficial Owner. The Trustee shall not be deemed to have actual or constructive knowledge of the books and records of DTC or its participants.

(s) The Trustee shall have no obligation or duty to review any financial statements (audited or otherwise) filed with it and shall not be deemed to have notice of the content of such statements or a default based on such content and shall have no obligation or duty to verify the accuracy of such statements.

(t) The Trustee shall have no responsibility with respect to any information in any offering memorandum or document or disclosure material relating to the Bonds or for compliance with securities laws in connection with the issuance and sale of the Bonds.

(u) To the extent the Mortgage is assigned to the Trustee by the Authority, the Trustee shall not be required to foreclose on the Mortgage unless indemnified to its satisfaction and shall not be required to foreclose if doing so will subject it to environmental liability or if it will require the approval of a governmental regulator that cannot be obtained.

Section 8.02. **Successor Trustee.**

Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Trustee hereunder and vested with all of the title to the Pledged Property and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.03. **Resignation by Trustee; Removal.**

The Trustee may at any time resign from the trusts hereby created by giving sixty (60) days' written notice to the Authority, to the Borrower and to each Bondholder, but such resignation shall not take effect until the appointment of a successor Trustee, acceptance by the successor Trustee of such trusts and assignment to such successor Trustee of the rights of the predecessor Trustee under the Borrower Security Instruments. The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Trustee, the Authority and the Borrower and signed by the Authority or a Majority of the Bondholders, but such removal shall not take effect until the appointment of a successor Trustee and acceptance by the successor Trustee of such trusts. The Trustee may also be removed at any time for any breach of trust, or for acting or proceeding in violation of, or for failing to act or proceed in accordance with, any provision of this Indenture or any other Basic Agreement with respect to the duties and obligations of the Trustee, by any State court of competent jurisdiction upon the application of the Authority, the Borrower or a Majority of the Bondholders.

Section 8.04. **Appointment of Successor Trustee.**

If the Trustee hereunder shall resign or be removed, or be dissolved, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor shall be appointed by the Authority with the consent of the Borrower. If the Authority does not appoint a successor Trustee within sixty (60) days of the Trustee providing notice of its resignation, the Trustee may petition a State court of competent jurisdiction to appoint a successor Trustee. At any time within one (1) year after any such vacancy shall have occurred and provided a court has not appointed a successor Trustee as provided above, a Majority of the Bondholders may appoint a successor Trustee by an instrument or concurrent instruments in writing signed by or on behalf of such Holders, which appointment shall supersede any Trustee theretofore appointed by the Authority. Each successor Trustee shall be a trust company or bank having the powers of a trust company that is in good standing and has a reported capital, surplus and undivided profits of not less than $100,000,000. Any such successor Trustee shall become Trustee upon giving notice to the Borrower, the Authority and the Bondholders, if any, of its acceptance of the appointment, vested with all the property, rights and powers of the Trustee hereunder, without any further act or conveyance. Any predecessor Trustee shall execute, deliver and record and file such instruments as the Trustee may reasonably require to confirm or perfect any such succession.

Section 8.05. **Dealing in Bonds.**

The Trustee and any of its directors, officers, employees or agents may become the owners of any or all of the Bonds secured hereby with the same rights as if such owner were not the Trustee or an affiliate of the Trustee.

Section 8.06. **Trustee as Bond Registrar; List of Bondholders.**

The Trustee is hereby designated as bond registrar for the Bonds and, as such, will keep on file a list of names and addresses of the Holders of all Bonds; *provided*, *however*, that the Trustee shall be under no responsibility with regard to the accuracy of the address of any Bondholder. At reasonable times and under reasonable regulations established by the Trustee, such list may be inspected and copied by the Authority or by owners (or a designated representative thereof) of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 8.07. **Successor Trustee as Custodian of Funds, Bond Registrar and Paying Agent.**

In the event of a change in the office of Trustee, the predecessor Trustee that has resigned or been removed shall cease to be custodian of any funds it may hold pursuant to this Indenture, and cease to be the bond registrar and Paying Agent for any of the Bonds, and the successor Trustee shall become such custodian, bond registrar and Paying Agent.

Section 8.08. **Adoption of Authentication.**

In case any Bonds shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of the predecessor Trustee and deliver the Bonds as so authenticated.

Section 8.09. **Designation and Succession of Paying Agents.**

After thirty (30) days' written notice to the Authority and subject to the Authority's approval (which shall not unreasonably be withheld or delayed), the Trustee may designate any other banks or trust companies as Paying Agent. Any bank or trust company with or into which any Paying Agent other than the Trustee may be merged or consolidated, or to which the assets and business of such Paying Agent may be sold, shall be deemed the successor to such Paying Agent for the purposes of this Indenture. If the position of such Paying Agent shall become vacant for any reason, the Trustee shall, within thirty (30) days thereafter, appoint a bank or trust company located in the same state as such Paying Agent to fill such vacancy, subject to the Authority's approval (which shall not unreasonably be withheld or delayed). The Paying Agents shall enjoy the same protective provisions in the performance of their duties hereunder as are specified in Section 8.01 hereof with respect to the Trustee, insofar as such provisions may be applicable.

Section 8.10. **Trustee to Retain Information; No Responsibility.**

So long as any of the Bonds shall be Outstanding, the Trustee shall retain all certificates, all financial statements and all other written information furnished to it by or on behalf of the Authority, the Borrower or any other Person under this Indenture, the Loan Agreement and the other Basic Agreements and shall make such documentation available for review after reasonable notice during regular business hours at the Principal Office of the Trustee to the Authority, the Borrower and any Bondholder and, so long as the Bonds are held by DTC or other Securities Depository or its nominee, any Beneficial Owner of Bonds presenting evidence of such ownership reasonably satisfactory to the Trustee. The Trustee shall permit such reviewers to take copies of all or any part of such documentation, subject to their payment of such reasonable copying and handling charges as the Trustee may impose. Unless otherwise expressly provided, the Trustee shall not have any responsibility with respect to any such reports, notices, certificates, financial statements and other written information furnished to it hereunder, except to make them available for inspection at reasonable times as provided above.

Section 8.11. **Certain Notices to Rating Agencies and Bondholders.**

The Trustee shall give or cause to be given to each Rating Agency then rating the Bonds notice of (i) any change in the identity of the Trustee, (ii) any amendment to this Indenture, (iii) any optional redemption, mandatory redemption (other than scheduled redemptions), defeasance or acceleration of Bonds, and (iv) the occurrence of any Event of Default under this Indenture. For the purpose of this paragraph, the addresses of the Rating Agencies shall be the following (or in each case such other address as the Rating Agency has specified to the parties hereto):

Moody's Investors Service, Inc.
7 World Trade Center at 250 Greenwich Street
Municipal Structured Product Group – 23rd Floor
New York, New York 10007
Fax: 212-553-1066
MSPGSurveillanceGroup@Moodys.com

S&P Global Ratings
55 Water Street – 38th Floor
New York, New York 10041
Attention: Public Finance Department Structured Finance Group

Fitch Ratings
One State Street Plaza
New York, New York 10004
Attention: Municipal Structured Finance

Section 8.12. **Compensation and Indemnification.**

The Authority shall pay to the Trustee (solely from Additional Loan Payments) from time to time reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements, and those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of Article VII hereof shall first be applied to payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses (including reasonable attorneys' fees and expenses), liabilities and advances owing to or incurred or made by the Trustee and, thereafter, shall be deposited and applied as set forth in Section 7.05 hereof.

No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of its rights or powers, if it has not received the agreed compensation for such services or, in cases where the Trustee has a right to reimbursement or indemnification for such performance or exercise, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Authority hereby agrees, to the extent permitted by law, to reimburse and hold harmless the Trustee from and against any and all claims, damages, losses, liabilities, costs or reasonable expenses whatsoever that the Trustee may incur in connection with the performance by the Trustee of its obligations under this Indenture; *provided*, *however*, that the Authority shall not be required to reimburse and hold harmless the Trustee for any claims, damages, losses, liabilities, costs or expenses caused in whole or in part by the Trustee's negligence or willful misconduct arising out of or as a result of the Trustee's performing its obligations hereunder or undertaking any transaction contemplated hereby; and *further provided*, that the foregoing is subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 *et seq*., and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq*. While the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq*., is not applicable by its terms to claims arising under contracts with the Authority, the Trustee, by accepting its appointment as such hereunder, agrees that such statute (except N.J.S.A. 59:13-9) shall be applicable to all claims against the Authority arising under this Section 8.12.

The Trustee, by accepting its appointment as such under this Indenture, agrees that the Trustee (i) shall give the Authority prompt notice in writing of any actual or potential claim described above, and the institution of any suit or action; (ii) shall not adjust, settle or compromise any such claim, suit or action without the consent of the Authority; and (iii) shall permit the Authority, at the Authority's sole discretion, to assume full control of the adjustment, settlement, compromise or defense of each such claim, suit or action.

ARTICLE IX

SUPPLEMENTAL INDENTURES AND WAIVERS; AMENDMENT OF LOAN AGREEMENT

Section 9.01. **Supplemental Indentures Not Requiring Consent of Bondholders.**

The Authority and the Trustee may, without consent of, or notice to, any of the Bondholders, enter into an indenture or indentures supplemental to this Indenture if Bond Counsel delivers an opinion that the provisions of such supplemental indenture do not materially adversely affect the interests of the Bondholders, including, without limitation, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Indenture;

(b) to grant to or confer upon the Trustee for the benefit of the Bondholders any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bondholders or the Trustee;

(c) to subject to this Indenture additional revenues, properties or collateral;

(d) to modify, amend or supplement this Indenture or any indenture supplemental hereof in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of any of the states of the United States of America;

(e) to evidence the appointment of a successor Trustee or a new Trustee hereunder;

(f) to correct any description of, or to reflect changes in, any of the properties comprising the Pledged Property;

(g) to make any revisions of this Indenture that shall be required by Moody's, Fitch or S&P in order to obtain or maintain an investment grade rating on the Bonds;

(h) to provide for an uncertificated system of registering the Bonds or to provide for changes to or from the book-entry system;

(i) to effect any other change herein that, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders; or

(j) to conform to the terms and provisions of a Swap Agreement that is to be secured on parity with the Bonds.

In the event any Rating Agency has issued a rating that is outstanding on any of the Bonds, such Rating Agency or Rating Agencies, as the case may be, shall receive prior written notice from the Trustee of the proposed amendment, but such notice shall not be a condition of the effectiveness of such amendment.

Section 9.02. **Supplemental Indentures Requiring Consent of Bondholders.**

Exclusive of supplemental indentures permitted by Section 9.01 hereof and subject to the terms and provisions contained in this Section 9.02, and not otherwise, the owners of not less than a majority in aggregate principal amount of the Outstanding Bonds shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, to consent to and approve the execution by the Authority and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture; *provided*, *however*, that nothing in this Section 9.02 or in Section 9.01 hereof contained shall permit, or be construed as permitting, (a) an extension of the maturity of the principal of, or the interest on, any Bond issued hereunder, or (b) a reduction in the principal amount of, or redemption premium on, any Bond or the rate of interest thereon, or (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (d) a reduction in the aggregate principal amount of the Bonds required for consent to such supplemental indentures or any modifications or waivers of the provisions of this Indenture or the Loan Agreement, or (e) the creation of any lien ranking prior to or on a parity with the lien of this Indenture on the Pledged Property or any part thereof, except as hereinbefore expressly permitted, or (f) the deprivation of the owner of any Outstanding Bond of the lien hereby created on the Pledged Property, or (g) an extension of the date for making any scheduled mandatory redemption under Section 4.01(c) hereof.

If at any time the Authority shall request the Trustee, in writing, to enter into any such supplemental indenture for any of the purposes of this Section 9.02, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be given to the Bondholders in the same manner as provided in Section 4.03 of this Indenture for the giving of notices of redemption; *provided*, that prior to the delivery of such notice, the Trustee shall receive a Favorable Opinion of Bond Counsel to the effect that the supplemental indenture complies with the provisions of this Indenture and will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondholders. If, within sixty (60) days or such longer period as shall be prescribed by the Authority following such notice, the Holders of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Bondholder shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section 9.02 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

In the event S&P, Fitch or Moody's has issued a rating of any of the Bonds, the Trustee shall mail to each such Rating Agency prior written notice of the proposed amendment, but such notice shall not be a condition of the effectiveness of such amendment.

Section 9.03. **Borrower Consent.**

Anything herein to the contrary notwithstanding, a supplemental indenture under this Article IX shall not become effective unless and until the Borrower shall have consented to the execution and delivery of such supplemental indenture. In this regard, the Trustee shall cause notice of the proposed execution of any such supplemental indenture together with a copy of the proposed supplemental indenture to be mailed to the Borrower at least fifteen (15) Business Days prior to the proposed date of execution and delivery of any such supplemental indenture.

Section 9.04. **Opinion of Counsel.**

The Trustee and the Authority shall be entitled to receive, and shall be fully protected in conclusively relying upon, the opinion of any counsel approved by it, who may be counsel for the Authority, as conclusive evidence that a proposed supplemental indenture complies with the provisions of this Indenture, and that it is proper for the Trustee and the Authority, respectively, under the provisions of this Article IX, to join in the execution of such supplemental indenture.

Section 9.05. **Modification by Unanimous Consent.**

Notwithstanding anything contained elsewhere in this Indenture, the rights and obligations of the Borrower, the Authority, the Trustee and the Holders of the Bonds and the terms and provisions of the Bonds and this Indenture, any other Basic Agreement or any supplemental agreement may be modified or altered in any respect with the consent of the Borrower, the Authority, the Trustee and the Holders of all of the Bonds then Outstanding.

Section 9.06. **Execution of Amendments and Supplements by Trustee.**

The Trustee shall not be obligated to sign any amendment or supplement to this Indenture, the Loan Agreement or the Bonds pursuant to this Article IX if the amendment or supplement, in the judgment of the Trustee, could adversely affect the rights, duties, liabilities, protections, privileges, indemnities or immunities of the Trustee. In signing an amendment or supplement, the Trustee (subject to Section 8.01 hereof) shall be fully protected in conclusively relying on a Favorable Opinion of Bond Counsel stating that such amendment or supplement is authorized by this Indenture and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds.

Section 9.07. **Amendments to Loan Agreement Not Requiring Consent of Bondholders.**

The Authority and the Trustee may, without the consent of or notice to the Bondholders, consent to any amendment, change or modification of the Loan Agreement as may be required or permitted (i) by the provisions of the Loan Agreement, (ii) for the purpose of curing any ambiguity or formal defect or omission in the Loan Agreement, (iii) so as to more precisely identify the Project Facilities, (iv) to enter into an indenture or indentures supplemental hereto as

provided in Section 9.01 hereof, (v) to make any revisions that shall be required by a Rating Agency in order to obtain or maintain an investment grade rating on the Bonds, or (vi) in connection with any other change therein that, in the judgment of the Trustee, is not to the prejudice of the Trustee or the Bondholders.

Section 9.08. **Amendments to Loan Agreement Requiring Consent of Bondholders.**

Except for the amendments, changes or modifications as provided in Section 9.07 hereof, neither the Authority nor the Trustee shall consent to any other amendment, change or modification of the Loan Agreement without mailing of notice and the written approval or consent of the Holders of not less than a majority in aggregate principal amount of the Outstanding Bonds; *provided*, that the written consent of the Holders of all Bonds Outstanding is required for any amendment, change or modification of the Loan Agreement that would permit the termination or cancellation of the Loan Agreement or a reduction in or postponement of the payments under the Loan Agreement or any change in the provisions relating to payment thereunder, except as provided in Section 9.01 hereof. If at any time the Authority and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Loan Agreement, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided by Section 9.02 hereof with respect to supplemental indentures; *provided*, that prior to the delivery of such notice or request, the Trustee or the Authority may require that a Favorable Opinion of Bond Counsel be furnished to the effect that such amendment, change or modification complies with the provisions of this Indenture and will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. Such notice shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the Principal Office of the Trustee for inspection by all Bondholders.

ARTICLE X

MISCELLANEOUS

Section 10.01. **Consents, etc., of Bondholders.**

Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by the Bondholders may be in any number of concurrent documents and may be executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the written appointment of any such agent or of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument. The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by an officer authorized by law to take acknowledgments of deeds certifying that the Person signing such instrument or writing acknowledged to him the execution thereof. The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of owning the same shall be proved by the registration books of the Authority maintained by the Trustee pursuant to Section 3.05 hereof. The fact of beneficial ownership of Bonds in book-entry form, when required, shall be determined as provided in Section 8.01(r).

Section 10.02. **Limitation of Rights.**

With the exception of any rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person or company, other than the parties hereto and the Bondholders, any legal or equitable right, remedy or claim under or with respect to this Indenture or any covenants, conditions and provisions herein contained; this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and the Bondholders as herein provided.

Section 10.03. **Severability.**

If any provision of this Indenture shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 10.04. **Notices.**

All notices, certificates or other communications hereunder shall be sufficiently given and, except as provided in Section 8.01(h) hereof, shall be deemed to be delivered if in writing or in the form of a facsimile addressed to the appropriate Notice Address and if either (a) actually delivered at said address or (b) in the case of a letter, three (3) Business Days shall have elapsed after the same shall have been deposited in the United States mail, first-class postage prepaid and registered or certified. A copy of each notice, certificate or other communication given by any party hereto shall also be given to the other party hereto and to the Borrower in the manner provided for in this Section 10.04.

A duplicate copy of each notice required to be given hereunder by any Person listed above shall also be given to the others. The Authority, the Borrower and the Trustee may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Unless expressly set forth herein, all notices, certificates or other communications hereunder shall be in writing.

The Trustee agrees to accept and act upon instructions or directions ("*Instructions*") given pursuant to this Indenture and the Loan Agreement and delivered using Electronic Means (as defined below); *provided*, *however*, that the Authority or the Borrower (collectively, the "*Sender*") shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("*Authorized Officers*") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Sender whenever a person is to be added or deleted from the listing. If the Sender elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Sender understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Sender shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Sender and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Sender. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions, notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Sender agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including, without limitation, the risk of the Trustee acting on unauthorized Instructions and the risk of interception and misuse by third-parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Sender; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. "*Electronic Means*" shall mean the following communication methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee or another method or system specified by the Trustee as available for use in connection with its services hereunder.

Section 10.05. **Payments Due on Saturdays, Sundays and Holidays.**

In any case where a Payment Date is not a Business Day, then payment of interest or principal and any redemption premium due on the Bonds on such day need not be made by the Trustee on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the Payment Date.

Section 10.06. **Extent of Authority Covenants; No Personal Liability.**

No covenant, stipulation, obligation or agreement of the Authority contained in this Indenture or any other Basic Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, director, officer, employee, counsel or agent of the Authority in his or her individual capacity; and no such person (including any such person executing the Bonds) shall be liable personally on the Bonds or be subject to any personal liability by reason of their issuance. No recourse shall be had by the Borrower, the Trustee or any Bondholder for any claim based on any Basic Agreement against any member, director, officer, employee, counsel or agent of the Authority alleging personal liability on the part of such person unless such claim is based upon the willful dishonesty of or intentional violation of law by such person.

Section 10.07. **Bonds Owned by Authority or Borrower.**

In determining whether Holders of the requisite aggregate principal amount of the Bonds have concurred in any direction, consent or waiver under this Indenture or any other Basic Agreement, Bonds that are owned by the Authority or the Borrower (unless one or more of such Persons own all of the Bonds that are then Outstanding, determined without regard to this Section 10.07) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only Bonds that the Trustee knows are so owned shall be so disregarded. Bonds so owned that have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Authority or the Borrower (unless one or more of such Persons own all of the Bonds that are then Outstanding, determined without regard to this Section 10.07). In case of a dispute as to such right, any decision by the Trustee taken in good faith upon the advice of counsel shall be full protection to the Trustee in accordance with its standards of performance hereunder.

Section 10.08. **Captions; Index.**

The captions, headings and index in this Indenture are for convenience only and in no way define or describe the scope or content of any provision of this Indenture.

Section 10.09. **Counterparts.**

This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

Section 10.10. **Governing Law.**

This Indenture and the Bonds shall be governed by the laws of the State.

Section 10.11. **Compliance With Certain State Law Provisions.**

(a) In accordance with L. 2005, c. 92, the Trustee covenants and agrees that all services performed under this Indenture and any supplemental indenture shall be performed within the United States of America.

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

(c) The Trustee represents and warrants that all information, certifications and disclosure statements previously provided in connection with L. 2005, c. 51, are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority has relied upon the truth of the statements contained therein in engaging the Trustee in connection with the Bonds. The Trustee agrees that it will maintain continued compliance with L. 2005, c. 51, and any regulations pertaining thereto. The Trustee acknowledges that, upon its failure to make required filings thereunder or the making of a contribution prohibited thereunder, the Authority may remove the Trustee as trustee under this Indenture and may exercise any remedies afforded to it at law or in equity.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, each of the Authority and the Trustee has caused this Indenture to be executed and delivered in its name and behalf by its authorized officer or authorized agent, all as of the date appearing on page 1.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By:______________________________
Sheryl A. Stitt
Acting Executive Director

ATTEST:

By:____________________________
Steven P. Nelson
Assistant Secretary

THE BANK OF NEW YORK MELLON

By:______________________________
Janet M. Russo
Vice President

EXHIBIT A

INVESTMENT OBLIGATIONS

Investment Types

A. U.S. Treasury and other government obligations that carry the full faith and credit guarantee of the United States of America for the payment of principal and interest.

B. Federal agency or U.S. government sponsored enterprise obligations, participations or other instruments.

C. Bonds or notes issued by any state or municipality.

D. Negotiable bank certificates of deposit, deposit notes or other deposit obligations issued by a nationally or state chartered bank, credit union or savings association, or by a federally- or state-licensed branch of a foreign bank or financial institution.

E. Commercial paper.

F. Corporate bonds and medium-term notes.

G. Asset-backed securities.

H. Investment agreements or guaranteed investment contracts.

I. Certificates of deposit of any bank, savings and loan or trust company organized under the laws of the United States of America or any state thereof, including the trustee or any Holder of the Bonds; *provided*, that such certificates of deposit shall be fully collateralized (with a prior perfected security interest), to the extent they are not insured by the Federal Deposit Insurance Corporation, by the Investment Obligations described in (A) and (B) above having a market value at all times equal to the uninsured amount of such deposit.

J. Repurchase agreements that meet the following requirements:

  a. Must be governed by a written SIFMA Master Repurchase Agreement that specifies securities eligible for purchase and resale and that provides the unconditional right to liquidate the underlying securities should the counterparty default or fail to provide full and timely repayment.

  b. Counterparty must be a Federal Reserve Bank, a Primary Dealer as designated by the Federal Reserve Bank of New York or a nationally chartered commercial bank.

  c. Securities underlying repurchase agreements must be delivered to a third-party custodian under a written custodial agreement that may be of deliverable or tri-party form. Securities must be held in the Authority's custodial account or in a separate account in the name of the Authority.

  d. Acceptable underlying securities include only securities that are direct obligations of, or that are fully guaranteed by, the United States of America or any agency of the United States of America, including U.S. agency-issued mortgage-backed securities.

  e. Underlying securities must have an aggregate current market value, including accrued interest, of at least 102% (or 100%, if the counterparty is a Federal Reserve Bank) of the purchase price plus current accrued price differential at the close of each Business Day.

K. Shares in open-end and no-load money market mutual funds that are backed by U.S. government securities; *provided*, such funds are registered under the Investment Company Act of 1940 and operate in accordance with Rule 2a-7 thereof.

L. New Jersey Cash Management Fund.

Collateralization

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

Investment Parameters

Sector Type	Sector Max (%)	Issuer Max (%)	Minimum Ratings Requirement[1]	Max Maturity
US Treasury	100%	N/A	N/A	10 Years
Federal Agency	25%	5%	N/A	10 Years
Municipals	25%	5%	Two Highest LT Rating Categories (AA-/Aa3/AA-)	10 Years
Negotiable CDs	50% in aggregate[2]	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Commercial Paper		5%	Highest ST Rating Category (A-1/P-1/F-1)	270 Days
Corporate Bonds & Medium-Term Notes		5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Asset Backed Securities	20%	5%	Highest LT Rating (AAA/Aaa/AAA)	10 Year Avg. Life
Certificates of Deposit	25%	5%	Highest ST or Three Highest LT Rating Categories (A-1/P-1/F-1; A-/A3/A-)	10 Years
Repurchase Agreements	20%	5%	Counterparty (or if the counterparty is not rated by an NRSRO, then the counterparty's parent) must be rated in the highest ST Rating category (A-1/P-1/F-1). If the counterparty is a Federal Reserve Bank, no rating is required.	90 Days
Government Money Market Funds	100%	25%	Highest rating by all NRSROs who rated the fund (AAAm or equivalent)	N/A
New Jersey Cash Management Fund	100%	N/A	N/A	N/A

[1]Rating by at least one SEC-registered Nationally Recognized Statistical Rating Organization ("*NRSRO*"), unless otherwise noted. In the case of split-rated issuers, the lowest rating shall prevail. ST= Short-term; LT=Long-term.
[2]Funds invested in the credit sector may exceed the 50% target only with the written permission of the Authority and the borrowing institution.

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

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

EXHIBIT B

FORM OF BOND

THE STATE OF NEW JERSEY IS NOT OBLIGATED TO PAY, AND NEITHER THE FAITH AND CREDIT NOR TAXING POWER OF THE STATE OF NEW JERSEY IS PLEDGED TO THE PAYMENT OF, THE PRINCIPAL OR REDEMPTION PREMIUM, IF ANY, OF OR INTEREST ON THIS BOND. THIS BOND IS A SPECIAL AND LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY OUT OF REVENUES, FUNDS OR MONEYS OF THE AUTHORITY PLEDGED UNDER THE TRUST INDENTURE AND FROM ANY AMOUNTS OTHERWISE AVAILABLE UNDER THE TRUST INDENTURE FOR THE PAYMENT OF THE BONDS. THIS BOND DOES NOT NOW AND SHALL NEVER CONSTITUTE A CHARGE AGAINST THE GENERAL CREDIT OF THE AUTHORITY. THE AUTHORITY HAS NO TAXING POWER.

REGISTERED **$________**

R-__

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE BONDS, RIDER UNIVERSITY ISSUE, 2017 SERIES F

Interest Rate	Maturity Date	Dated Date	CUSIP
___%	July 1, 20__	November 30, 2017	646066___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____________________________ DOLLARS

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, a body politic and corporate and a public instrumentality of the State of New Jersey (herein called the "*Authority*"), for value received, promises to pay, but solely from the sources hereinafter referred to, to the REGISTERED OWNER specified above, or registered assigns, the PRINCIPAL AMOUNT specified above on the MATURITY DATE specified above, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on the portion of said PRINCIPAL AMOUNT from time to time Outstanding at the INTEREST RATE per annum specified above from the DATED DATE specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date as described in the Trust Indenture, dated as of November 1, 2017 (the "*Trust Indenture*"), by and between the Authority and The Bank of New York Mellon, Woodland Park, New Jersey, as Trustee (the "*Trustee*"), until said PRINCIPAL AMOUNT is paid. Capitalized terms used herein and not otherwise defined have the meaning given to such terms in the Trust Indenture.

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

Authorization. This Bond is one of a duly authorized series of bonds of the Authority designated "Revenue Bonds, Rider University Issue, 2017 Series F" (the "*Bonds*"), issued for the purpose of making a loan to Rider University, a New Jersey nonprofit corporation (the "*Borrower*"), to undertake a project consisting of: (a) financing the renovation and equipping of the following residential facilities: Conover Hall, Delta Phi Epsilon Sorority Residence (House 10), Kroner Hall, Lake House, Ridge House and Wright Hall; the renovation and equipping of the following academic facilities: Bart Luedeke Center Theater, Fine Arts Theater, Science and Technology Center and Sweigart Hall; and the construction of an approximately 30,000 sq. ft. addition to the Science and Technology Center; (b) funding capitalized interest for the Bonds through July 1, 2020; and (c) paying certain costs of issuing the Bonds. The loan will be made pursuant to the Loan Agreement, dated as of November 1, 2017 (the "*Loan Agreement*"), by and between the Authority and the Borrower.

Security. The Bonds are all issued under and are equally and ratably secured by and entitled to the protection of the Trust Indenture, pursuant to which the Pledged Property, including all payments due from the Borrower to the Authority under the Loan Agreement (other than certain indemnification payments and the payment of certain fees and expenses of the Authority), are pledged to the payment of the Bonds. Reference is hereby made to the Trust Indenture for a description of the Pledged Property, the provisions, among others, with respect to the nature and extent of the security, the rights, duties and obligations of the Authority, the Trustee and the REGISTERED OWNER of the Bonds, the terms upon which the Bonds are issued and secured and the terms upon which the Trust Indenture and the Loan Agreement may be amended or supplemented.

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

Interest on the Bonds shall accrue on the basis of a 360-day year based on twelve 30-day months.

Redemption. The Bonds are subject to optional, extraordinary optional and mandatory sinking fund redemption prior to their stated maturity as provided in the Trust Indenture.

Limitation on Rights; Acceleration; Modifications. The REGISTERED OWNER of this Bond shall have no right to enforce the Trust Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Trust Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Trust Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Trust Indenture, the principal of all the Bonds issued under the Trust Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations to the Bonds or the Trust Indenture may be made only to the extent and in the circumstances permitted by the Trust Indenture.

Special and Limited Obligations. The Bonds are not general obligations of the Authority, but special and limited obligations payable solely from the Pledged Property. No owner of any Bonds has the right to compel any exercise of taxing power (if any) of the State of New Jersey or of any political subdivision thereof, including the Authority, to pay the Bonds or the interest thereon, and the Bonds do not constitute an indebtedness or a loan of credit of the State of New Jersey or of any political subdivision thereof, including the Authority, within the meaning of any constitutional or statutory provisions. The Authority has no taxing power.

Additional Provisions. Reference is hereby made to the Trust Indenture and the Loan Agreement, each of which is on file and may be inspected during regular business hours at the principal corporate trust office of the Trustee, for a description of the security for the Bonds and for the provisions thereof with respect to the rights, limitations of rights, duties, obligations and immunities of the Authority, the Borrower, the Trustee and the REGISTERED OWNER hereof.

This Bond shall not constitute the personal obligation, either jointly or severally, of any member, director, officer, employee or agent of the Authority.

The Bonds are issued pursuant to and in full compliance with the Constitution and laws of the State of New Jersey, including, particularly, the New Jersey Educational Facilities Authority Law, P.L. 1967, c. 271, as amended and supplemented (the "*Act*"), and pursuant to a resolution duly adopted by the Authority on October 17, 2017, which authorizes, among other things, the execution and delivery of the Loan Agreement and the Trust Indenture.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Trust Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to the execution and delivery of the Trust Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the Authority, does not exceed or violate any constitutional or statutory limitation; and that the amounts payable under the Loan Agreement and the Mortgage Note and pledged to the payment of the principal of and redemption premium, if any, and interest on this Bond and the issue of which it forms a part, as the same become due, will be sufficient in amount for that purpose.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the New Jersey Educational Facilities Authority has caused this Bond to be executed in its name by the manual or facsimile signature of its Acting Executive Director and its official common seal to be impressed or printed hereon and attested by the manual or facsimile signature of an Assistant Secretary.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By:______________________________
Sheryl A. Stitt
Acting Executive Director

[SEAL]

ATTEST:

By:__________________________
Steven P. Nelson
Assistant Secretary

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Trust Indenture.

THE BANK OF NEW YORK MELLON,
as Trustee

By:______________________________
Authorized Signatory

Date of Authentication: November 30, 2017

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

____
(Please Print or Typewrite Name, Address and Social Security Number or Taxpayer Identification Number of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

____

Attorney

To transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:________________________

NOTICES: This signature to this assignment must correspond with the name as it appears upon the fact of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed By:

____

(Name of Eligible Guarantor Institution as defined by SEC Rule 17Ad-15 (12 *CFR* 240.17Ad-15) or any similar rule which the Trustee deems applicable)

By________________________________

Title______________________________

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

AND

RIDER UNIVERSITY

LOAN AGREEMENT

Dated as of November 1, 2017

relating to

New Jersey Educational Facilities Authority
Revenue Bonds, Rider University Issue, 2017 Series F

700980.3 [59819-054]

TABLE OF CONTENTS

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

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

ARTICLE I

1.1. Definitions.

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

The following terms have the meanings given:

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

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

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

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

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

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

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

"*Bonds*" means the $41,770,000 principal amount of New Jersey Educational Facilities Authority Revenue Bonds, Rider University Issue, 2017 Series F, dated their date of delivery.

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

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

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

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

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

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

"*Mortgage*" means the Mortgage and Security Agreement, dated November 30, 2017, by and between the University and the Authority, which secures the University's obligations hereunder.

"*Mortgage Note*" means the Mortgage Note, dated November 30, 2017, from the University to the Authority.

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

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

"*Project*" means the financing, through the issuance of the Bonds, of the costs of a project consisting of: (a) financing the renovation and equipping of the following residential facilities: Conover Hall, Delta Phi Epsilon Sorority Residence (House 10), Kroner Hall, Lake House, Ridge House and Wright Hall; the renovation and equipping of the following academic facilities: Bart Luedeke Center Theater, Fine Arts Theater, Science and Technology Center and Sweigart Hall; and the construction of an approximately 30,000 sq. ft. addition to the Science and Technology Center; (b) funding capitalized interest for the Bonds through July 1, 2020; and (c) paying certain costs of issuing the Bonds.

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

2.1. Term of Agreement; Benefits.

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

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

2.2. Agreements of University.

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

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

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

2.3. Agreements of Authority.

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

2.4. Authority's Right to Inspect.

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

2.5 Events of Default; Remedies.

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

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

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

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

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

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

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

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

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

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

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

2.6. Application of this Agreement.

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

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

2.7. Authority's Remedies.

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

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

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

2.8 Insurance.

The amounts paid by any insurance company pursuant to any contract of insurance (in accordance with Sections 5.1 and 5.2 of the Mortgage) may be applied to the Extraordinary Optional Redemption of the Bonds in accordance with Section 4.01(b) of the Indenture or released for the repairing or rebuilding of the Project Facilities. All policies of insurance shall be payable to the University and the Authority, as their interests may appear, and the Authority shall have the sole right to receive the proceeds of such policy or policies affecting the Project

Facilities and receipt of claims thereunder. All insurance prescribed by this Section 2.8 shall be procured from financially sound and reputable insurers qualified to do business in the State or otherwise approved by the Authority.

2.9. Amendments to this Agreement.

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

2.10. Basic Loan Payments.

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

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

Notwithstanding the foregoing, the University agrees to make payments, or cause payments to be made, in the amounts required to be paid as principal or Redemption Price of and interest on the Bonds from time to time Outstanding under the Indenture and other amounts required to be paid under the Indenture as the same shall become due, whether at maturity, upon redemption, by declaration of acceleration or otherwise.

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

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

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

2.11. Swap Payments.

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

2.12. Additional Loan Payments.

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

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

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

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

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

Such Additional Loan Payments shall be billed to the University by the Authority or the Trustee, from time to time. After such a demand, amounts so billed shall be paid by the University within thirty (30) days after receipt of the bill by the University. Payment of the initial Annual Administrative Fee shall be made in the Bond Year ending June 30, 2018 and in each Bond Year thereafter.

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

2.13. Credits for Payments.

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

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

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

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

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

2.14. Prepayment.

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

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

(c) The University shall also prepay at any time or from time to time all or any part of the Basic Loan Payments from moneys derived from condemnation awards (in accordance with Section 6.2 of the Mortgage) or the proceeds of hazard insurance relating to the facilities of the University (in accordance with Section 5.2 of the Mortgage), and the Authority agrees that the

Trustee shall accept such prepayments when the same are tendered. Such amounts shall be used to redeem bonds as set forth in Section 4.01(b) of the Indenture.

2.15. Indemnification.

The University agrees to indemnify and hold harmless the Authority, any member, officer, official, employee, counsel, consultant or agent of the Authority, including the Trustee and each and any underwriter that purchases the Bonds from the Authority, and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of each and any purchaser of the Bonds through the ownership of voting securities, by contract or otherwise (collectively, the "*Indemnified Parties*"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by any untrue statement or misleading statement or alleged untrue statement or misleading statement of a material fact contained in the official statement relating to the offer and sale of the Bonds (the "*Official Statement*") or caused by any omission from the Official Statement of any material fact required to be stated therein or necessary in order to make the statements contained therein, in light of the circumstances under which they were made, not misleading, but only if and insofar as such losses, claims, damages, liabilities or expenses are caused by any such untrue or misleading statement or alleged untrue or misleading statement contained in the Official Statement or such omission or alleged omission from the Official Statement with respect to information contained in the Official Statement furnished by, or on behalf of, or relating to, the University, the Project or the Project Facilities. In case any action shall be brought against the Indemnified Parties based upon the Official Statement and in respect of which indemnity may be sought against the University, the Indemnified Parties shall promptly notify the University in writing. Failure on the part of the Indemnified Party to give such notification shall not relieve the University from its obligation under this Section 2.15. Upon receipt of such notification, the University shall promptly assume the defense of such action, including the retention of counsel, the payment of all expenses in connection with such action, including any expenses incurred prior to such notification, and the right to negotiate and settle any such action on behalf of such Indemnified Parties with such Indemnified Parties' consent. Any Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party, unless the employment of such counsel has been specifically authorized by the University or unless by reason of conflict of interest determined by the written opinion of counsel to any such Indemnified Parties, it is advisable for such party to be represented by separate counsel to be retained by such Indemnified Party, in which case the fees and expenses of such separate counsel shall be borne by the University. The University shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the University or if there be a final judgment for the plaintiff in any such action with or without its written consent, the University agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Nothing in this Section 2.15 shall require or obligate the University to indemnify or hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused by any gross negligence or willful misconduct on the part of the Indemnified Parties in connection with the offer or sale of the Bonds.

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

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

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

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

2.17. Consent to Assignment by Authority.

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

ARTICLE III

3.1. Nature of Obligation.

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

3.2. Use of Bond Proceeds.

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

3.3. Information to be Provided by University.

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

3.4. Security for Loan; Fee Covenant.

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

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

3.5. Project Mortgage Fund

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

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

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

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

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

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

3.6. Taxes.

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

3.7. Compliance With Applicable Law.

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

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

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

3.8. Secondary Market Disclosure.

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

3.9. Negative Pledge.

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

ARTICLE IV

4.1. Covenants as to Insurance.

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

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

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

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

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

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

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

All insurance prescribed by this Section 4.1 shall be procured from financially sound and reputable insurers qualified to do business in the State or insurers approved, in writing, by the Authority. To the extent that any such insurance required by this Section 4.1 is not obtainable on reasonable terms as determined by the Authority, the Authority may make exceptions to the required coverage or provide for reasonable substitutions of coverage. The policies shall be open to inspection by the Authority and the Trustee at all reasonable times, and a list prepared as of June 30 of each Bond Year describing such policies shall be furnished by the Authority to the Trustee annually within sixty (60) days after the beginning of each Bond Year, together with a certificate of an Authorized Officer of the Authority certifying that such insurance meets all the requirements of the Indenture. The Trustee shall have no responsibility with respect to any such insurance except to receive such annual Authority certificates and hold the same for inspection by any Bondholders.

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

4.2. University Covenant as to Swap Agreements.

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

ARTICLE V

5.1. Termination of Agreement and Mortgage.

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

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

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

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

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

5.2. Operation and Maintenance of Project Facilities.

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

The University agrees that it shall not request the Authority to enter into any contracts or agreements or to perform any acts that may substantially and adversely affect any of the assurances or rights of the Authority, and the University covenants that it shall not allow any lien to be placed against the Project Facilities, or lease the Project Facilities, except to students enrolled in the University, without the written consent of the Authority. Nothing in this Section 5.2 contained shall prohibit the lease of all or part of the Project Facilities for short periods of time for educational, cultural, public or other activities or the leasing of portions of the Project Facilities to entities serving the University. The University further agrees not to use the Project Facilities or any part thereof for sectarian instruction or as a place for religious worship and this covenant shall continue as long as the Project Facilities shall remain in existence.

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

5.3. Rights and Remedies Not Exclusive.

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

5.4. Notices.

All notices required to be given or authorized to be given by either party pursuant to this Agreement shall be in writing and shall be sent by facsimile, electronic mail or registered or certified mail to the main office of the other party, in the case of the Authority addressed to it at its office in Princeton, New Jersey, or such other address as the Authority may direct upon notice given to the parties named in this Section 5.4, and in the case of the University, addressed to it at its address stated hereinabove and to its counsel, Connell Foley LLP, 56 Livingston Avenue, Roseland, New Jersey 07068, Attn: John D. Cromie, Esq., or such other address as the University may direct upon notice given to the parties named in this Section 5.4. All notices required to be given to the Trustee by either party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail to the main office of the Trustee at the address of such principal office.

The University agrees that it shall send to the Authority a duplicate copy or executed copy of all certificates, notices, correspondence or other data and materials sent to or received from the Trustee under the Indenture as may be required by the Authority.

5.5. Tax Covenants.

(a) The University covenants that:

(i) it will maintain its status as an organization described in Section 501(c)(3) of the Code that is exempt from federal income taxation under Section 501(a) of the Code, or corresponding provision of future federal income tax laws, and it will use the proceeds of the Bonds exclusively for facilities used in activities forming a part of the basis of such exemption, and costs and expenses necessary and incidental to such activities;

(ii) it shall not perform any acts nor enter into any agreements that shall cause any revocation or adverse modification of such federal income tax status of the University;

(iii) it shall not carry on or permit to be carried on in the Project Facilities or its other projects or permit the Project Facilities or its other projects to be used in or for any trade or business the conduct of which is not substantially related (aside from the need of the University for income or funds or the use it makes of the profits derived) to the exercise or performance by the University of the purposes or functions constituting the basis for its exemption under Section 501(a) of the Code, if such use of the Project Facilities or any of its other projects would result in the loss of the University's exempt status under Section 501(a) of the Code or would cause the interest on the Bonds to be included in gross income for purposes of federal income taxation;

(iv) neither it nor any related party (as defined in Treasury Regulation §1.150-1(b)) shall purchase the Bonds pursuant to an arrangement, formal or informal, in an amount related to the amount of the Loan made by the Authority under this Agreement;

(v) it will not use any portion of the proceeds of the Bonds for the acquisition, construction, improving and equipping of facilities for use in sectarian worship, sectarian instruction or other sectarian purposes or for other costs and expenses or activities of a sectarian character, incident to any of the foregoing;

(vi) it will not use any portion of the proceeds of the Bonds for the acquisition, construction, improving and equipping of facilities for the use in any unrelated trade or business within the meaning of Section 513 of the Code or corresponding provisions of future federal income tax laws, if such use of the proceeds thereof would result in the loss of the University's exempt status under Section 501(a) of the Code or would cause the interest on the Bonds to be included in gross income for purposes of federal income taxation;

(vii) it will comply with the applicable requirements of the Code in order to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds and will not take any action or fail to take any action that would cause the loss of such exclusion;

(viii) it will not use the proceeds of the Bonds, the earnings thereon and any other moneys on deposit in any Fund or account maintained in respect of the Bonds (whether such moneys were derived from the proceeds of the sale of the Bonds or from other sources) in a manner which would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148

of the Code and the regulations promulgated thereunder, as the same may be from time to time amended;

(ix) it will not take any action nor cause any action to be taken that would cause the Bonds to be "federally guaranteed" as defined in Section 149(b) of the Code;

(x) it will create and maintain records with respect to: (i) all allocations of the proceeds of the Bonds to expenditures under Treasury Regulations §1.148-6(d) and §1.141-6 and any reallocations of proceeds of the Bonds under Treasury Regulations §1.141-12(e); (ii) all allocations of the non-Bond proceeds to expenditures for costs of the Project Facilities or cost of issuing the Bonds; (iii) the ownership, and any disposition, of any of the property financed with proceeds of the Bonds under Section 145(a)(1) of the Code; (iv) the economic lives of each portion of the property financed with proceeds of the Bonds; (v) the date each portion of the property financed with proceeds of the Bonds is placed in service (within the meaning of Treasury Regulations §1.150-2(c)); (vi) any use of the proceeds of the Bonds, or the property financed with proceeds of the Bonds, in an unrelated trade or business (within the meaning of Section 513 of the Code); (vii) any private trade or business use (within the meaning of Sections 141 and 145 of the Code and Treasury Regulations §1.141-2) of the property financed with proceeds of the Bonds; (viii) any investments of the University of the gross proceeds (with the meaning of Treasury Regulations §1.148-1(b)) of the Bonds (including, without limitation, records required under Treasury Regulations §1.148-5(d)(6)); (ix) any use of the proceeds of the Bonds or the property financed with proceeds of the Bonds in an unrelated trade or business (within the meaning of Section 513 of the Code); (x) all information necessary to compute the yield on the Bonds, including the information necessary to establish the existence of any qualified guarantee or qualified hedge (within the meaning of Treasury Regulations §1.148-4(f) and (h)) with respect to the Bonds, the amount and date of payments for a qualified guarantee or qualified hedge with respect to the Bonds and the issue price of the Bonds; and (xi) all information necessary to establish that the 6-month, the 18-month or the 2-year construction exception to arbitrage rebate (with the meaning of Treasury Regulations §1.148-7) has been met with respect to proceeds of the Bonds, which the University will retain for at least three (3) years after the final scheduled maturity date of the Bonds; and

(xi) all representations made in the Tax Certificate are true and correct and fully and accurately represent the facts as known to the University. The University agrees to comply with all of the covenants and requirements set forth in the Tax Certificate; notwithstanding any other provision of the Indenture or this Agreement to the contrary, so long as necessary in order to maintain the exclusion of interest on the Bonds from gross income under Section 103 of the Code, the covenants contained in paragraphs (a) through (j) of this Section 5.5 shall survive the discharge and satisfaction of the Bonds and the term of this Agreement.

(b) The University acknowledges and agrees that the Authority has adopted written Post-Issuance Compliance Procedures intended to meet the guidelines set forth in Internal Revenue Manual Section 7.2.3.4.4 (the "*Authority Written Procedures*"). Within sixty (60) days of the issuance of the Bonds, the University shall adopt written Post-Issuance Compliance Procedures intended to meet the guidelines set forth in Internal Revenue Manual Section 7.2.3.4.4 (the "*University Written Procedures*"; and together with the Authority Written Procedures, the "*Written Procedures*"). The University agrees to provide a copy of the current

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

5.6. Tax-Exempt Status.

The University affirmatively represents that, as of the date of this Agreement: (i) it is an organization described in Section 501(c)(3) of the Code, or corresponding provisions of prior law, and it is not a "private foundation", as such term is defined under Section 509(a) of the Code; (ii) it has received a letter from the Internal Revenue Service to that effect; (iii) such letter has not been modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in such letter; (v) the facts and circumstances that form the basis of such letter as represented to the Internal Revenue Service continue substantially to exist; and (vi) it is an organization exempt from federal income taxes under Section 501(a) of the Code.

The University affirmatively represents that, as of the date hereof, it is an organization organized and operated: (i) exclusively for educational purposes; (ii) not for pecuniary profit; and (iii) no part of the net earnings of which inures to the benefit of any person, private stockholder or individual, all within the meaning of the Code. The University agrees that it shall not perform any act or enter into any agreement that shall change its organization or operations as set forth in items (i), (ii) and (iii) of this paragraph of Section 5.6.

5.7. Additional Representations and Warranties.

The University hereby makes the following representations and warranties to the Authority:

(a) Uniform Commercial Code. If revisions to Article 9 of the Uniform Commercial Code are enacted by the State Legislature or by any other jurisdiction whose laws govern the perfection and enforceability of any security for the Bonds, the University covenants and agrees to cooperate with the Authority in taking all steps necessary to perfect and maintain the priority and enforceability of the security for the Bonds.

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

(c) Existence and Standing. The University is a corporate body created under the laws of the State and has the necessary power and authority to execute and deliver this Agreement and any other Documents (as defined in Section 5.13 hereof) to which the University is a party, and to perform its obligations hereunder and thereunder.

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

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

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

5.8. Additional Covenants.

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

(a) Existence. The University shall maintain its existence as a non-profit corporation operating as a private college formed under the laws of the State, and shall not merge, consolidate, liquidate or sell substantially all of its assets.

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

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

(d) Rebate. The University acknowledges that the Authority shall calculate or cause to be calculated the Rebate Amount at the times and in the manner set forth in the Tax Certificate and shall pay or direct in writing the Trustee to pay (but only from amounts received from the University under this Agreement) the amount to be paid to the United States of America pursuant to Section 148 of the Code from the Rebate Fund in the percentage, at the times and in the manner set forth in the Tax Certificate.

5.9. Off-Balance Sheet Projects.

Notwithstanding any provision of this Agreement or the Documents to the contrary, the University shall have the right, in its reasonable discretion, to pursue, investigate and implement a project or projects that may be financed through indirect debt or a financing mechanism that may involve, but may not be limited to, the use of a tax-exempt organization independent of the University and that does not implicate the financial statements of the University.

5.10. Alternate Dates for Payment.

If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided herein, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding day that is a Business Day with the same force and effect as if done on the day provided herein, and no interest shall accrue for the period from such day to the next Business Day authorized herein.

5.11. Agreement for Benefit of Bondholders.

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

The University agrees to do all things within its power in order to enable the Authority to comply with all requirements and to fulfill all covenants of the Indenture.

5.12. Reports Furnished by University.

The University shall render a report periodically on request of the Authority as to the physical condition of the Project Facilities. In addition, the University shall, if and when requested by the Authority, render such other reports to the Trustee and the Authority concerning the condition of the Project Facilities and the University as the Authority reasonably requests. The University also shall furnish annually to the Trustee and the Authority, and such other parties as the Authority may designate, copies of (i) its audited financial statements not later than December 27th following the end of each fiscal year, commencing with the fiscal year of the University ending June 30, 2017; *provided*, that if the fiscal year of the University should change, then the audited financial statements shall be due not later than one hundred eighty (180) days after the end of each fiscal year, and (ii) such other reports and such other information as may be reasonably requested by the Authority, as soon as practicable.

5.13. Review and Execution of Documents.

The University hereby represents and warrants to the Authority that the University has reviewed and has a full understanding of all the terms, conditions and risks (economic and otherwise) of this Agreement, the Indenture, the Mortgage, the Mortgage Note, the Bond Purchase Agreement, the Swap Agreement, if any, and any of the other documents or instruments executed in connection with the issuance of the Bonds and herewith (collectively, the "*Documents*"), that it is capable of assuming and willing to assume (financially and otherwise) all such risks, that it has consulted with its own legal and financial advisors (to the extent it has deemed necessary) and is not relying upon any advice, counsel or representations (whether written or oral) of the Authority or the Authority's legal and municipal advisors, and that it has made its own investment, hedging and trading decisions (including decisions relating to the suitability of each of the Documents) based upon its own judgment and upon any advice from its own legal and financial advisors as it has deemed necessary. The University hereby acknowledges that the Authority is entering into certain of the Documents at the request of, and

as an accommodation to, the University, and that the terms of the Documents have been negotiated by, and are acceptable to, the University.

5.14. Multiple Counterparts.

This Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original and such counterparts shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed and attested by their proper respective Authorized Officers and Borrower Representatives, all as of the date first above written.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By:________________________
Sheryl A. Stitt
Acting Executive Director

ATTEST:

By:________________________
Steven P. Nelson
Assistant Secretary

RIDER UNIVERSITY

By:________________________
Julie A. Karns
Vice President for Finance and Treasurer

ATTEST:

By:________________________
Jonathan Meer
Vice President for Advancement and Secretary

EXHIBIT A

DESCRIPTION OF PROJECT FACILITIES

EXHIBIT B

SPECIAL NOTICE EVENTS

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

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

3. **Naming rights agreements for Bond financed property** – if any portion of the property financed with proceeds of the Bonds will become subject to a naming rights agreement, other than a "brass plaque" dedication.

4. **Research using Bond financed property** – if any portion of the property financed with proceeds of the Bonds has been or will be used for the conduct of research (as described in Rev. Proc. 2007-47) under the sponsorship, or for the benefit of, any entity other than a State or local governmental unit, other than a qualified research contract described in Rev. Proc. 2007-47.

5. **Management agreement or service agreement** – if any portion of the property financed with proceeds of the Bonds is to be used under a management contract (*e.g.*, food service, bookstore or parking management) or service contract, other than (i) a contract for services that are solely incidental to the primary function of financed projects, such as janitorial services or office equipment repair, or (ii) a qualified management contract described in Rev. Proc. 97-13 or successor Internal Revenue Service guidance applicable to the proceeds of the Bonds (Note: a contract that results in the payment of a concession or similar fee to the University is not a qualified contract).

6. **Joint Ventures** – if any portion of the property financed with proceeds of the Bonds will be or has been used in any joint venture arrangement with any person other than a State or local governmental unit.

7. **Sinking fund or pledge fund** – if the University, or any organization related to the University, identifies funds (other than mere preliminary earmarking) that are expected to be used to pay debt service on the Bonds or secure the payment of debt service on the Bonds, other than those funds or accounts described in the bond documents for the Bonds.

8. **Unexpected Payments or Proceeds** – if the University receives funds that may have a sufficiently direct nexus to the Bonds or to the property financed with proceeds of the Bonds to conclude that the amounts would have been used for that governmental purpose if the proceeds of the Bonds were not used to finance such property related to the Bonds, including, without limitation, charitable gifts, insurance payments and settlements of litigation relating to the property or other disputes.

APPENDIX D
FORM OF CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

by and between

RIDER UNIVERSITY

and

THE BANK OF NEW YORK MELLON

Dated November 30, 2017

Entered into with respect to
New Jersey Educational Facilities Authority
$41,770,000 Revenue Bonds, Rider University Issue, 2017 Series F

CONTINUING DISCLOSURE AGREEMENT

This **CONTINUING DISCLOSURE AGREEMENT** (the "*Agreement*"), made and entered into November 30, 2017, by and between RIDER UNIVERSITY, an independent, non-profit educational corporation organized and existing under the laws of the State of New Jersey, located in Lawrenceville, New Jersey (the "*University*"), and THE BANK OF NEW YORK MELLON, a state banking corporation duly created and validly existing under the laws of the State of New York with trust and fiduciary powers and authorization to conduct business in the State of New Jersey (the "*Trustee*" and "*Dissemination Agent*").

W I T N E S S E T H:

WHEREAS, the New Jersey Educational Facilities Authority, a body corporate and politic with corporate succession, constituting a political subdivision organized and existing under and by virtue of the laws of the State of New Jersey (hereinafter referred to as the "*Authority*"), is issuing its $41,770,000 Revenue Bonds, Rider University Issue, 2017 Series F, dated November 30, 2017 (the "*Bonds*"); and

WHEREAS, the Bonds are being issued pursuant to a Trust Indenture, dated as of November 1, 2017 (the "*Indenture*"), by and between the Authority and the Trustee; and

WHEREAS, the University has entered into a Loan Agreement with the Authority, dated as of November 1, 2017 (the "*Loan Agreement*"), whereby the Authority has loaned the proceeds of the Bonds to the University to finance the costs of the Project described in the Bond Resolution of the Authority duly adopted on October 17, 2017, and the University has agreed to repay the loan of such proceeds; and

WHEREAS, the Trustee has duly accepted the trusts imposed upon it by the Indenture as Trustee for the holders from time to time of the Bonds; and

WHEREAS, the Securities and Exchange Commission (the "*SEC*"), pursuant to the Securities Exchange Act of 1934, as amended and supplemented (codified as of the date hereof at 15 U.S.C. 77 *et seq*.), has adopted amendments effective July 3, 1995 to its Rule 15c2-12 (codified at 17 C.F.R. §240.15c2-12), as the same may be further amended, supplemented and officially interpreted from time to time or any successor provision thereto ("*Rule 15c2-12*"), generally prohibiting a broker, dealer or municipal securities dealer from purchasing or selling municipal securities, such as the Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and operating data and notices of the occurrence of certain disclosure events to various information repositories; and

WHEREAS, the Authority and the University have determined that the University is an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12 and, in order to enable a "participating underwriter" (as such term is defined in Rule 15c2-12) to purchase the Bonds, is therefore required to cause the delivery of the information described in this Agreement to the municipal securities marketplace for the period of time specified in this Agreement; and

WHEREAS, the SEC has adopted amendments, effective July 1, 2009, to Rule 15c2-12 requiring that the annual financial information and operating data, notices of the occurrence of certain disclosure events and notices of the failure to make a submission required by a continuing disclosure agreement be provided to the Municipal Securities Rulemaking Board (the "*MSRB*") and not to the various information repositories, and requiring that such information be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB; and

WHEREAS, the SEC has adopted amendments, effective December 1, 2010, to Rule 15c2-12 revising the list of disclosure events and requiring that notices of such disclosure events be provided within ten (10) business days after the occurrence of the event; and

WHEREAS, on November 14, 2017, the Authority and the University entered into a Bond Purchase Agreement with Merrill Lynch, Pierce, Fenner & Smith Incorporated, on behalf of itself and the underwriters named therein (the "*Participating Underwriter*"), for the purchase of the Bonds; and

WHEREAS, the execution and delivery of this Agreement have been duly authorized by the University and the Dissemination Agent, respectively, and all conditions, acts and things necessary and required to exist, to have happened or to have been performed precedent to and in the execution and delivery of this Agreement, do exist, have happened and have been performed in regular form, time and manner; and

WHEREAS, the University and the Dissemination Agent are entering into this Agreement for the benefit of the holders of the Bonds.

NOW, **THEREFORE**, for and in consideration of the promises and of the mutual representations, covenants and agreements herein set forth, the University and the Dissemination Agent, each binding itself, its successors and assigns, do mutually promise, covenant and agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.1. Terms Defined in Recitals. All of the terms defined in the preambles hereof shall have the respective meanings set forth therein for all purposes of this Agreement.

Section 1.2. Additional Definitions. The following additional terms shall have the meanings specified below:

"*Annual Report*" means Financial Statements and Operating Data provided at least annually.

"*Bondholder*" or "*holder*" or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any Outstanding Bond, including holders of beneficial interests in the Bonds.

"*Business Day*" means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York, the State or in the city or cities in which the principal corporate trust office of the Dissemination Agent is located are authorized or required by law to close, or (c) a day on which the New York Stock Exchange is closed.

"*Disclosure Event*" means any event described in subsection 2.1(d) of this Agreement.

"*Disclosure Event Notice*" means the notice to the MSRB as provided in subsection 2.1(d) of this Agreement.

"*Dissemination Agent*" means The Bank of New York Mellon, acting in its capacity as Dissemination Agent under this Agreement, or any successor Dissemination Agent designated in writing by the University that has filed a written acceptance of such designation.

"*Final Official Statement*" means the final Official Statement of the Authority, dated November 14, 2017, pertaining to the Bonds.

"*Financial Statements*" means the statement of financial position, statement of activities, statement of cash flows or other statements that convey similar information.

"*Fiscal Year*" means the fiscal year of the University. As of the date of this Agreement, the Fiscal Year of the University begins on July 1 of each calendar year and closes on June 30 of the next succeeding calendar year.

"*GAAP*" means generally accepted accounting principles as in effect from time to time in the United States of America, consistently applied.

"*GAAS*" means generally accepted auditing standards as in effect from time to time in the United States of America, consistently applied.

"*Operating Data*" means the financial and statistical information of the University of the type included in the Final Official Statement under the heading "APPENDIX A – CERTAIN INFORMATION REGARDING RIDER UNIVERSITY".

"*Opinion of Counsel*" means a written opinion of counsel who is an expert in federal securities law acceptable to the University.

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

"*Trustee*" means The Bank of New York Mellon, acting in its capacity as Trustee for the Bonds under the Indenture, and its successors and assigns.

Section 1.3. Capitalized Terms Not Defined Herein. Capitalized terms used but not defined herein shall have the meanings assigned to them in Section 1.01 of the Indenture or Article I of the Loan Agreement, as the case may be.

Section 1.4. Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing the singular include the plural and vice versa, and words importing persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Agreement. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms as used in this Agreement refer to this Agreement as a whole unless otherwise expressly stated. The disjunctive term "or" shall be interpreted conjunctively as required to insure that the University performs any obligations mentioned in the passage in which such term appears. The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

ARTICLE 2
CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1. Continuing Disclosure Covenants of University. The University agrees that it will provide, until such time as the University instructs the Dissemination Agent to provide, at which time the Dissemination Agent shall provide:

(a) Not later than December 27th following the end of each Fiscal Year, commencing with the Fiscal Year of the University ending June 30, 2017, an Annual Report to the MSRB, to the Trustee and to the Authority. If the Fiscal Year of the University should change, then the Annual Report shall be due not later than one hundred eighty (180) days after the end of each Fiscal Year.

(b) Not later than fifteen (15) days prior to the date specified in subsection 2.1(a) hereof, a copy of the Annual Report to the Dissemination Agent.

(c) If not submitted as part of the Annual Report, then when and if available, to the MSRB, to the Trustee and to the Authority, audited Financial Statements for the University.

(d) In a timely manner not in excess of ten (10) Business Days after the occurrence of the event, to the MSRB, to the Trustee and to the Authority, notice of any of the following listed events with respect to the Bonds (each a "*Disclosure Event*"):

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers or their failure to perform;

(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax-exempt status of the Bonds;

(vii) Modifications to the rights of holders of the Bonds, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution or sale of property securing repayment of the Bonds, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar events of the University, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the University in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the University, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the University;

(xiii) The consummation of a merger, consolidation or acquisition involving the University or the sale of all or substantially all of the assets of the University, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(e) In a timely manner, to the MSRB, to the Trustee and to the Authority, notice of a failure by the University to provide the Annual Report within the period described in subsection 2.1(a) hereof.

(f) In determining the materiality of the Disclosure Events specified in subsections (d)(ii), (vii), (viii), (x), (xiii) or (xiv) of this Section 2.1, the University may, but shall not be required to, rely conclusively on an Opinion of Counsel.

Section 2.2. Continuing Disclosure Representations. The University represents and warrants that:

(a) Financial Statements shall be prepared in accordance with GAAP.

(b) Any Financial Statements that are audited shall be audited by an independent certified public accountant in accordance with GAAS.

Section 2.3. Form of Annual Report. (a) The Annual Report may be submitted as a single document or as separate documents comprising a package.

(b) Any or all of the items that must be included in the Annual Report may be incorporated by reference from other documents, including official statements delivered in connection with other financings issued on behalf of the University or related public entities that are available to the public on the MSRB's website or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The University shall clearly identify each such other document so incorporated by reference.

(c) The Annual Report for any Fiscal Year containing any modified operating data or financial information (as contemplated by Sections 4.9 and 4.10 hereof) for such Fiscal Year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Report being provided for such Fiscal Year.

Section 2.4. Documents to be Provided in Electronic Format and Accompanied by Identifying Information. The University agrees that each Annual Report, each Disclosure Event Notice and each notice pursuant to subsections 2.1(a), 2.1(d) and 2.1(e) hereof shall be provided to the MSRB in an electronic format as prescribed by the MSRB, and that all documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 2.5. Responsibilities and Duties of Dissemination Agent. (a) If the University or the Dissemination Agent has determined it necessary to report the occurrence of a Disclosure Event, the University or the Dissemination Agent shall, in a timely manner not in excess of ten (10) Business Days after the occurrence of the event, file a Disclosure Event Notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB. The obligations of the University or the Dissemination Agent to provide the notices to the MSRB under this Agreement are in addition to, and not in substitution of, any of the obligations of the Trustee to provide notices of events of default to holders under Section 7.01 of the Indenture. The University or the Dissemination Agent shall file a copy of each Disclosure Event Notice with the Authority and the Trustee (for informational purposes only).

(b) If an Annual Report is received by it, the Dissemination Agent shall file a written report with the University and the Trustee (if the Dissemination Agent is not the Trustee), with a copy to the Authority, certifying that the Annual Report has been provided to the MSRB pursuant to this Agreement and stating the date it was provided to the MSRB.

Section 2.6. Appointment, Removal and Resignation of Dissemination Agent; Indemnification. (a) The University may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and it may discharge any such Dissemination Agent and appoint a successor Dissemination Agent, with written notice to the Authority, such discharge to be effective on the date of the appointment of a successor Dissemination Agent. The University hereby appoints The Bank of New York Mellon as Dissemination Agent, and The Bank of New York Mellon hereby accepts such appointment.

(b) The Dissemination Agent (if other than the Trustee or the Trustee in its capacity as Dissemination Agent) shall have only such duties as are specifically set forth in this Agreement, and the University agrees to indemnify and hold the Dissemination Agent and its officers, directors, employees and agents harmless against any loss, expense or liability it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including reasonable attorneys' fees) of defending against any claim of liability, but excluding liability due to the Dissemination Agent's negligence or willful misconduct. The obligations of the University under this Section 2.6(b) shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the University and the Authority. Such resignation shall take effect on the date specified in such notice.

Section 2.7. Responsibilities, Duties, Immunities and Liabilities of Trustee. Article VIII of the Indenture is hereby made applicable to this Agreement as if the duties of the Trustee hereunder were (solely for this purpose) set forth in the Indenture.

ARTICLE 3
DEFAULTS AND REMEDIES

Section 3.1. Disclosure Default. The occurrence and continuation of a failure by the University to observe, perform or comply with any covenant, condition or agreement on its part to be observed or performed in this Agreement, and such failure shall remain uncured for a period of thirty (30) days after written notice thereof has been given to the University by the Trustee or any Bondholder, shall constitute a disclosure default hereunder.

Section 3.2. Remedies on Default. (a) The Trustee may (and shall, at the written request of the Participating Underwriter or the holders of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, after provision of indemnity satisfactory to the Trustee), or any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may, take whatever action at law or in equity is necessary or desirable against the University and any of its officers, agents and employees to enforce the specific performance and observance of any obligation, agreement or covenant of the University hereunder and may compel the University or any such officers, agents or employees, except for the Dissemination Agent, to perform and carry out their duties hereunder; *provided*, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(b) In case the Trustee or any Bondholder shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Bondholder, as the case may be, then and in every such case the University, the Trustee and any Bondholder, as the case may be, shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the University, the Trustee and any Bondholder shall continue as though no such proceedings had been taken.

(c) A default under this Agreement shall not be deemed an event of default under either the Indenture or the Loan Agreement, and the sole remedy under this Agreement in the event of any failure by the University to comply with this Agreement shall be as set forth in Section 3.2(a) hereof.

ARTICLE 4
MISCELLANEOUS

Section 4.1. Purpose of Agreement. This Agreement is being executed and delivered by the University and the Dissemination Agent for the benefit of the Bondholders and in order to assist the Participating Underwriter in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2. Third-Party Beneficiaries; Authority and Bondholders. (a) The Authority is hereby recognized as being a third-party beneficiary hereunder, and may enforce any such right, remedy or claim conferred, given or granted hereunder in favor of the Dissemination Agent or the Bondholders.

(b) Each Bondholder is hereby recognized as being a third-party beneficiary hereunder, and each may enforce, for the equal benefit and protection of all Bondholders similarly situated, any such right, remedy or claim conferred, given or granted hereunder in favor of the Dissemination Agent.

Section 4.3. No Recourse to Authority; Indemnified Parties. No recourse shall be had for the performance of any obligation, agreement or covenant of the University or the Dissemination Agent hereunder against the Authority or against any member, officer, employee, counsel, consultant or agent of the Authority or any person executing the Bonds.

The University agrees to indemnify and hold harmless the Authority, any member, officer, official, employee, counsel, consultant or agent of the Authority, including the Dissemination Agent, each and any purchaser of the Bonds (including the Participating Underwriter), and each person, if any, who has the power, directly or indirectly, to direct or cause the direction of the management and policies of each and any purchaser of the Bonds through the ownership of voting securities, by contract or otherwise (collectively, the "*Indemnified Parties*"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by the University's failure to perform or observe any of its obligations, agreements or covenants under the terms of this Agreement, but only if and insofar as such losses, claims, damages, liabilities or expenses are caused by any such failure of the University to perform hereunder. In case any action shall be brought against the Indemnified Parties based upon this Agreement and in respect of which indemnity may be sought against the University, the Indemnified Parties shall promptly notify the University in writing; *provided*, *however*, that the failure on the part of any Indemnified Party to give such notification shall not relieve the University from its obligation under this Section 4.3. Upon receipt of such notification, the University shall promptly assume the defense of such action, including the retention of counsel, the payment of all expenses in connection with such action, including any expenses incurred prior to such notification, and the right to negotiate and settle any such action on behalf of such Indemnified Parties. Any Indemnified Party shall have the right to employ separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the sole expense of such Indemnified Party, unless the employment of such counsel has been specifically authorized by the University or unless by reason of conflict of interest (determined by the written opinion of counsel to any Indemnified Party) it is advisable for such Indemnified Party to be represented by separate counsel, in which case the fees and expenses of such separate counsel shall be borne by the University. The University shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the University or if there be a final judgment for the plaintiff in any such action with or without written consent, the University agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Nothing in this Section 4.3 shall require or obligate the University to indemnify or hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused by any gross negligence or intentional misconduct on the part of the Indemnified Parties in connection with the University's performance of its obligations, agreements and covenants hereunder.

Section 4.4. Additional Information. Nothing in this Agreement shall be deemed to prevent the University from (a) disseminating any other information using the means of dissemination set forth in this Agreement or any other means of communication, or (b) including, in addition to that which is required by this Agreement, any other information in any Annual Report or any Disclosure Event Notice. If the University chooses to include any information in any Annual Report or any Disclosure Event Notice in addition to that which is specifically required by this Agreement, the University shall not have any obligation under this Agreement to update such information or to include it in any future Annual Report or any future Disclosure Event Notice. The University shall reimburse the Dissemination Agent for any expenses incurred by the Dissemination Agent in providing such additional information pursuant to this Section 4.4.

Section 4.5. Notices. All notices required to be given or authorized to be given by either party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail (as well as by facsimile, in the case of the Dissemination Agent) to, in the case of the University, addressed to Rider University, 2083 Lawrenceville Road, Lawrenceville, New Jersey 08648 (facsimile: (609) 895-5681); and in the case of the Dissemination Agent, its principal corporate trust office at 385 Rifle Camp Road, 3rd Floor, Woodland Park, New Jersey 07424 (facsimile: (973) 357-7840), with a copy to the Authority, addressed to it at its offices at 103 College Road East, Princeton, New Jersey 08540 (facsimile: (609) 987-0850).

Section 4.6. Assignments. This Agreement may not be assigned by either party hereto without the written consent of the other and, as a condition to any such assignment, only upon the assumption in writing of all of the obligations imposed upon such party by this Agreement.

Section 4.7. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 4.8. Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Both parties hereto may sign the same counterpart or each party hereto may sign a separate counterpart.

Section 4.9. Amendments, Changes and Modifications. (a) Except as otherwise provided in this Agreement, subsequent to the initial issuance of the Bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the Indenture), this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Dissemination Agent (with written notice to the Authority).

(b) Without the consent of any Bondholders, the University and the Dissemination Agent at any time and from time to time may enter into any amendments or modifications to this Agreement for any of the following purposes:

(i) to add to the covenants and agreements of the University hereunder for the benefit of the Bondholders or to surrender any right or power conferred upon the University by this Agreement;

(ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices or legal requirements followed by or applicable to the University, to reflect changes in the identity, nature or status of the University or in the business, structure or operations of the University, or to reflect any mergers, consolidations, acquisitions or dispositions made by or affecting the University; *provided*, that any such modification shall not be in contravention of Rule 15c2-12 as then in effect at the time of such modification; or

(iii) to cure any ambiguity herein, to correct or supplement any provision hereof that may be inconsistent with any other provision hereof or to include any other provisions with respect to matters or questions arising under this Agreement, any of which, in each case, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering, after taking into account any amendments or interpretations of Rule 15c2-12 as well as any changes in circumstances;

provided, that prior to approving any such amendment or modification, the University determines that such amendment or modification does not adversely affect the interests of the Bondholders in any material respect.

(c) Upon entering into any amendment or modification required or permitted by this Agreement that materially affects the interests of the Bondholders, the University shall deliver, or cause the Dissemination Agent to deliver, to the MSRB written notice of any such amendment or modification.

(d) The University and the Dissemination Agent shall be entitled to rely exclusively upon an opinion of Bond Counsel to the Authority to the effect that such amendments or modifications comply with the conditions and provisions of this Section 4.9.

Section 4.10. Amendments Required by Rule 15c2-12. The University and the Dissemination Agent each recognize that the provisions of this Agreement are intended to enable compliance with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof or the promulgation of a successor rule, statute or regulation thereto, a change in this Agreement shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery of an opinion of Bond Counsel to the Authority addressed to the University and the Dissemination Agent to the effect that such amendments shall be permitted or necessary to assure continued compliance with Rule 15c2-12 as so amended or interpreted, then the University and the Dissemination Agent shall amend this Agreement to comply with and be bound by any such amendment to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and shall provide written notice of such amendment as required by Section 4.9(c) hereof.

Section 4.11. Governing Law. This Agreement shall be governed exclusively by and construed in accordance with the laws of the State and the laws of the United States of America, as applicable. The University and the Dissemination Agent agree that the University or the Authority may be sued only in a court in the County of Mercer in the State of New Jersey.

Section 4.12. Termination of University's Continuing Disclosure Obligations. The continuing obligation of the University under Section 2.1 hereof to provide the Annual Report and any Disclosure Event Notice and to comply with the other requirements of this Agreement shall terminate if and when either (i) the Bonds are no longer Outstanding in accordance with the terms of the Indenture or (ii) the University no longer remains an "obligated person" (as such term is defined in Rule 15c2-12) with respect to the Bonds, and, in either event, only after the University delivers, or causes the Dissemination Agent to deliver, written notice to such effect to the MSRB. This Agreement shall be in full force and effect from the date of issuance of the Bonds and shall continue in effect until the date the Bonds are no longer Outstanding in accordance with the terms of the Indenture; *provided*, *however*, that the indemnification provisions set forth in Sections 2.6 and 4.3 hereof shall survive the termination of this Agreement.

Section 4.13. Prior Undertakings. Except as disclosed in the Final Official Statement, the University has not failed during the previous five years to comply in all material respects with any prior continuing disclosure undertaking made by it in accordance with Rule 15c2-12.

Section 4.14. Covenant. In accordance with P.L. 2005, c. 92, the Dissemination Agent covenants and agrees that all services performed under this Agreement shall be performed within the United States of America.

Section 4.15. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the University and the Dissemination Agent and their respective successors and assigns.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, RIDER UNIVERSITY and **THE BANK OF NEW YORK MELLON** have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

RIDER UNIVERSITY

By:____________________________
Julie A. Karns
Vice President for Finance and Treasurer

THE BANK OF NEW YORK MELLON

By:____________________________
Janet M. Russo
Vice President

[Signature Page to Continuing Disclosure Agreement]

APPENDIX E
FORM OF APPROVING OPINION OF BOND COUNSEL

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APPENDIX E

FORM OF OPINION OF BOND COUNSEL

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

Ladies and Gentlemen:

We have examined a record of proceedings relating to the issuance by the New Jersey Educational Facilities Authority, a public body corporate and politic constituting an instrumentality of the State of New Jersey (the "*Authority*"), of its $41,770,000 Revenue Bonds, Rider University Issue, 2017 Series F (the "*Bonds*").

The Bonds are issued under and pursuant to Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Public Laws of 1967, as amended and supplemented (the "*Act*"), and by a resolution of the Authority duly adopted on October 17, 2017 (the "*Resolution*").

The Bonds are being issued in order to: (a) finance the (i) renovation and equipping of the following residential facilities: Conover Hall, Delta Phi Epsilon Sorority Residence (House 10), Kroner Hall, Lake House, Ridge House and Wright Hall; (ii) renovation and equipping of the following academic facilities: Bart Luedeke Center Theater, Fine Arts Theater, Science and Technology Center and Sweigart Hall; and (iii) construction of an approximately 30,000 sq. ft. addition to the Science and Technology Center; (b) fund capitalized interest for the Bonds through July 1, 2020; and (c) pay certain costs of issuing the Bonds. The Authority and Rider University (the "*University*") have entered into a Loan Agreement, dated as of November 1, 2017 (the "*Loan Agreement*"), providing, among other things, for the making of a loan to the University of the proceeds of the Bonds, which will be secured by a Mortgage and Security Agreement, dated the date hereof (the "*Mortgage*"), by and between the University and the Authority.

The Authority and The Bank of New York Mellon, as trustee (the "*Trustee*"), have executed a Trust Indenture, dated as of November 1, 2017 (the "*Indenture*"), pursuant to which the Authority has assigned to the Trustee, as security for the payment of the Bonds, certain of its rights under the Loan Agreement and the Mortgage. The Bonds are being underwritten pursuant to a Bond Purchase Agreement, dated November 14, 2017 (the "*Bond Purchase Agreement*"), by and among Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the underwriters of the Bonds set forth therein, the Authority and the University.

As the basis for the opinions set forth below, we have examined such matters of law, including the Act, and such documents, including the Resolution, the Loan Agreement, the Mortgage and the Indenture, as we have considered necessary in order to enable us to express the opinions hereinafter set forth. As to matters of fact, we have relied upon the representations of the Authority, the Trustee and the University. Further, in expressing such opinions, we have relied upon the genuineness, truthfulness and completeness of the documents and certificates referred to above.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Authority is a body corporate and politic, duly created and validly existing under the Act, and it has good right and lawful authority to enter into the Loan Agreement and make the loan contemplated thereby and to assign its rights and pledge its revenues to be derived therefrom pursuant to the Indenture as security for the payment of the Bonds in accordance with its terms.

2. The Loan Agreement, the Mortgage and the Indenture have each been duly authorized, executed and delivered, are each in full force and effect and constitute valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms. The Authority has duly and validly assigned to the Trustee certain of its rights and interests in the Loan Agreement and the Mortgage as security for the payment of the Bonds.

3. The Bonds have been duly authorized, executed and issued by the Authority in accordance with the Act and are valid, binding, special and limited obligations of the Authority, the principal of and premium, if any, and interest on which are payable solely from the revenues and other moneys of the Authority derived pursuant to the Loan Agreement and pledged therefor under the Indenture. The Bonds are enforceable in accordance with their terms and are entitled to the benefit of the Act. All conditions precedent to the delivery of the Bonds have been fulfilled.

4. The Resolution has been duly and lawfully adopted by the Authority, is in full force and effect in the form adopted and is valid and binding upon the Authority, enforceable in accordance with its terms, and no other authorization is required for the effectiveness of the Resolution.

5. The Authority and the University have covenanted to comply with any continuing requirements that may be necessary in order to preserve the exclusion from gross income of interest on the Bonds for purposes of federal income taxation under the Internal Revenue Code of 1986, as amended (the "*Code*"). Assuming that the Authority and the University continuously comply with their respective covenants, interest on the Bonds is not includable in gross income for federal income tax purposes under current law. The Bonds are not "specified private activity bonds", as such term is defined under Section 57 of the Code, and, as such, interest on the Bonds is not treated as an item of tax preference under Section 57 of the Code for purposes of computing the federal alternative minimum tax for individuals and corporations. Interest on the Bonds held by corporate taxpayers is included in "adjusted current earnings" in calculating alternative minimum taxable income for purposes of the federal alternative minimum tax imposed on corporations.

6. Interest on the Bonds and any gain from the sale thereof are not includable as gross income under the New Jersey Gross Income Tax Act.

In rendering the opinion expressed in paragraph 5 above, we have relied on representations of the Authority and the University with respect to matters solely within the knowledge of the Authority and the University that we have not independently verified, and we have assumed continuing compliance with the covenants in the Indenture and the Loan Agreement pertaining to the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete or the Authority or the University fails to comply with such covenants, interest on the Bonds could be includable in gross income for federal income tax purposes from the date of their original delivery, regardless of the date on which the event causing such inclusion occurs.

We express no opinion regarding other federal tax consequences arising with respect to the Bonds except those set forth in paragraph 5 above. The foregoing opinions are qualified to the extent that the enforceability of the Bonds, the Resolution, the Loan Agreement, the Mortgage and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or limiting creditors' rights generally and the application of general principles of equity.

The opinions expressed herein are limited to the laws of the State of New Jersey, exclusive of conflict of law provisions, and the laws of the United States of America.

The opinions expressed herein are based upon the laws and judicial decisions of the State of New Jersey and the United States of America as of the date hereof and are subject to any amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for our opinion or to any laws or judicial decisions hereafter enacted or rendered. Our engagement as bond counsel with respect to the opinions expressed herein does not require, and shall not be construed to constitute, a continuing obligation on our part to notify or otherwise inform the addressee hereof of the amendment, repeal or other modification of the applicable laws or judicial decisions that served as the basis for this opinion letter or of the laws or judicial decisions hereafter enacted or rendered that impact on this opinion letter.

This opinion letter is being furnished solely to the party to whom it is addressed and may not be relied upon by any other person or quoted in whole or in part or otherwise referred to without our prior written consent, except as required by law and except in any legal proceeding relating to the Bonds or the transactions contemplated by the Loan Agreement and the Bond Purchase Agreement. This is only an opinion letter and not a warranty or guaranty of the matters discussed herein.

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

Very truly yours,

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