NEW ISSUE
BOOK ENTRY ONLY **Ratings: See "Ratings" herein**

In the opinion of McManimon, Scotland & Baumann, LLC, Bond Counsel to the Authority (as defined herein), 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 Public College (as defined herein) and assuming continuing compliance by the Authority and the Public College with certain ongoing covenants set forth in their respective Tax Certificates (as defined herein), interest on the Series 2016 F Bonds (as defined herein) 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. Interest on the Series 2016 G Bonds (as defined herein) is included in gross income for federal income tax purposes. Bond Counsel is also of the opinion that interest on the Series 2016 F 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 Bonds (as defined herein) are not includable as gross income under the New Jersey Gross Income Tax Act. See "TAX MATTERS" herein.

NJEFA
New Jersey Educational Facilities Authority

$193,180,000
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS,
THE COLLEGE OF NEW JERSEY ISSUE
Consisting of
$87,925,000 SERIES 2016 F (Tax-Exempt)
$105,255,000 SERIES 2016 G (Federally Taxable)

TCNJ
THE COLLEGE OF NEW JERSEY

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

The New Jersey Educational Facilities Authority $193,180,000 Revenue Refunding Bonds, The College of New Jersey Issue (the "Bonds"), consisting of $87,925,000 Series 2016 F (Tax-Exempt) (the "Series 2016 F Bonds") and $105,255,000 Series 2016 G (Federally Taxable) (the "Series 2016 G Bonds"), when issued, will be issued as registered bonds and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases of Bonds will be made in book-entry-only form in denominations of $5,000 or any integral multiple of $1,000 in excess thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. So long as DTC is the registered owner of the Bonds, payments of the principal of and interest on the Bonds will be made directly to DTC. Disbursements of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC Participants and Indirect Participants. See "DESCRIPTION OF THE BONDS — Book-Entry Bonds" herein. U.S. Bank National Association, Morristown, New Jersey (the "Trustee"), shall act as trustee, paying agent and bond registrar for the Bonds.

Interest on the Bonds will be payable on January 1 and July 1 of each year until maturity or earlier redemption, commencing January 1, 2017.

The Series 2016 F Bonds are subject to optional, extraordinary optional and mandatory sinking fund redemption prior to maturity, as described herein. The Series 2016 G Bonds are subject to make-whole, extraordinary optional and mandatory sinking fund redemption prior to maturity, as described herein.

The Bonds are being issued pursuant to the New Jersey Educational Facilities Authority Law (*N.J.S.A.* 18A:72A-1 *et seq.*), as amended and supplemented, a Resolution adopted by the New Jersey Educational Facilities Authority (the "Authority") on July 26, 2016 (the "Resolution") and a Trust Indenture, dated as of September 1, 2016 (the "Indenture"), by and between the Authority and the Trustee. The proceeds of the Bonds will be used for the purpose of providing funds to (i) pay the costs of refunding a portion of the Authority's outstanding (a) Revenue Refunding Bonds, The College of New Jersey Issue, Series 2008 D and (b) Revenue Bonds, The College of New Jersey Issue, Series 2010 B (Build America Bonds – Direct Payment) (collectively, and as described further herein, the "Bonds to be Refunded") and (ii) pay costs of issuance of such Bonds.

The principal and redemption premium, if any, of and interest on the Bonds are payable solely from payments to be received by the Authority pursuant to a Lease and Agreement, dated as of September 1, 2016 (the "Agreement"), by and between the Authority and The College of New Jersey, and from funds and accounts held by the Trustee under the Indenture.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY, AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE). THE AUTHORITY HAS NO TAXING POWER. THE BONDS ARE PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE LEASE PAYMENTS (AS DEFINED IN THE INDENTURE) AND OTHER AMOUNTS PLEDGED TO THE BONDS UNDER THE INDENTURE. SEE "SECURITY FOR THE BONDS" HEREIN FOR A DESCRIPTION OF THE SECURITY FOR THE BONDS.

This cover page contains certain information for quick reference only. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued by the Authority and delivered to the Underwriters, subject to prior sale, withdrawal or modification of the offer without notice and to the approval of their legality by McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by their counsel, Chiesa Shahinian & Giantomasi PC, West Orange, New Jersey. It is expected that the Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about September 29, 2016.

MORGAN STANLEY

Loop Capital Markets **Ramirez & Co., Inc.** **Siebert Brandford Shank & Co., L.L.C.**

Dated: August 23, 2016

$193,180,000
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS,
THE COLLEGE OF NEW JERSEY ISSUE

Consisting of

$87,925,000 SERIES 2016 F (Tax-Exempt)

$74,950,000 Serial Bonds

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	CUSIP**
2020	$ 1,080,000	4.00%	0.95%	646066ZG8
2021	1,880,000	5.00	1.12	646066ZH6
2022	2,325,000	5.00	1.33	646066ZJ2
2023	2,400,000	5.00	1.49	646066ZK9
2024	2,980,000	5.00	1.63	646066ZL7
2025	2,655,000	5.00	1.77	646066ZM5
2026	2,750,000	5.00	1.91	646066ZN3
2027	2,760,000	5.00*	2.05	646066ZP8
2028	2,865,000	5.00*	2.14	646066ZQ6
2029	2,970,000	5.00*	2.21	646066ZR4
2030	2,790,000	4.00*	2.45	646066ZS2
2031	2,885,000	4.00*	2.50	646066ZT0
2032	6,480,000	4.00*	2.55	646066ZU7
2033	6,870,000	4.00*	2.60	646066ZV5
2034	7,730,000	4.00*	2.65	646066ZW3
2035	23,530,000	4.00*	2.70	646066ZX1

$12,975,000 3.00% Term Bond, due July 1, 2040, Price 99.156% to Yield 3.05% CUSIP No. 646066ZY9**

* Priced at the stated yield to the first optional redemption date of July 1, 2026 at the redemption price of 100%.

$105,255,000 SERIES 2016 G (Federally Taxable)

$75,320,000 Serial Bonds

Maturity Date (July 1)	Principal Amount	Interest Rate	Price	CUSIP**
2020	$ 2,450,000	1.866%	100%	646066YR5
2021	1,780,000	2.096	100	646066YS3
2022	5,230,000	2.304	100	646066YT1
2023	5,420,000	2.504	100	646066YU8
2024	5,800,000	2.579	100	646066YV6
2025	5,165,000	2.729	100	646066YW4
2026	5,340,000	2.829	100	646066YX2
2027	5,370,000	2.979	100	646066YY0
2028	5,565,000	3.119	100	646066YZ7
2029	5,780,000	3.219	100	646066ZA1
2030	6,290,000	3.319	100	646066ZB9
2031	6,520,000	3.419	100	646066ZC7
2032	14,610,000	3.459	100	646066ZD5

$29,935,000 3.640% Term Bond, due July 1, 2034, Price 100% CUSIP No. 646066ZE3**

** CUSIP is a registered trademark of the 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. This data is not intended to create a database and does not serve in any way as a substitute for Standard & Poor's Capital IQ. CUSIP numbers have been assigned by an independent company not affiliated with the Authority or the State of New Jersey and are included solely for the convenience of the registered owners of the Bonds. The Authority is not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

IN CONNECTION WITH THE OFFERING OF NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY REVENUE REFUNDING BONDS, THE COLLEGE OF NEW JERSEY ISSUE, SERIES 2016 F (TAX-EXEMPT) AND SERIES 2016 G (FEDERALLY TAXABLE) (COLLECTIVELY, THE "BONDS"), THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

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

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

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

No dealer, broker, salesman or other person has been authorized by the Authority or The College of New Jersey (the "Public College") to give any information or to make any representations with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by either of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Certain information contained herein has been obtained from the Public College and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness and it is not to be construed as a representation of the Authority. The information set forth herein relative to The Depository Trust Company ("DTC") and DTC's book-entry-only system has been supplied to the Authority by DTC for inclusion herein, and the Authority takes no responsibility for the accuracy thereof. Such information has not been independently verified by the Authority and the Authority makes no representation as to the accuracy or completeness of such information. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guaranty the accuracy or completeness of such information.

The Bonds have not been registered under the Securities Act of 1933, as amended, and neither the Resolution 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 Bonds and the security therefor, including an analysis of the risk involved. The Bonds have not been recommended by any federal or state securities commission or regulatory authority. The registration, qualification or exemption of the Bonds in accordance with applicable provisions of securities laws of the various jurisdictions in which the Bonds have been registered, qualified or exempted cannot be regarded as a recommendation thereof. Neither such jurisdictions nor any of their agencies have passed upon the merits of the Bonds or the adequacy, accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

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

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

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

OFFICIAL STATEMENT

Relating to

$193,180,000
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS,
THE COLLEGE OF NEW JERSEY ISSUE
Consisting of
$87,925,000 SERIES 2016 F (Tax-Exempt)
$105,255,000 SERIES 2016 G (Federally Taxable)

INTRODUCTORY STATEMENT

General

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to furnish information concerning the New Jersey Educational Facilities Authority (the “Authority”) and its Revenue Refunding Bonds, The College of New Jersey Issue, Series 2016 F (Tax-Exempt) (the “Series 2016 F Bonds”) and Series 2016 G (Federally Taxable) (the “Series 2016 G Bonds” and, together with the Series 2016 F Bonds, the “Bonds”), dated the date of delivery. The Bonds are being issued pursuant to a Resolution adopted by the Authority on July 26, 2016 (the “Resolution”) and a Trust Indenture, dated as of September 1, 2016 (the “Indenture”), between the Authority and U.S. Bank National Association, as trustee (the “Trustee”). Certain capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Indenture. For definitions of certain capitalized words and terms used in this Official Statement and not otherwise defined herein or in the Indenture, see “APPENDIX C – FORMS OF PRINCIPAL LEGAL DOCUMENTS” hereto.

Authority for Issuance

The Bonds are being issued pursuant to the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Public Laws of 1967, as amended and supplemented (the “Act”). The Act, among other things, empowers the Authority to issue its revenue bonds, notes and other obligations to provide funds to finance and refinance an eligible educational facility as such may be required or convenient for the purpose of a public or private participating institution of higher education, and, in particular, The College of New Jersey, located in the Township of Ewing, Mercer County, New Jersey (the “Public College”). For information concerning the Public College, see “APPENDIX A - THE COLLEGE OF NEW JERSEY” and “APPENDIX B - FINANCIAL STATEMENTS OF THE COLLEGE OF NEW JERSEY FOR THE FISCAL YEAR ENDED JUNE 30, 2015” hereto.

Purpose and Use of Proceeds

The proceeds of the Bonds will be used, together with other available Trustee-held funds, to advance refund the Bonds to be Refunded (as hereinafter defined) and pay certain costs incidental to the issuance and sale of the Bonds (collectively, the "Refunding Project"). See "PLAN OF FINANCE" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Security for the Bonds; Other Financings

Pursuant to a Lease and Agreement, dated as of September 1, 2016 (the "Agreement"), between the Authority and the Public College, the Public College agrees to pay to the Authority the Basic Lease Payments (as defined therein) and certain Additional Lease Payments (as defined therein) for the use and occupancy of the Project Facilities (as defined therein). Pursuant to the Agreement, Basic Lease Payments are due at times and in amounts sufficient to make timely payments of principal of and interest on the Bonds. The Basic Lease Payments shall be due on each Basic Lease Payment Date (in the case of regularly scheduled debt service, being December 20 in the case of interest payable on the following January 1 and one-half of the principal or mandatory sinking fund installment payable on the following July 1, and June 20 in the case of interest payable on the following July 1 and one-half of the principal or mandatory sinking fund installment payable on July 1).

To secure the payment of Basic Lease Payments and Additional Lease Payments, the Public College will establish a "Rental Pledge Account" under the Agreement, into which the Public College is required to deposit or cause to be deposited amounts sufficient to pay the Basic Lease Payments on each December 1 (in the case of the Basic Lease Payment due on December 20) and June 1 (in the case of the Basic Lease Payment due on June 20).

The obligation of the Public College to make payments pursuant to the Agreement is a general obligation of the Public College payable from any legally available funds of the Public College. The Bonds are special and limited obligations of the Authority payable solely from the Lease Payments and other payments derived by the Authority under the Agreement (except for fees and expenses payable to the Authority, the Authority's right to indemnification as set forth in the Agreement and any payments made by the Trustee or the Public College to meet the rebate requirements of Section 148(f) of the Internal Revenue Code). See "SECURITY FOR THE BONDS – General" and " - Payments under the Agreement" herein and "APPENDIX C – FORMS OF PRINCIPAL LEGAL DOCUMENTS" hereto.

The Authority has previously issued other series of its revenue bonds to finance projects for the Public College, each of which is leased to the Public College pursuant to a separate lease and agreement with the Authority. The payment of annual rentals under each existing lease and agreement constitutes a general obligation of the Public College, payable from any legally available moneys of the Public College.

As of July 1, 2016, the Public College had $357,179,235 in outstanding principal repayment obligations in respect of various bonds of the Authority and other obligations of the Authority. In addition, the Authority may, from time to time, issue other series of its revenue bonds, in addition to the Bonds, to finance or refinance projects of the Public College. See "SECURITY FOR THE BONDS – Outstanding Obligations and Additional Obligations" herein.

See “APPENDIX A – THE COLLEGE OF NEW JERSEY” hereto for a description of the Public College and its operations and facilities.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY, AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE). THE AUTHORITY HAS NO TAXING POWER. THE BONDS ARE PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE LEASE PAYMENTS (AS DEFINED IN THE INDENTURE) AND OTHER AMOUNTS PLEDGED TO THE BONDS UNDER THE INDENTURE.

Additional Bonds and Other Obligations

Although additional bonds may not be issued under the Indenture on a parity with the Bonds, the Indenture permits the Authority to enter into Swap Agreements (as defined in the Indenture) on behalf of the Public College with respect to the Bonds which may be secured on a parity with the Bonds. As of the date of the issuance of the Bonds, the Authority has not entered into and is not contemplating at this time entering into any Swap Agreement with respect to the Bonds.

Further, although additional bonds may not be issued on parity with the Bonds under the Indenture, there are no covenants or restrictions which prohibit or limit the incurrence of debt or additional obligations by the Public College. Accordingly, the Authority may from time to time issue bonds or other obligations on behalf of the Public College, and the Public College may from time to time incur additional obligations (whether to the Authority or otherwise).

Payments by the Public College under the Agreement do not secure any other obligations of the Public College.

PLAN OF FINANCE

The proceeds of the Bonds, together with other available Authority funds held by the Trustee, if any, will be used to (i) advance refund a portion of the Authority’s outstanding (a) Revenue Refunding Bonds, The College of New Jersey Issue, Series 2008 D (the “Series 2008 D Bonds”) as described in APPENDIX F hereto (the “Series 2008 D Bonds to be Refunded”) and (b) Revenue Bonds, The College of New Jersey Issue, Series 2010 B (Build America Bonds – Direct Payment) (the “Series 2010 B Bonds”) as described in APPENDIX F hereto (the “Series 2010 B Bonds to be Refunded” and, together with the Series 2008 D Bonds to be Refunded, the “Bonds to be Refunded”) and (ii) pay certain costs of issuing the Bonds. See ESTIMATED SOURCES AND USES OF FUNDS” herein and APPENDIX F - “Summary of Bonds to be Refunded” hereto. The Series 2008 D Bonds were issued pursuant to a Trust Indenture dated as of April 1, 2008 (the “2008 Indenture”). The Series 2010 B Bonds were issued pursuant to a Trust Indenture dated as of January 1, 2010 (the “2010 Indenture”).

Refunding of Series 2008 D Bonds

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

Refunding of Series 2010 B Bonds

On the date of issuance and delivery of the Series 2016 F Bonds, a portion of the proceeds thereof, together with other available Authority funds held by the Trustee, if any, will be deposited in an escrow fund (the "Crossover Escrow Fund") to be held by the Escrow Agent, and established pursuant to an escrow deposit agreement (the "Series 2010 B Escrow Agreement") between the Authority and the Escrow Agent. The refunding of the Series 2010 B Bonds to be Refunded is being structured as a crossover refunding. As such, the moneys so deposited in the Crossover Escrow Fund will be invested in noncallable obligations of, or obligations guaranteed by, the United States of America ("Government Obligations"), which, together with a specified beginning cash balance, will be sufficient to pay the interest due on the portion of the Series 2016 F Bonds allocable to the refunding of the Series 2010 B Bonds to be Refunded to July 1, 2019 (the "Crossover Date"), which is the first optional redemption date of the Series 2010 B Bonds to be Refunded. On such optional redemption date, the principal and interest on the Government Obligations, together with any cash on deposit in the Crossover Escrow Fund, will be utilized to redeem the principal portion of the Series 2010 B Bonds to be Refunded. The Series 2010 B Bonds to be Refunded will remain outstanding until redeemed on such optional redemption date. Pursuant to the Series 2010 B Escrow Agreement, the Authority irrevocably elects to call all of the outstanding Series 2010 B Bonds to be Refunded on the Crossover Date at a redemption price equal to 100% of the principal amount thereof, without premium. Prior to the Crossover Date, the Series 2010 B Bonds to be Refunded will not be secured or payable from amounts held by the Escrow Agent under the Series 2010 B Escrow Agreement, but will continue to be secured by and payable from the revenues which were originally pledged for the payment of the Series 2010 B Bonds.

The accuracy of the mathematical computations of the adequacy of the Crossover Escrow Fund (i) to pay interest on the portion of the Series 2016 F Bonds allocable to the refunding of the Series 2010 B Bonds to be Refunded to July 1, 2019 and (ii) to fund the principal portion of the Series 2010 B Bonds to be Refunded payable on the Crossover Date have been verified by Mercadien P.C. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein.

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Bonds, together with other available Trustee-held funds, are expected to be applied approximately as follows:

Sources of Funds:

	Series 2016 F Bonds	Series 2016 G Bonds	Total
Par Amount of Bonds	$87,925,000.00	$105,255,000.00	$193,180,000.00
Net Original Issue Premium	11,566,369.25		11,566,369.25
Total Sources:	**$99,491,369.25**	**$105,255,000.00**	**$204,746,369.25**

Uses of Funds:

	Series 2016 F Bonds	Series 2016 G Bonds	Total
Deposit to Series 2008 D Escrow Fund	$58,983,445.13	$104,688,943.17	$163,672,388.30
Deposit to Crossover Escrow Fund	40,030,003.79		40,030,003.79
Costs of Issuance(1)	477,920.33	566,056.83	1,043,977.16
Total Uses:	**$99,491,369.25**	**$105,255,000.00**	**$204,746,369.25**

(1) Estimated amount to provide for Underwriters' discount and fees and expenses of the Authority, Bond Counsel, the Trustee, the Escrow Agent, the Verification Agent, the Financial Advisor, rating agency fees, and printing and other associated issuance costs related to the Bonds.

DESCRIPTION OF THE BONDS

General

The Bonds will initially be dated and will bear interest from the date of delivery. Interest will be payable on January 1 and July 1 of each year until maturity or earlier redemption, commencing January 1, 2017. The Bonds will bear interest at the interest rates per annum, and will mature on July 1 in each of the years and in the principal amounts shown on the inside front cover page of this Official Statement.

The Bonds will be issued in fully registered form, without coupons, in the denomination of $5,000 and any integral multiple of $1,000 in excess thereof.

Book-Entry Bonds[1]

The Depository Trust Company, New York, New York ("DTC"), will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds for each series, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

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[1] Source: The Depository Trust Company.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (each 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. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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.

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

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

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificated Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In such event, certificated Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but the Authority takes no responsibility for the accuracy thereof.

The principal of, redemption premium, if any, and interest on the Bonds are payable to DTC by the Trustee.

Redemption Provisions

Optional Redemption.

Series 2016 F Bonds. The Series 2016 F Bonds maturing on or before July 1, 2026 are not subject to optional redemption prior to maturity, except for extraordinary optional redemption described below. The Series 2016 F Bonds maturing on or after July 1, 2027 are subject to redemption prior to maturity on or after July 1, 2026, at the option of the Authority with the prior consent of the Public College, in whole or in part at any time or from time to time at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date of redemption.

Make-Whole Redemption.

Series 2016 G Bonds. The Series 2016 G Bonds are subject to redemption prior to maturity on any Business Day, at the option of the Authority with the prior consent of the Public College, in whole or in part, at the Make-Whole Redemption Price described below.

The "Make-Whole Redemption Price" is the greater of (i) 100% of the principal amount of the Series 2016 G Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2016 G Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2016 G Bonds are to be redeemed, discounted to the date on which such Series 2016 G Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus the number of basis points shown below with respect to the years shown below, plus, in each case, accrued and unpaid interest on the Series 2016 G Bonds to be redeemed on the redemption date. The Trustee may retain, at the expense of the Public College, an independent accounting firm or financial advisor to determine the Make-Whole Redemption Price and perform all actions and make all calculations required to determine the Make-Whole Redemption Price. The Trustee, the Authority and the Public College may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and determination of, the Make-Whole Redemption Price, and none of the Trustee, the Authority or the Public College will have any liability for their reliance.

2020 to 2024: 15 basis points
2025 to 2027: 20 basis points
2028 to 2040: 25 basis points

The "Treasury Rate" is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2016 G Bonds to be redeemed. However, if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

Mandatory Sinking Fund Redemption.

Series 2016 F Bonds. The Series 2016 F Bonds maturing on July 1, 2040 shall be retired by Sinking Fund Installments as hereinafter described, which shall be accumulated in the Principal Account at a redemption price equal to one hundred percent (100%) of the principal amount to be redeemed, plus accrued interest to the redemption date. The Sinking Fund Installments shall be sufficient to redeem the principal amount of the Series 2016 F Bonds on July 1 in each of the years and in the principal amounts as follows:

Term Bonds Maturing July 1, 2040

Year	Amount
2036	$2,445,000
2037	2,515,000
2038	2,595,000
2039	2,670,000
2040*	2,750,000

* Final maturity.

Series 2016 G Bonds. The Series 2016 G Bonds maturing on July 1, 2034 shall be retired by Sinking Fund Installments as hereinafter described, which shall be accumulated in the Principal Account at a redemption price equal to one hundred percent (100%) of the principal amount to be redeemed, plus accrued interest to the redemption date. The Sinking Fund Installments shall be sufficient to redeem the principal amount of the Series 2016 G Bonds on July 1 in each of the years and in the principal amounts as follows:

Term Bonds Maturing July 1, 2034	
Year	Amount
2033	$14,985,000
2034*	14,950,000

* 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 Public College in lieu of cash payments under the Agreement or purchased by the Trustee out of moneys in the Redemption Fund that have not theretofore been applied as a credit against any Sinking Fund Installment.

Extraordinary Optional Redemption. Subject to the Outstanding Agreements (as hereinafter defined), if all or a substantial portion of the Project Facilities financed with the proceeds of the Bonds are damaged or destroyed by fire or other casualty, or title to or the temporary use of all or a substantial portion of such facilities is condemned or taken for any public or quasi-public use by any governmental entity exercising or threatening the exercise of the power of eminent domain, or title thereto is found to be deficient, to such extent that in the determination of the Public College (a) such facilities cannot be reasonable restored or replaced to the condition thereof preceding such event, or (b) the Public College is thereby prevented from carrying on its normal operations, or (c) the cost of restoration or replacement thereof would exceed the Net Proceeds of any casualty insurance, title insurance, condemnation awards or sale under threat of condemnation with respect thereto, the Bonds are subject to extraordinary optional redemption prior to maturity, in whole or in part at any time or from time to time, from and to the extent of any condemnation or insurance proceeds deposited in the Debt Service Fund pursuant to the Agreement, at the election of the Authority with the consent of the Public College. Any such redemption shall be made on the earliest practicable date at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

Redemption in Part. If less than all of the Bonds are to be redeemed prior to maturity, such Bonds shall be called for redemption in any order of maturity and in any principal amount within a maturity as the Authority may designate with the consent of the Public College and in the case of any Bonds subject to mandatory sinking fund redemption, the Authority may designate, with the consent of the Public College, whether such partial redemption shall be credited against the principal amount due at maturity or against particular scheduled Sinking Fund Installments with respect to such Bond. Bonds to be redeemed within any maturity shall be selected by the Trustee by lot or by any other method.

If the Bonds are registered in book-entry-only form and so long as DTC or a successor securities depository is the sole registered owner of the Bonds, if less than all of the Bonds of a maturity are called for redemption, the particular Bonds of such maturity or portions thereof to be redeemed will be selected on a *pro rata* pass-through distribution of principal basis in accordance with the DTC procedures.

It is the intention of the Authority that redemption allocations made by DTC be made on a *pro rata* pass-through distribution of principal basis as described above. However, none of the Authority, the Public College or the Underwriters of the Bonds can provide any assurance that DTC, DTC's Direct and Indirect Participants or any other intermediary will allocate the redemption of the Bonds on such basis. If the DTC operational arrangements do not allow for the redemption of the Bonds on a *pro rata* pass-through distribution of principal basis as discussed above, then the Bonds will be selected for redemption, in accordance with the DTC procedures, by lot.

If the Bonds are not registered in book-entry-only form, any redemption of less than all of a maturity of the Bonds will be allocated among the registered owners of the Bonds of such maturity, as nearly as practicable, taking into consideration the Authorized Denominations of the Bonds, on a *pro rata* basis.

Notice of Redemption. Notice of redemption of the Bonds will be given by the Trustee by mailing a copy of such notice to DTC, as the registered owner of the Bonds, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, and such mailing shall be a condition precedent to such redemption. Failure of DTC or any Holder to receive a copy of such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of the Bonds.

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

Any notice of redemption of any Bonds pursuant to an optional redemption may specify that such redemption is contingent upon the deposit of moneys with the Trustee in an amount sufficient to pay the redemption price of all the Bonds or portions thereof which are to be redeemed on that date.

Negotiable Instruments

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

ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth, as of the date of issuance of the Bonds, for each 12-month period ending on June 30, the amounts required for the payment of the principal of and interest on the Public College's outstanding debt obligations, including the Bonds, and the total of such principal and interest. In accordance with the Indenture, the principal and interest requirements for each 12-month period ending on June 30 are defined to include the respective amounts required to provide for the payment of interest due on each January 1 and July 1 and for the payment of principal due on each July 1.

			THE BONDS			
Year Ending June 30[1]	**DEBT SERVICE ON OTHER AUTHORITY BONDS[2], [3], [5]**	**DEBT SERVICE ON STATE CONTRACT OBLIGATIONS[3], [4], [5]**	**PRINCIPAL**	**INTEREST[6]**	**TOTAL[5]**	**Combined Outstanding Debt Service[5]**
2017	$19,681,573	$ 754,959		$5,251,282	$ 5,251,282	$25,687,813
2018	18,362,326	854,139		6,950,226	6,950,226	26,166,690
2019	20,208,384	877,315		6,950,226	6,950,226	28,035,925
2020	14,465,043	879,264	$ 3,530,000	6,950,226	10,480,226	25,824,533
2021	14,502,994	862,564	3,660,000	6,861,309	10,521,309	25,886,867
2022	14,028,244	1,859,680	7,555,000	6,730,000	14,285,000	30,172,924
2023	14,085,244	1,863,394	7,820,000	6,493,251	14,313,251	30,261,889
2024	15,272,494		8,780,000	6,237,534	15,017,534	30,290,028
2025	13,147,244		7,820,000	5,938,952	13,758,952	26,906,196
2026	13,147,944		8,090,000	5,665,249	13,755,249	26,903,193
2027	12,735,944		8,130,000	5,376,681	13,506,681	26,242,625
2028	12,735,694		8,430,000	5,078,708	13,508,708	26,244,402
2029	12,736,194		8,750,000	4,761,886	13,511,886	26,248,080
2030	12,729,125		9,080,000	4,427,328	13,507,328	26,236,453
2031	12,737,713		9,405,000	4,106,963	13,511,963	26,249,675
2032	1,634,725		21,090,000	3,768,644	24,858,644	26,493,369
2033	1,629,475		21,855,000	3,004,084	24,859,084	26,488,559
2034	1,636,501		22,680,000	2,183,830	24,863,830	26,500,331
2035	1,636,250		23,530,000	1,330,450	24,860,450	26,496,700
2036	1,633,500		2,445,000	389,250	2,834,250	4,467,750
2037	1,633,250		2,515,000	315,900	2,830,900	4,464,150
2038	1,635,251		2,595,000	240,450	2,835,450	4,470,701
2039	1,634,250		2,670,000	162,600	2,832,600	4,466,850
2040	1,635,250		2,750,000	82,500	2,832,500	4,467,750
2041	1,638,000					1,638,000
2042	1,637,250					1,637,250
2043	1,638,000					1,638,000
Total[5]:	**$240,197,860**	**$7,951,315**	**$193,180,000**	**$99,257,528**	**$292,437,528**	**$540,586,703**

[1] Includes principal and interest to be paid on July 1 following each period.
[2] Includes the Authority's outstanding Revenue Bond Issues for the Public College, Series 2008 D, Series 2010 B (which amounts do not include any BAB subsidy to be received), Series 2012 A, Series 2013 A and Series 2015 G; other than the Bonds to be Refunded.
[3] Does not include debt service paid prior to the date of this Official Statement.
[4] Includes the Public College's share of certain Authority programs, including the Higher Education Capital Improvement Fund, Series 2002 A, Series 2006 A and Series 2016 A; the Dormitory Safety Trust Fund, Series 2003 A; and the Higher Education Equipment Leasing Fund, Series 2014 A.
[5] Totals may not add due to rounding.
[6] Excludes the impact of the Crossover Escrow Fund which will be applied to pay the interest due on the portion of the Series 2016 F Bonds allocable to the refunding of the Series 2010 B Bonds to be Refunded to the Crossover Date.

SECURITY FOR THE BONDS

General

The Bonds are special and limited obligations of the Authority payable solely from Lease Payments and other payments derived by the Authority under the Agreement (except for fees and expenses payable to the Authority, the Authority's right to indemnification as set forth in the Agreement and any payments made by the Trustee or the Public College to meet the rebate requirements of Section 148(f) of the Internal Revenue Code). The Public College agrees to pay from any legally available funds of the Public College "Basic Lease Payments" in an amount sufficient to enable the Trustee to make the transfers and deposits required at the times and in the amounts required to make payments from the Debt Service Fund and the Rebate Fund as set forth in the Indenture (including, without limitation, all Swap Payment Obligations, if any, and Swap Termination Payments, if any). Additional Lease Payments are amounts to be paid under the Agreement for specified purposes and are paid in addition to Basic Lease Payments.

THE BONDS ARE SPECIAL AND LIMITED OBLIGATIONS OF THE AUTHORITY, AND ARE NOT A DEBT OR LIABILITY OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), OR A PLEDGE OF THE FAITH AND CREDIT OR THE TAXING POWER OF THE STATE OF NEW JERSEY OR OF ANY POLITICAL SUBDIVISION THEREOF, OTHER THAN THE AUTHORITY (TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE). THE AUTHORITY HAS NO TAXING POWER. THE BONDS ARE PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF THE LEASE PAYMENTS (AS DEFINED IN THE INDENTURE) AND OTHER AMOUNTS PLEDGED TO THE BONDS UNDER THE INDENTURE.

Payments Under the Agreement

Pursuant to the Agreement, the Public College agrees to pay to the Authority the Basic Lease Payments (as defined therein) and certain Additional Lease Payments (as defined therein) for the use and occupancy of the Project Facilities (as defined therein). Pursuant to the Agreement, Basic Lease Payments are due at times and in amounts sufficient to make timely payments of principal of and interest on the Bonds.

With respect to the Principal Portion of a Basic Lease Payment, Basic Lease Payments are due on December 20 and June 20, in an amount equal to one half (1/2) of the principal due and payable on the Bonds (a) on the immediately succeeding Principal Payment Date, with respect to regularly scheduled Principal Payment Dates, and (b) on the Principal Payment Date that coincides with the Basic Lease Payment Date, in the case of redemption or acceleration of the Bonds.

With respect to the Interest Portion of a Basic Lease Payment, Basic Lease Payments are due on December 20 and June 20, as applicable, prior to any regularly scheduled Interest Payment Date in the amount of interest due and payable on the Bonds (a) on the immediately succeeding Interest Payment Date, with respect to regularly scheduled Interest Payment Dates, and (b) on the Interest Payment Date that coincides with the Basic Lease Payment Date, in the case of redemption or acceleration of the Bonds (each, a "Basic Lease Payment Date").

Notwithstanding the foregoing, pursuant to the Agreement, the Public College has agreed to make payments, or cause payments to be made, at the times and in the amounts required to be paid as principal or redemption price of and interest on the Bonds from time to time Outstanding under the Indenture and other amounts required to be paid under the Indenture, as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise.

The Public College has agreed that its obligation to make the payments required under the Agreement, including the Basic Lease Payments, shall constitute a general obligation of the Public College, payable from any legally available funds of the Public College.

Outstanding Obligations and Additional Bonds and Other Obligations

As of July 1, 2016, the Public College had outstanding indebtedness assumed under the Outstanding Agreements (as hereinafter defined) of $357,179,235 with respect to revenue bonds issued by the Authority for the benefit of the Public College and other obligations of the Authority. See "APPENDIX A – THE COLLEGE OF NEW JERSEY - Outstanding Indebtedness of the College" hereto for the description of such series of bonds and "ESTIMATED ANNUAL DEBT SERVICE REQUIREMENTS" herein. Debt service on each such series of bonds (collectively, the "Prior Bonds") is payable by the Public College pursuant to separate lease and agreements (each an "Outstanding Agreement" and, collectively, the "Outstanding Agreements") in which the Public College has agreed that its payment obligations are general obligations of the Public College payable from any legally available funds of the Public College.

The Authority may, from time to time in the future, issue other series of its revenue bonds to finance or refinance projects for the Public College, each of which project is to be leased to the Public College pursuant to separate lease and agreements.

The repayment obligation of the Public College with respect to the Bonds pursuant to the Agreement is a general obligation of the Public College, and no specific revenues of the Public College are pledged as additional security for such repayment obligation.

Although additional bonds may not be issued under the Indenture on parity with the Bonds, the Indenture permits the Authority to enter into Swap Agreements on behalf of the Public College (as defined in the Agreement) with respect to the Bonds. As of the date of issuance of the Bonds, the Authority has not entered into, and is not currently contemplating entering into, any Swap Agreement with respect to the Bonds.

In the event that any Swap Agreement is hereafter entered into, the Indenture and the Agreement may each be amended, without notice to or consent by the holders of the Bonds, to effectuate such Swap Agreement, including (but not limited to) providing that the Trust Estate (as defined in the Indenture) shall also secure the counterparties to any such Swap Agreement on a parity with the Bonds.

Further, although additional bonds may not be issued on a parity with the Bonds under the Indenture, there are no covenants or restrictions which prohibit or limit the incurrence of debt or additional obligations by the Public College. Accordingly, the Authority may from time to time issue bonds or other obligations on behalf of the Public College, and the Public College may from time to time incur additional obligations (whether to the Authority or otherwise).

Subordination With Respect to Insurance and Certain Remedies

Certain of the Project Facilities are subject to Outstanding Agreements. At the time of issuance of the Bonds, the Outstanding Agreements relate to the Series 2008 D Bonds, the Series 2010 B Bonds and the Series 2015 G Bonds (the "Prior Agreements"). These Prior Agreements shall continue to encumber the Project Facilities and the Agreement (to the extent set forth therein) shall be subject to and subordinate to the Prior Agreements with respect to insurance and certain remedies. See "APPENDIX C – FORMS OF PRINCIPAL LEGAL DOCUMENTS" hereto.

If entry upon the Project Facilities (or any portion thereof) is permitted under the Agreement, the Authority may enter upon the Project Facilities, or any portion thereof. Notwithstanding the foregoing, the Authority shall not enter the Project Facilities which are also subject to any Prior Agreements unless (i) such entry is consented to by the trustee(s) for the series of Prior Bonds secured by such Prior Agreements and (ii) such trustee(s) and the Trustee shall have agreed upon the allocation of any revenues realized by the Authority as a result of such entry.

The proceeds of any casualty insurance and condemnation awards payable to the Public College or to the Authority in respect of the Project Facilities, to the extent any Prior Agreements are applicable thereto, will first be applied as provided in such Prior Agreements. The proceeds not applied as provided in the preceding sentence (i) may be used by the Public College with written notification to the Authority to repair and replace the damaged portions of the Project Facilities, (ii) may be deposited by the Authority with the Trustee for payment into the Debt Service Fund, as provided in the Agreement, or (iii) if there is substantial damage to any portion of the Project Facilities rendering such facilities, in the opinion of the Authority, unsuitable for use for their intended purposes, may be deposited by the Authority, with the consent of the Public College, in the Debt Service Fund to be applied to the extraordinary optional redemption of the Bonds. See "APPENDIX C – FORMS OF PRINCIPAL LEGAL DOCUMENTS" hereto.

THE AUTHORITY

Powers of the Authority

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

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

Authority Organization and Membership

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

The present members and officers of the Authority, the dates of expiration of their terms as members, their business affiliations and places of residence 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 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; Lambertville, New Jersey.

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

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

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

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

Katherine A. Newell, Director of Compliance Management, serves as an Assistant Secretary to the Authority.

Marie P. Mueller, Chief Financial Officer, serves as the Assistant Treasurer to the Authority.

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

Outstanding Obligations of the Authority

As of December 31, 2015, the Authority has heretofore authorized and issued its obligations in a total outstanding amount of $5,537,441,254 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 serves as the principal advocate for an integrated system of higher education which 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; Rowan University, the New Jersey Institute of Technology; two (2) state colleges and six (6) state universities; and nineteen (19) community colleges. Pursuant to the New Jersey Medical and Health Services Restructuring Act, effective July 1, 2013, all liabilities and debt of the University of Medicine and Dentistry of New Jersey ("UMDNJ") and its assets were transferred to Rutgers University, Rowan University and University Hospital, and UMDNJ, as a legal entity, ceased to exist. The forty (40) independent institutions include fifteen (15) senior colleges and universities with a public mission, one (1) independent two-year religious college, thirteen (13) rabbinical schools and theological seminaries and eleven (11) proprietary institutions with degree-granting authority.

RATINGS

Moody's Investors Service, Inc. ("Moody's"), S&P Global Ratings, acting through Standard & Poor's Financial Services, LLC ("S&P"), and Fitch Ratings ("Fitch") have assigned their municipal bond ratings of "A2" (stable outlook), "A" (stable outlook) and "AA-" (stable outlook), respectively, to the Bonds. Any desired explanation of the significance of such ratings should be obtained from Moody's, S&P and Fitch, respectively. There is no assurance that a particular rating will pertain for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency furnishing such rating, circumstances so warrant. Any downward revision or withdrawal of any such ratings could have an adverse effect on the market price or marketability of the Bonds.

A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

TAX MATTERS

Series 2016 F Bonds - General

Section 103(a) of the Internal Revenue Code of 1986, as amended (the "Code"), provides that interest on the Series 2016 F Bonds is not included in gross income for federal income tax purposes only if certain requirements are met. In the Arbitrage and Tax Certificates (the "Tax Certificates"), which will be delivered in connection with the issuance of the Series 2016 F Bonds, the Authority and the Public College will make certain representations, certifications of fact and statements of reasonable expectation in connection with the issuance of the Series 2016 F Bonds and certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of the interest on the Series 2016 F Bonds from gross income under Section 103(a) of the Code.

In the opinion of 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 Public College in their respective Tax Certificates and assuming compliance by the Authority and the Public College with their ongoing covenants in their respective Tax Certificates, interest on the Series 2016 F 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 Series 2016 F 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.

Series 2016 F Bonds - Certain Federal Tax Consequences

Although interest on the Series 2016 F Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Series 2016 F 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 Series 2016 F 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 Series 2016 F Bonds.

Series 2016 F Bonds - Bank Qualification

The Series 2016 F 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.

Series 2016 G Bonds - General

In the opinion of Bond Counsel, interest on the Series 2016 G Bonds is included in gross income for federal income tax purposes.

The following is a summary of certain United States federal income tax consequences of the ownership of the Series 2016 G Bonds as of the date hereof. Each prospective investor should consult with its own tax advisor regarding the application of United States federal income tax laws, as well as any state, local, foreign or other tax laws, to its particular situation.

This summary is based on the Code, as well as Treasury Regulations and administrative and judicial rulings and practice. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, that could alter or modify the continued validity of the statements and conclusions set forth herein. This summary is intended as a general explanatory discussion of the consequences of holding the Series 2016 G Bonds generally and does not purport to furnish information in the level of detail or with the investor's specific tax circumstances that would be provided by an investor's own tax advisor. For example, this summary is addressed only to original purchasers of the Series 2016 G Bonds that are "U.S. holders" (as defined below), deals only with Series 2016 G Bonds held as capital assets within the meaning of Section 1221 of the Code and does not address tax consequences to holders that may be relevant to investors subject to special rules. In addition, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in the Series 2016 G Bonds.

As used herein, a "U.S. holder" is a "U.S. person" that is a beneficial owner of a Series 2016 G Bond. A "non-U.S. investor" is a holder (or beneficial owner) of a Series 2016 G Bond that is not a U.S. person. For these purposes, a "U.S. person" is a citizen or resident of the United States, a corporation or partnership created or organized in or under the laws of the United States or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in Treasury Regulations), an estate the income of which is subject to United States federal income taxation regardless of its source or a trust if (i) a United States court is able to exercise primary supervision over the trust's administration, and (ii) one or more United States persons have the authority to control all of the trust's substantial decisions.

Sale or Redemption of Series 2016 G Bonds

A bondowner's tax basis for a Series 2016 G Bond is the price such owner pays for the Series 2016 G Bond plus amounts of any original issue discount included in income, reduced on account of any payments received (other than "qualified periodic interest" payments) and any amortized premium. Gain or loss recognized on a sale, exchange or redemption of a Series 2016 G Bond, measured by the difference between the amount realized and the basis of the Series 2016 G Bond as so adjusted, will generally give rise to capital gain or loss if the Series 2016 G Bond is held as a capital asset.

Possible Recognition of Taxable Gain or Loss upon Defeasance of Series 2016 G Bonds

Defeasance of any Series 2016 G Bonds may result in a deemed exchange under Section 1001 of the Code, in which event the holder of such Series 2016 G Bond will recognize taxable gain or loss in an amount equal to the difference between the amount realized from the deemed exchange (less any accrued qualified stated interest which will be taxable as such) and the holder's adjusted basis in such Series 2016 G Bond.

Backup Withholding

A bondowner may, under certain circumstances, be subject to "backup withholding" (currently the rate of this withholding tax is 28%, but may change in the future) with respect to interest or original issue discount on the Series 2016 G Bonds. This withholding generally applies if the owner of a Series 2016 G Bond (a) fails to furnish the Authority with its taxpayer identification number; (b) furnishes the Authority an incorrect taxpayer identification number; (c) fails to report properly interest, dividends or other "reportable payments" as defined in the Code; or (d) under certain circumstances, fails to provide the Authority with a certified statement, signed under penalty of perjury, that the taxpayer identification number provided is its correct number and that the holder is not subject to backup withholding. Backup withholding will not apply, however, with respect to certain payments made to bondowners, including payments to certain exempt recipients (such as certain exempt organizations) and to certain Nonresidents (as defined below). Owners of the Series 2016 G Bonds should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for obtaining the exemption.

The amount of "reportable payments" for each calendar year and the amount of tax withheld, if any, with respect to payments on the Series 2016 G Bonds will be reported to the bondowners and to the Internal Revenue Service.

Foreign Bondowners

Under the Code, interest and original issue discount income with respect to Series 2016 G Bonds held by nonresident alien individuals, foreign corporations or other non-United States persons ("Nonresidents") generally will not be subject to the United States withholding tax (or backup withholding) if the Authority (or other person who would otherwise be required to withhold tax from such payments) is provided with an appropriate statement that the beneficial owner of the Series 2016 G Bonds is a Nonresident. The withholding tax may be reduced or eliminated by an applicable tax treaty, if any. Notwithstanding the foregoing, if any such payments are effectively connected with a United States trade or business conducted by a Nonresident bondowner, they will be subject to regular United States income tax, but will ordinarily be exempt from United States withholding tax.

ERISA

The Employees Retirement Income Security Act of 1974, as amended ("ERISA"), and the Code generally prohibit certain transactions between a qualified employee benefit plan under ERISA (an "ERISA Plan") and persons who, with respect to that plan, are fiduciaries or other "parties in interest" within the meaning of ERISA or "disqualified persons" within the meaning of the Code. All fiduciaries of ERISA Plans, in consultation with their advisors, should carefully consider the impact of ERISA and the Code on an investment in any Series 2016 G Bonds.

In all events, all investors should consult their own tax advisors in determining the federal, state, local and other tax consequences to them of the purchase, ownership and disposition of the Series 2016 G Bonds.

IRS Circular 230 Disclosure

To ensure compliance with requirements imposed by the Internal Revenue Service, any purchaser of a Series 2016 G Bonds is hereby informed that (i) any U.S. federal tax advice contained in this Official Statement (including any appendices) is not intended or written by Bond Counsel to the Authority to be used, and that it cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on the taxpayer under the Code; (ii) such advice is written to support the promotion or marketing of the transaction(s) or matter(s) addressed by the written advice; and (iii) the taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

New Jersey Gross Income Tax

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

Future Events

Tax legislation, administrative action taken by tax authorities and court decisions, whether at the federal or State level, may adversely affect the exclusion from gross income of interest on the Series 2016 F Bonds for federal income tax purpose, or the exclusion of interest on and any gain realized on the sale of the Bonds under the existing New Jersey Gross Income Tax Act, and any such legislation, administrative action or court decisions could adversely affect the market price or marketability of the Bonds.

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

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

CONTINUING DISCLOSURE

The Securities and Exchange Commission (the "SEC"), pursuant to the Securities Exchange Act of 1934, as amended and supplemented, has adopted amendments to its Rule 15c2-12 ("Rule 15c2-12") effective July 3, 1995, which generally prohibit a broker, dealer or municipal securities dealer ("Participating Underwriter") from purchasing or selling municipal securities, such as the Bonds, unless the Participating Underwriter 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 event notices to the Municipal Securities Rulemaking Board.

On the date of delivery of the Bonds, the Public College will enter into a Continuing Disclosure Agreement with the Trustee, acting as Dissemination Agent, for the benefit of the holders of the Bonds pursuant to which the Public College will agree to comply on a continual basis with the disclosure requirements of Rule 15c2-12. Specifically, the Public College will covenant in the Continuing Disclosure Agreement to provide certain financial information and operating data relating to the Public College by 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 Public College ending June 30, 2016 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The financial information to be provided in each Annual Report generally will be consistent with the information set forth in "APPENDIX B – FINANCIAL STATEMENTS OF THE COLLEGE OF NEW JERSEY FOR THE FISCAL YEAR ENDED JUNE 30, 2015" hereto. The operating data to be provided in each Annual Report generally will be similar to the statistical information set forth in "APPENDIX A – THE COLLEGE OF NEW JERSEY" hereto. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in the Continuing Disclosure Agreement, a form of which is included in its entirety as Appendix E hereto.

The Annual Report will be filed, or caused to be filed, by the Public College with the Municipal Securities Rulemaking Board. The notices of material events will be filed, or caused to be filed, by the Public College with the Municipal Securities Rulemaking Board.

The Public College notes the following: Pursuant to the terms of its prior continuing disclosure undertakings ("Prior Undertakings") pursuant to Rule 15c2-12, for the fiscal year ended June 30, 2011, the Public College's Annual Reports due to be filed on December 27, 2011 were filed on December 28, 2011.

LEGALITY FOR INVESTMENT

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

PLEDGE OF STATE NOT TO AFFECT RIGHTS OF BONDHOLDERS

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

LEGAL MATTERS SUBJECT TO APPROVAL OF COUNSEL

All legal matters incident to the authorization and issuance of the Bonds are subject to the unqualified approving opinion of McManimon, Scotland & Baumann, LLC, Roseland, New Jersey, Bond Counsel to the Authority. Copies of the approving opinion of Bond Counsel, a form of which is attached hereto as “APPENDIX D – FORM OF OPINION OF BOND COUNSEL,” will be available at the time of the delivery of the Bonds. Certain legal matters will be passed upon for the Underwriters by Chiesa Shahinian & Giantomasi PC, West Orange, New Jersey.

LITIGATION

The Authority

There is no litigation pending or, to the knowledge of the Authority, threatened, seeking to restrain or enjoin the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings or authority under which the Bonds are to be issued. There is no litigation pending or, to the Authority's knowledge, threatened, which in any manner questions the right of the Authority to adopt the Resolution, to enter into the Indenture or the Agreement or to secure the Bonds in the manner herein described.

The Public College

There is no litigation pending or, to the knowledge of the Public College, threatened, contesting the Public College's ability to enter into the Agreement, nor is there any litigation pending or, to the knowledge of the Public College, threatened, which, if adversely determined, would materially adversely affect the financial condition or operation of the Public College, the transactions described in this Official Statement or the validity of the Bonds or the Agreement.

VERIFICATION OF MATHEMATICAL CALCULATIONS

Mercadien, P.C. (the "Verification Agent") will deliver to the Authority on or before the date of issuance of the Bonds, its verification report indicating that it has verified from the information provided to them the mathematical accuracy, as of the date of delivery of the Series 2016 F Bonds, of (i) the computations contained in the provided schedules to determine that the maturing principal amounts of the Defeasance Securities to be deposited into the Series 2008 D Escrow Fund, and the interest payments to be made thereon, together with other available amounts on deposit in the Escrow Fund, will be sufficient to pay, when due, the principal or Redemption Price of and interest on the Series 2008 D Bonds to be Refunded, (ii) the arithmetical computations of the adequacy of the principal of and interest on the Government Obligations to be deposited into the Crossover Escrow Fund to pay, when due, the interest on the Series 2016 F Bonds allocable to the refunding of the Series 2010 B Bonds to be Refunded to July 1, 2019 (the first optional redemption date of the Series 2010 B Bonds to be Refunded), and the principal of the Series 2010 B Bonds to be Refunded on the Crossover Date, and (iii) the mathematical computations supporting the conclusion of Bond Counsel that the Series 2016 F Bonds are not "arbitrage bonds" under Section 148 of the Code. The Verification Agent will express no opinion on the assumptions provided to it.

FINANCIAL ADVISOR TO THE PUBLIC COLLEGE

The Public College has retained Fairmount Capital Advisors, Inc., Philadelphia, Pennsylvania ("Fairmount"), as Financial Advisor in connection with certain aspects of issuance of the Bonds. Fairmount has provided advice on the plan of finance, the structure of the plan of finance and the structure of the issue and has reviewed and commented on certain legal documents. Fairmount has not been engaged nor has it undertaken to make an independent verification of the Bonds or to guarantee the accuracy, completeness or fairness of the information in this Official Statement. Fairmount is an independent financial advisory firm, is registered as a Municipal Advisor with the SEC and the Municipal Securities Rulemaking Board and is not engaged in the underwriting, marketing or trading of municipal securities or other negotiable instruments.

INDEPENDENT AUDITORS

The basic financial statements of The College of New Jersey as of June 30, 2015, and for the year then ended, included in APPENDIX B to this Official Statement, have been audited by KPMG LLP, independent auditors, as stated in their report appearing in APPENDIX B to this Official Statement.

UNDERWRITING

Morgan Stanley & Co. LLC, as representative (the “Representative”) of the underwriters of the Bonds shown on the cover page hereof (the “Underwriters”), has agreed to purchase the Bonds pursuant to the terms of a contract of purchase, by and among the Authority, the Public College and the Underwriters, at an aggregate purchase price of $204,209,826.04 (said aggregate purchase price reflecting the par amount of the Bonds, plus a net original issue premium of $11,566,369.25, and less an Underwriters’ discount of $536,543.21). The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Underwriters intend to offer the Bonds to the public initially at the offering yields set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters may offer and sell Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) at yields higher than the initial public offering yields.

The Representative and its affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Representative and its affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority for which they received or will receive customary fees and expenses. In addition, affiliates of the Representative are lenders, and in some cases agents or managers for the lenders, under our credit facility.

In the ordinary course of their various business activities, the Representative and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

The following paragraph has been furnished by Morgan Stanley & Co. LLC for inclusion in this Official Statement. Neither the Authority nor the Public College guarantees the accuracy or completeness of the information contained in such paragraph and such information is not to be construed as a representation of the Authority or the Public College.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a retail distribution arrangement with Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

The following paragraph has been furnished by Loop Capital Markets, LLC for inclusion in this Official Statement. Neither the Authority nor the Public College guarantees the accuracy or completeness of the information contained in such paragraph and such information is not to be construed as a representation of the Authority or the Public College.

Loop Capital Markets LLC, one of the underwriters of the Bonds, has entered into a distribution agreement (the "Distribution Agreement") with UBSFS for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Distribution Agreement, UBSFS may purchase the Bonds from Loop Capital Markets LLC at the original issue prices less a negotiated portion of a selling concession applicable to any Bonds that such firm sells.

MISCELLANEOUS

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

The foregoing summaries of the provisions of the Act, the Resolution, the Indenture, the Bonds, the Agreement, the Series 2008 D Escrow Agreement, the Series 2010 B Escrow Agreement and the Continuing Disclosure Agreement do not purport to be complete and are made subject to the detailed provisions thereof to which reference is hereby made. Copies of the above and of the most recent financial statements of the Authority are available for inspection at the office of the Authority.

The description of the Public College contained in "APPENDIX A – THE COLLEGE OF NEW JERSEY" to this Official Statement has been provided by the Public College.

The Financial Statements of the Public College for the fiscal year ended June 30, 2015 are included in "APPENDIX B - FINANCIAL STATEMENTS OF THE COLLEGE OF NEW JERSEY FOR THE FISCAL YEAR ENDED JUNE 30, 2015" to this Official Statement and have been provided by the Public College.

The information herein regarding DTC and its book-entry system has been provided by DTC.

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

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

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

THE COLLEGE OF NEW JERSEY

By: /s/ Lloyd Ricketts
Lloyd Ricketts
Treasurer/Vice President

Dated: August 23, 2016

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APPENDIX A

THE COLLEGE OF NEW JERSEY

THE COLLEGE OF NEW JERSEY

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General

The College of New Jersey (the "College") is a mid-sized, comprehensive public college that concentrates primarily on the undergraduate experience. The College gives primacy to teaching and has an achievement-oriented and diverse student body.

Acknowledged for the quality of its academic offerings, the College has been ranked as one of the best comprehensive colleges in the country since 1993 in *US News & World Report*'s annual survey of "America's Best Colleges." The annual survey for 2015 – 16 ranked the College number one among public universities for undergraduate education and tied for number three in the best Regional Universities category for the North region of the country. In *Barron's Profiles of American Colleges,* in 2005, 2007, 2009, 2011 and 2013, the College was ranked "Most Competitive," Barron's top category. It is stated that "even superior students will encounter a great deal of competition for admission" to the 85 institutions that garner this ranking. *Barron's Profiles of American Colleges* includes and ranks all four-year institutions that offer bachelor's degrees, if they are fully accredited or are recognized candidates for accreditation. Only five state-supported institutions were included among the 85 schools featured in *Barron's Guide to the Most Competitive Colleges.* In 2016, *Kiplinger's Personal Finance* ranked the College No. 31 in its list of the 100 "Best College Values" in public higher education nationally and tops the list for the best value institution in New Jersey (the "State"). In *Money Magazine's* 2016 ranking of the "Best College's for Your Money", the College ranked number one among public colleges and universities and second overall in the State. Nationally the College placed 34th among other public institutions of higher education. The College's School of Business was ranked 35th in *Bloomberg Businessweek's* 2016 ranking of the top 100 undergraduate business programs in the nation and has the number one undergraduate business school in the State, according to the publication's survey of the "Best Undergraduate Business Schools". Additionally, in 2014, *The Princeton Review* ranked the College as one of the nation's 75 "Best Value" public colleges and universities. The College was the only public college from the State to make the list.

Set on 289 acres in suburban Ewing Township (Mercer County), the College has an undergraduate headcount enrollment of 6,758 students and is a primarily residential college. The College has 40 major buildings and a parking capacity of 3,900 spaces. Building highlights include a 153,500 square-foot, state-of-the-art library that features a coffee shop, a 100-seat auditorium, and many individual and group study areas; 14 residence halls that accommodate approximately 4,000 students; an award-winning student center; more than 30 academic computer laboratories; a full range of laboratories for nursing, microscopy, science, and technology; a music building with a 300-seat concert hall; and a collegiate recreation and athletic facilities complex. In the fall of 2000 a new Biology building opened; and in the fall of 2001, construction of a Social Sciences Building was completed. A Science Complex to house chemistry, physics and mathematics opened for the 2002–2003 academic year. During fiscal year 2004, an approximately 4,400 square foot Spiritual Center was constructed. The library was opened during fiscal year 2005 and both a new Art and Interactive Multimedia building and two new student apartment complexes were completed during fiscal year 2010. In 2012, construction of a new building was completed to house the School of Education and opened for the fall 2012 semester.

Construction is now complete on Phase I of the Campus Town project, a mixed-used development on 12 acres of property adjacent to campus along Pennington Road that features 278,000 square feet of rental housing and retail space. Campus Town is a sustainable, walk-able, and environmentally responsible complex that provides an alternative to traveling by car to shopping and services along nearby Route 1. The project, funded through a public-private partnership provision contained in the New Jersey Economic Stimulus Act of 2009, required no direct obligation of the College to provide financial support. Construction is underway on Phase II of the project, which will add an additional 77,000 square feet of residential space sufficient to accommodate 166 additional students. When complete, the total project cost is expected to reach $120 million.

In the summer of 2015, the College broke ground on a new $75 million science, technology, engineering and math building, funded in part through the state's Building Our Future Bond Act, which will expand laboratory and classroom space by more than 60 percent. The College also recently added interdisciplinary programs in computational and mathematical biology, materials, nanoscience and environmental studies. This project is expected to be complete in the fall of 2017.

The College's history reaches back to 1855, when it was founded as the first teacher-training college in the State and the ninth in the nation. From its origins as a teacher-training institute, the College developed and expanded to include liberal arts and professional degree programs. Today, a multitude of undergraduate programs of study are offered through the College's seven Schools: The Arts and Communication; Business; Humanities and Social Sciences; Education; Engineering; Nursing, Health, and Exercise Science; and Science. The College is accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools and holds institutional membership and accreditation in numerous professional associations.

The College's decision in the mid-1970s to raise standards of admission and limit enrollments has been of central importance in its advancement to national distinction. As admissions have become more selective, interest in the College has risen. The academic profile of regularly admitted freshmen remains high, with 77 percent of the freshmen matriculating in fall 2015 ranking in the top 25th percentile of their high school class.

The College has maintained a strong commitment to recruiting and enrolling minority students. The College leaders have steadfastly refused to accept the widely held axiom that quality and equity in admissions cannot proceed apace. Deliberate efforts to improve minority enrollments began in the late 1960s, meeting with modest success. In recent years, a targeted recruitment program has resulted in minority students making up about 31.5 percent of entering classes.

While much attention is given to admissions, the College's retention and graduation rates are important indicators of its quality. The College's six-year graduation rate for the most recent graduating cohort was 85 percent, well above the average six-year graduation rate for New Jersey state colleges and universities of 62 percent and nearly 27 percent above the national average six-year graduation rate.[1] The College's First Year Experience Program, which contributes to the College's retention success, was also cited as one of six exemplary programs in the nation by the National Association of Student Personnel Administrators (NASPA).

The College's professors are active researchers and scholars, supported by numerous private, government and college grants and awards. However, the College distinguishes itself from large universities, where research often has top priority, and concentrates on the undergraduate experience with primary emphasis on outstanding teaching. Classes are small (student to faculty ratio of 13 to 1) and are all taught by faculty. There are no graduate teaching assistants.

In athletics, since 1979, the College amassed 40 National Collegiate Athletic Association ("NCAA") championships and 32 runners up titles, giving the College the most championship event appearances in the nation among Division III (non-scholarship) schools for that time period. During the last academic year, 13 student athletes won a total of 30 All-America citations, 22 of which were First Team All-Americans. To date, the College has produced 59 College Sports Information Directors of America ("CoSIDA") Academic All-Americans, while two-time honoree, Tracy Warren was inducted into CoSIDA's Academic All-American Hall of Fame, joining an elite group that includes other honorees such as Bill Bradley, Tom McMillen, Joe Theisman, Anne Donovan and Steve Young. The College has also finished in the top ten institutions 16 out of 22 years in the race for the annual Learfield Sports Directors' Cup since it was started in 1995-1996.

Curriculum

The College offers 43 undergraduate and 12 graduate degree programs. It is accredited by the Middle States Commission on Higher Education (the "Commission"). The Commission is an institutional accrediting agency recognized by the U.S. Secretary of Education and the Council for Higher Education Accreditation. Its accreditation was last reaffirmed on June 25, 2015, with its next periodic review report and self-study evaluations scheduled for 2020 and 2024-2025, respectively. The College has programmatic accreditation from: the Association to Advance Collegiate Schools of Business until 2017; the Engineering Accreditation Commission and Computing Accreditation Commission of ABET and Computing Accreditation Commission until

[1] Sources: National Center for Educational Statistics (NCES) and The Integrated Postsecondary Education Data System (IPEDS).

2018; American Chemical Society (on-going); the Council for Accreditation of Counseling and Related Educational Programs until 2021; the Council on Education of the Deaf until 2023; the National Association of Schools of Music until 2020; the National Council for the Accrediting of Teacher Education until 2021; and the Commission on Collegiate Nursing Education until 2019.

The College has received national awards and recognition for its First Year Experience Program which combines a disciplinary-focused First Year Seminar with community engaged learning and a residential living-learning experience. The academic and curricular accomplishments of the College were recognized in the 2011 issue of Barron's *Profiles of American Colleges*, which included it among only five state-supported schools among the 85 institutions given its highest rating of "most competitive." The excellence of the programs was recognized when the College was awarded a chapter of Phi Beta Kappa, the country's oldest and most prestigious academic honor society. Chapters are awarded after a lengthy and thorough review process, and fewer than 10 percent of American colleges and universities have a chapter. The College's seven schools are:

1. The Arts and Communication: The School of The Arts and Communication is made up of three departments (Art, Communication Studies, and Music) and also offers an interdisciplinary major in Interactive Multimedia. Programs in music are supported by the 300+ seat concert hall recognized for both its aesthetic and acoustic qualities. A new Art and Interactive Multimedia Building, which supports many of the programs in the School, was completed in early spring 2010.

2. Business: The School of Business offers majors in Accounting, Economics (both the B.A. and the B.S.), and Business Administration (with specializations in Finance, Management, Marketing and Interdisciplinary Business). All of the major programs offer a minor, and there also are minors in Human Resource Management, Professional Selling, Actuarial Studies (offered jointly with the Department of Mathematics and Statistics in the School of Science), an Interdisciplinary Business and Society minor (offered jointly with the School of the Humanities and Social Science), and Global Business options which combines a business major with a major or minor in International Studies.

3. Education: The School of Education has four departments: Elementary/Early Childhood Education; Educational Administration and Secondary Education; Special Education, Language, and Literacy; and Counselor Education. At the undergraduate level, students may major in Early Childhood Education, Elementary Education or Secondary Education. The School of Education also coordinates the certification of undergraduate teacher education candidates with majors in the other six Schools. In addition, there are two five-year Baccalaureate/Master of Arts in Teaching programs-one in Education of the Deaf and Hard of Hearing/Elementary Education, and the other in Special Education/Elementary Education. Both of these programs lead to dual

certification at the master's level. The preponderance of the College's graduate programs (at the master's level and in certificate programs) is offered through the School of Education with programs for both novice and experienced teachers as well as programs for counseling and educational leadership. The School of Education has a state-of-the-art building that opened in fall of 2012.

4. Engineering: The School of Engineering has bachelor's degree programs in Biomedical Engineering, Electrical Engineering, Civil Engineering, Computer Engineering, Mechanical Engineering, Engineering Science, and Technology Education. Additionally, the School offers a dual degree program for education majors called Integrative Science, Technology, Engineering and Math (i-STEM). The engineering programs prepare students for careers in research and development, design, and engineering practice, as well as for graduate study. Students majoring in Technology Education and i-STEM are prepared to teach in K-12 schools as well as graduate study. Students majoring in Technology Education are prepared to teach in the schools or take a variety of positions in business and industry.

5. Humanities and Social Sciences: The School of Humanities and Social Sciences was previously named the School of Culture and Society. The name was changed in 2011 to better reflect the School's mission and programs. In addition to majors in individual disciplines, the School is taking on an increasingly interdisciplinary perspective. The departments in the school are: African-American Studies; Criminology; English; History; Philosophy, Religion, and Classical Studies; Political Science; Psychology; Sociology and Anthropology; Women's and Gender Studies; and World Languages and Cultures (which offers a major in Spanish as well as minors in Arabic, Chinese, French, German, Italian, Japanese, and Russian Studies). There is also an interdisciplinary major in International Studies and interdisciplinary minors such as Comparative Literature; Classical Studies; Quantitative Criminology (offered jointly with the Department of Mathematics and Statistics in the School of Science), United States Studies; and Politics, Law and Philosophy. Many of the School's departments offer students an option of preparing to teach at the secondary-school level. A pre-law advising program is housed within the School. A Master of Arts degree is offered in English.

6. Nursing, Health, and Exercise Science: The School of Nursing, Health, and Exercise Science has two departments: Nursing, and Health and Exercise Science. Graduates of the undergraduate nursing program are qualified to take the examination for licensure as registered nurses. Nurse Practitioner (with several program options) and Clinical Nurse Leader master's-level degree programs are offered. There is also a Bachelor of Science in Nursing ("BSN") program for returning registered nurses to obtain a BSN. Undergraduates in Health and Exercise Science can be prepared as K-12 teachers or as exercise

science professionals. A Master of Arts in Teaching is awarded in Health and Physical Education.

7. Science: The School of Science is made up of the following departments: Biology; Chemistry; Computer Science; Mathematics and Statistics; and Physics. The resources supporting this School are the Biology Building and Science Complex, both of which have outstanding facilities. A pre-medical advising program is housed within the School. A seven-year program is offered that leads to a baccalaureate degree (in majors including Chemistry, English, Economics, History, Philosophy, Physics, Mathematics, and several engineering programs) from the College and a Doctor of Medicine from the New Jersey Medical School. There also is a combined Bachelor of Science/Doctorate in Optometry with State University of New York College of Optometry.

An interdisciplinary program, the Self-Designed Major (B.A.), crosses departmental and even school lines. It allows students who are stimulated by the academic opportunities available at the College to cross disciplinary boundaries and explore connections between ideas and information from multiple fields.

Governing Body

The governing body of the College is a Board of Trustees comprised of no more than 15 publicly appointed Trustees, two students, and the President of the College (*ex-officio*). All gubernatorial-appointed members are voting members, as is one of the two student members. Appointments of the non-student gubernatorial-appointed members are made by the Governor, with the advice and consent of the State Senate. The student body elects the two student members. Each member serves until his or her successor has been appointed and qualified. Vacancies are filled in the same manner as the original appointments for the remainder of the unexpired terms. Generally, a Trustee serves no more than two consecutive full six-year terms. A Trustee appointed to fill the remainder of a former Trustee's terms is eligible for two full terms if the partial term was not longer than three years.

Under P.L. 1994, c. 48, the Board of Trustees is responsible for developing an institutional plan; determining academic programs; establishing administrative policies; borrowing money; awarding contracts; setting tuition and fees; granting degrees; appointing, compensating and promoting the faculty and staff; establishing admission standards and requirements and standards for granting diplomas, certificates and degrees; recommending members for appointments to the Board of Trustees by the Governor; having final authority to determine controversies and disputes containing tenure and other personnel matters of employees; investing and reinvesting the funds of the College; retaining legal counsel of the College's choosing; and preparing and making public an annual financial statement.

Appendix A

Listed below are the present Trustees of the College, along with their occupations, places of residence, and expiration of term:

Administrative and Academic Officers

The chief administrative and academic officers of the College include the college president, who serves as chief executive officer and *ex officio* member of the Board of Trustees; provost/vice president for academic affairs; treasurer; vice president for administration; vice president for college advancement; general counsel; vice president for human resources; vice president for enrollment management; vice president for student affairs; and chief information officer and vice president for information technology.

Dr. R. Barbara Gitenstein – President

R. Barbara Gitenstein, president of The College of New Jersey, has over 40 years of experience as a college professor and administrator in both the public and private sectors. She came to The College of New Jersey from Drake University where she served as provost and executive vice president. She is the first woman to serve as president of The College of New Jersey in its 161- year history.

Upon her arrival at TCNJ in 1999, Dr. Gitenstein immediately set about enhancing academic rigor and faculty-student engagement, which led to a transformation of the entire undergraduate program. Delivering the highest caliber academic experience has been a consistent theme of her presidency, which is paying dividends for students of the College. Today, for example, TCNJ graduates regularly outperform their peers on national CPA, engineering, nursing and teaching exams. In 2006, TCNJ was awarded a Phi Beta Kappa chapter, an honor shared by fewer than 10 percent of colleges and universities nationally.

During her tenure, the College has realized a significant increase in non-state revenue, including approximately $20 million in federal grant and set-aside revenue. Alumni giving has nearly doubled, the College’s endowment has tripled, and TCNJ received its largest ever single gift: $5 million. Utilizing the public-private partnership provision contained in the New Jersey Economic Stimulus Act of 2009, Dr. Gitenstein completed a contract for Campus Town, the College’s first public-private partnership with a developer. The project, which is being built with $75 million in private funds, will generate $50 million in income to the College over the life of the contract. It will also create 278,000 square feet of amenities such as retail stores, professional services and restaurants for both the College and local communities, as well as additional housing for students.

Under Dr. Gitenstein's leadership, the College has invested more than $250 million in its physical plant. Improvements include six academic buildings, housing for an additional 400 students, and the acquisition of 103 acres of property to add to the central campus of 289 acres. Over the next four years, an additional $200 million in renovations and new construction is scheduled to take place. This will include a 74,000 square foot STEM (science, technology, engineering, and mathematics) building and a 15,000 square foot addition to the chemistry building, which are being built in part with a $57 million grant from the state of New Jersey; a $31 million renovation of the Brower Student Center, funded by Sodexo Campus Services, the College's food service provider; and the Campus Town project.

Dr. Gitenstein began her career in higher education as an assistant professor of English at Central Missouri State University. She held various faculty posts including professor of English and chair of the English department before being appointed associate provost at SUNY-Oswego. Dr. Gitenstein also held the post of acting assistant provost for academic programs with the SUNY system while on leave from SUNY-Oswego. In 1992, Dr. Gitenstein was appointed to the position of provost at Drake University.

An active scholar, Dr. Gitenstein has written the book *Apocalyptic Messianism and Contemporary Jewish-American Poetry*, and has published numerous articles and reviews on Jewish and American literature. She is also active in higher education organizations and the community. Currently, Dr. Gitenstein serves on the Board of Directors for the American Council on Education and on the Nominating Committee and Committee on the Undergraduate Experience for the American Association of State Colleges and Universities. Dr. Gitenstein is the immediate past chair of the Middle States Commission on Higher Education, and was a member of the American Council on Education's Task Force on Accreditation. She serves as an Education Advocate for Choose New Jersey, a public-private organization aimed at cultivating and sustaining economic development within the state. Dr. Gitenstein also serves on the boards of the New Jersey Chamber of Commerce and Mid-Jersey Chamber of Commerce. She has served as a member of higher education transition teams for former Governors McGreevey and Corzine; chair and consultant evaluator for Middle States Commission on Higher Education evaluation teams; associate coordinator for the American Council on Education New York State Association of Women in Higher Education; chair of the Jewish-American Literature of the Northeast Modern Language Association, among others. She also participated in the Higher Education Resources Services, Mid-Atlantic Institute for Women in Higher Education Administration at Bryn Mawr College.

Dr. Gitenstein has served as a board member of New Jersey Resources, and the ING Investment Funds, and ING Mutual Funds; and is a past statewide chair of the New Jersey State Employee Charitable Campaign. Dr. Gitenstein was the recipient of the 2002 Woman of Distinction Award by the Girl Scouts of Delaware-Raritan Council, was honored by the Executive Women of New Jersey at its 2002 Salute to the Policy Makers dinner for her contributions to the advancement of women in management and the profession, and was the presidential sponsor for the New Jersey chapter of the American Council on Education's Network of Women Leaders in Higher Education. In May 2003, the YWCA of Princeton honored Dr. Gitenstein at their "Tribute to Women" in recognition of her outstanding achievements, contributions to the community, and model character. The KidsBridge Children's Museum dedicated to tolerance education honored Dr. Gitenstein in October 2007 with its first Humanitarian Award. In 2009, she was recognized by the Women's Caucus of New Jersey as a Woman of Achievement.

Born in Florala, Alabama, Dr. Gitenstein received a BA with honors in English from Duke University and a PhD in English and American Literature from the University of North Carolina, Chapel Hill. She and her husband, Dr. Donald Hart, have two children, Pauline and Samuel.

Jacqueline Taylor - Provost and Vice President for Academic Affairs

Dr. Jacqueline Taylor, Provost and Vice President for Academic Affairs, joined the College in March 2013, where she is also a professor of Communication Studies and of Women's and Gender Studies. Previously, she served for more than thirty years as a faculty member and administrator at DePaul University. From 2007-2013, she served as the founding dean of DePaul's new College of Communication. Under her leadership, that College doubled its enrollment and faculty, and developed a number of award-winning student organizations and college-sponsored media outlets. Dr. Taylor was an American Council on Education Fellow in 2005-2006, with a placement at Kent State University, and is currently a co-chair of the Professional Development Committee of the Council of Fellows. She is past chair of the Finance Board for the National Communication Association (NCA) and has served on NCA's Executive Committee. A professor of performance studies, Dr. Taylor held a variety of administrative positions at DePaul, including director of Women's Studies, department chair, founding director of the humanities center, and associate vice president for academic affairs. She has taught and done research in the areas of autobiographical performance and gender and communication. Her books include her memoir, *Waiting for the Call*, a monograph, *Grace Paley: Illuminating the Dark Lives,* and the co-edited volume *Voices Made Flesh: Performing Women's Autobiography.* She has also published numerous scholarly articles. Dr. Taylor's memoir was a finalist for the 2008 Lambda Literary Award in Women's Memoir and Autobiography and she received the 2007 National Communication Association Lilla A. Heston Award for Outstanding Scholarship in Performance Studies.

Dr. Taylor grew up in Kentucky, where she received her B.A. in English and Communication Arts from Georgetown College. After earning her M.A. and Ph.D. at the University of Texas at Austin, she joined the faculty at DePaul.

Lloyd Ricketts – Vice President and Treasurer

Mr. Ricketts was appointed Treasurer of the College in January 2011. He began his association with the College in 1999 as director of general accounting and procurement services and was promoted in 2001 to associate treasurer. Since joining the College, he has played an integral role in the College's fiscal management.

As the chief financial officer, he has the primary responsibilities for maintaining the fiscal integrity of the College's financial operations and developing strategic financial plans to preserve and enhance the College's long-term financial well-being. The Office of the Treasurer includes direct management of Finance and Business Services, Student Accounts, Payroll and Budget Management.

Under his leadership, the College has successfully implemented a new financial system with improved campus financial reporting, as well as other initiatives aimed at providing financial service improvements to the College. Mr. Ricketts serves *ex officio* and as a regular member of the Board of The College of New Jersey Foundation, Inc., the nonprofit, tax-exempt corporation that solicits, receives, and administers gifts, bequests, and trusts for the benefit of the College.

Mr. Ricketts earned his undergraduate degree from New York University Stern School of Business (B.S. in Accounting, 1994) and his master's degree from New York University Robert F. Wagner School of Public Service (Public Finance, 2001).

Curt Heuring - Vice President for Administration

Mr. Heuring joined the College in November 2004. Previously, Mr. Heuring held the position of university architect and director of planning at the University of Chicago. Prior to his service at the University of Chicago, Mr. Heuring was the director of project management and design services at Harvard University, associate director of architecture, engineering and facilities management for the City of Boston and senior associate, architect and project manager at Ellenzweig Associates, Inc.

Mr. Heuring received a Master of Architecture and Bachelor of Building Sciences from Rensselaer Polytechnic Institute. He has focused his career on the planning, design and construction of buildings and campuses for higher education. He has spoken at professional organizations such as the Society of College and University Planning Officials, Higher Education Facilities Management Association and the Association of General Contractors regarding college and community partnerships, the value of comprehensive physical planning in support of academics and student life, and project management practices in higher education.

John Donohue - Vice President for College Advancement

Mr. John P. Donohue was appointed Vice President for College Advancement at the College in October 2012, where he oversees development, alumni relations, communications, marketing, major events, and government and community relations functions. He also serves as executive director of The College of New Jersey Foundation, Inc.

Mr. Donohue is passionate about making significant contributions to higher education and raising the quality of the college experience by linking donors with opportunities for philanthropic investments.

Bringing with him more than 30 years of accomplished experience in fundraising and advancement, Mr. Donohue most recently served as executive vice president for development at the United Negro College Fund, where he raised more than $650 million over an eight-year period. He also enjoyed successful tenures at Dillard University, the University of Texas at San Antonio (UTSA), the SUNY- Stony Brook, and the United Way of Long Island. At Dillard, he grew private donations by 80 percent, and at UTSA private support increased by 42 percent under his guidance.

Mr. Donohue is a graduate of the SUNY- Oswego and participated in the Institute for Educational Management at Harvard University. He is a member of the Council for the Advancement and Support of Education and sits on the practitioner editorial board of the International Journal of Educational Advancement.

Thomas Mahoney – Vice President and General Counsel

Mr. Mahoney has served as General Counsel of the College since November 2007. In this capacity, Mr. Mahoney provides legal counsel to the College and the Board of Trustees; serves as a member of the President’s cabinet; acts as liaison to the New Jersey Office of the Attorney General; reviews and negotiates external vendor and agency contracts; participates in the review and development of policies and procedures; and coordinates responses to court orders, subpoenas, open public record requests and other document requests. In addition, Mr. Mahoney has responsibility for regulatory compliance and risk assessment as the College’s Compliance Officer, and serves as the College’s Ethics Liaison Officer for the State of New Jersey.

Prior to joining the College, Mr. Mahoney served as Deputy General Counsel at Villanova University and Associate University Counsel at Temple University. He was also a Senior Attorney with the federal government at the Federal Deposit Insurance Corporation and Resolution Trust Corporation. Mr. Mahoney earned his undergraduate degree from Drew University (B.A. 1978, Economics and Sociology), his law degree and a master’s degree from New York University School of Law (J.D. 1982) and New York University Stern School of Business Administration (M.B.A., Finance 1982), respectively, and a master's degree from Temple University (M.S., Management Information Systems 2002).

Mr. Mahoney is a member of the Bar of the State of New Jersey and the Commonwealth of Pennsylvania and the Bar of the Federal District Courts for the Eastern District of Pennsylvania and District of New Jersey. He is also a registered patent attorney admitted to practice before the United States Patent and Trademark Office.

Gregory Pogue - Vice President for Human Resources

Dr. Pogue was appointed Vice President for Human Resources in February 2010. As the College's chief human resources officer, he is responsible for benefits, classification and compensation, recruitment and workforce planning, labor/employee and faculty relations, policy and practices, rewards and recognition, training and professional development. Prior to joining the College, Dr. Pogue was employed at the University of San Diego, as their associate vice president for human resources. Before that, he served as assistant vice president for human resources for California State University, East Bay, and senior vice president for human resources for CDC Systems, Inc. He also served as vice president of administration at the Robert Wood Johnson Foundation, assistant vice president for administration at Drew University and vice president for human resources at Chemical Bank of New Jersey.

A native of Elizabeth, New Jersey, Dr. Pogue received his doctorate in Business Administration from the University of Sarasota, M.B.A. from Wagner College, B.S. from Nichols College and A.S. from Becker Junior College.

Dr. Pogue has served on the boards of the YMCA of Union County, and Children's Specialized Hospital, in addition to advisory boards/councils with TIAA/CREF, Educational and Institutional Insurance Administrators, Inc., and Drew University's EOS Program. He previously served as a board member at Becker College in Worcester, Massachusetts and currently serves as a member of the Board of Advisors at Nichols College in Dudley, Massachusetts. Dr. Pogue has published a host of articles and a book published by University Press of America, titled *Employee Assistance Programs on Liberal Arts Campuses.*

Lisa Angeloni - Vice President for Enrollment Management

Ms. Lisa Angeloni was appointed Vice President for Enrollment Management in March 2012. Ms. Angeloni's current portfolio includes the management of undergraduate and graduate admissions, financial aid, records and registration, mentoring, retention and the Educational Opportunity Fund program. Ms. Angeloni was hired by the College in May 1997 as the Director of Undergraduate Admissions. In 2000, Ms. Angeloni was promoted to Dean of Undergraduate and Graduate Admissions.

Since her arrival on campus in 1997, applications to the College have grown by over 80 percent which includes an over 90 percent increase in under-represented student applications. Applications from out-of-state students have risen by more than 50 percent in the past decade. There has been a 150+ point increase in the math and verbal sections of the SAT since her arrival on campus in 1997. Ms. Angeloni has helped to position the College as one of only five public schools in the nation named to Barron's Most Competitive Colleges list.

Prior to joining the College, Ms. Angeloni was the Associate Dean of Admissions and Marketing at the SUNY- New Paltz. Ms. Angeloni began her career in admissions at SUNY- New Paltz in 1989.

Ms. Angeloni earned her undergraduate degree from Hartwick College and her master's degree in Higher Education Administration from the SUNY. Ms. Angeloni has served on the boards of the YWCA, and Hartwick College. She served as the co-chair of the admissions ethics committee for the New Jersey Association of College Admissions and Counseling Association.

Amy Hecht - Vice President for Student Affairs

Dr. Amy Hecht joined the College as Vice President for Student Affairs in January 2014. Dr. Hecht previously served as the Assistant Vice President for Student Affairs at Auburn University where she oversaw the engagement portfolio within the Division of Student Affairs. This portfolio includes: Student Involvement (Leadership, Service, Student Organizations, Student Government Association, University Programming Council, and Student Media), Greek Life, Student Conduct, Student Advocacy and Case Management, Residence Life, and the Student Center.

A professional in the field of student affairs since 2001, Dr. Hecht has served on executive leadership teams within student affairs organizations and has extensive experience leading and managing in higher education. She is a Lead Facilitator with LeaderShape, a national, non-profit organization and held positions with the National Association of Student Personnel Administrators' (NASPA) and the Alabama State NASPA organization. Currently, Dr. Hecht chairs the national steering committee for Assistant/Associate Vice Presidents.

Dr. Hecht earned her bachelor's degree at Florida State University in mass communications and completed her master's degree and doctorate in Higher Education Administration at the University of Pennsylvania. Her research interests include organizational culture, organizational learning, and the effective use of business practices within the field of higher education.

Sharon Blanton – Chief Information Officer and Vice President for Information Technology

Dr. Sharon Blanton was appointed Chief Information Officer and Vice President for Information Technology in November 2015. Dr. Blanton is responsible for developing comprehensive long- and short-term strategic IT plans that reinforce the educational mission of the College and advance its business needs.

Previously, Dr. Blanton serves as the Vice President and Chief Information Officer at Hawaii Pacific University, where she oversaw Information Technology services at 2 campuses, 7 satellite centers and a marine research center. She led successful efforts in enterprise computing services, telecommunications, instructional technology, service desk, and distance learning. Prior to her service at Hawaii Pacific University, Dr. Blanton served as Associate Vice President and CIO at Portland State University, and as the Chief Information Officer for Pima Community College and Scottsdale Community College. Dr. Blanton has published and presented on a wide variety of higher education IT topics and served as the 2015 chair of the EDUCAUSE National Conference Program Committee.

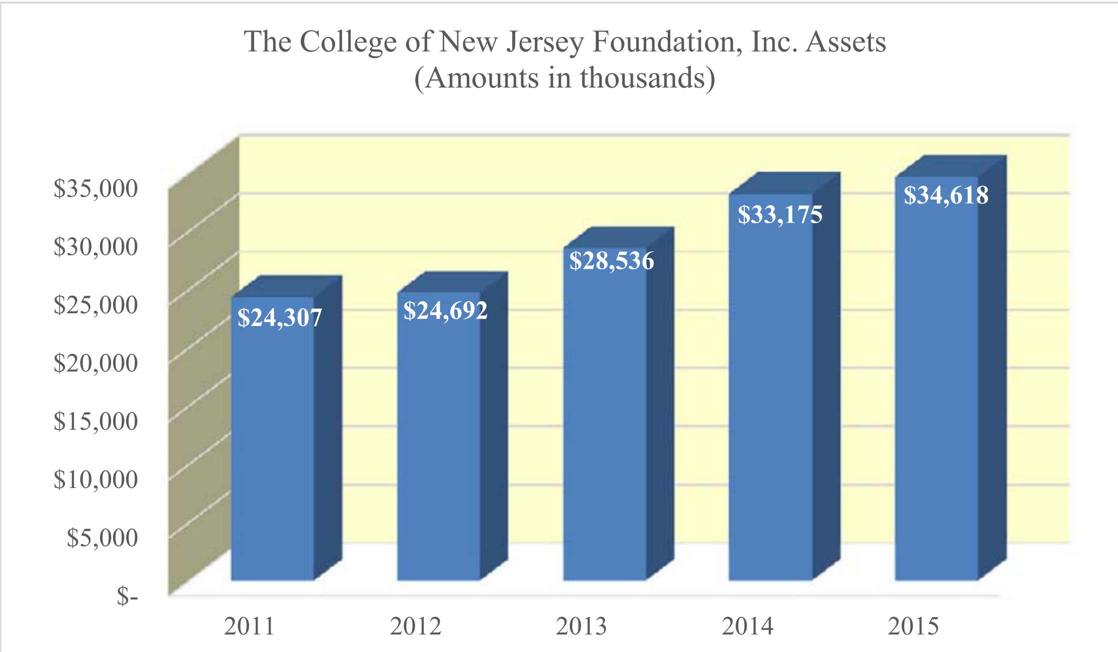
Dr. Blanton received a BA in Mass Communication and Instructional Technology from Towson State University, a M.Ed. in Instructional Technology from the University of Virginia, and a Ph.D. in Higher Education Administration from Capella University, and was a Frye Leadership Institute Fellow.

The College of New Jersey Foundation, Inc. – Assets

The College of New Jersey Foundation, Inc. (the “Foundation”) is a nonprofit, tax-exempt corporation existing solely for the benefit of the College. The Foundation:

- Obtains, invests, and manages charitable contributions benefiting the College.
- Responds to the needs and priorities of the College.
- Provides expedient acceptance of gifts in accordance with the priorities set out by the College’s Board of Trustees.
- Provides flexibility in the investment and management of gifts, trusts, and endowments, and offers anonymity to donors when requested.
- Expands the outreach of the College by providing meaningful opportunities for volunteerism.
- Promotes private support to enhance the future quality of the College.

One member of the Foundation Board of Directors is also a member of the College Board of Trustees and is appointed by the Chair of the Board of Trustees. Total assets for the fiscal year ended June 30, 2015 were $34,618,285**. The market value of cash and investments as of June 30, 2015 was $33,565,251**. The unaudited market value of cash and investments as of June 30, 2016 was $34,704,008 of the total assets*. The chart below illustrates the total assets for the past five fiscal years ended June 30.



* Fiscal year 2016 information is unaudited and subject to change
** Audited Financial Statements, The College of New Jersey Foundation, Inc., June 30, 2015.

Faculty Data

In fall 2015, the College's overall full-time equivalent (FTE) faculty count was 520. Approximately 68% of the total faculty FTE was full time (355) and the remaining 32% (162) included permanent part-time faculty, adjunct and teaching professional staff. During this same period, the total FTE student enrollment was 6,957 and the student to faculty ratio was 13:1. The College does not employ graduate teaching assistants, which increases faculty involvement in the curriculum and enriches student learning.

Faculty Data					
Academic Year	Full-Time Faculty	Part-Time Faculty*	Tenured Faculty	Faculty with Terminal Degrees	Faculty / Student Ratio
2013 - 2014	347	161	284	305	13:1
2014 - 2015	356	155	274	320	13:1
2015 - 2016	355	162	271	323	13:1

*Part-time includes permanent part-time faculty, adjunct and teaching professional staff full time equivalents.

Source: The College of New Jersey

Enrollment Data

The following table presents the enrollment data for undergraduate and graduate students at the Public College on both a full-time equated (FTE) and head count basis for the fall semester of the last six academic years, 2011 through 2016:

	2011	2012	2013	2014	2015	2016*
Undergraduate FTE [(1)]	6,402	6,416	6,533	6,580	6,589	6,622
Undergraduate Headcount	6,504	6,545	6,653	6,743	6,758	6,803
Graduate FTE [(2)]	377	383	368	364	368	365
Graduate Headcount	648	725	687	666	648	642
Total Enrollment FTE	6,779	6,799	6,901	6,944	6,957	6,987
Total Headcount	7,152	7,270	7,340	7,409	7,406	7,445

[(1)] FTE calculated as 1 FTE for each full-time student plus total undergraduate units for part-time students divided by 4 (equivalent to 16 student credit hours)
[(2)] FTE calculated as 1 FTE for each full-time student plus total graduate credits for part-time students divided by 12.
* Fall 2016 projections as of July 18, 2016

Source: The College of New Jersey

Admissions Data

The table below presents the number of first-time applicants, the number of those applicants offered admission and the number of those applicants registered for the fall semester of the past six years, 2011 through 2016:

	2011	2012	2013	2014	2015	2016*
FRESHMEN (ALL ADMITS):						
Number of Applications Received	10,150	10,295	11,146	10,935	11,290	11,827
Number of Acceptances	4,710	4,750	4,806	5,335	5,495	5,772
Number of Students Matriculated	1,371	1,363	1,406	1,422	1,453	1,480
Accept Ratio	46%	46%	43%	49%	49%	49%
Enrollment Yield	29%	29%	29%	27%	26%	26%
TRANSFERS:						
Number of Applications Received	917	1,045	993	989	1,059	1,036
Number of Acceptances	483	458	485	507	453	479
Number of Students Matriculated	263	258	257	287	249	280
Accept Ratio	53%	44%	49%	51%	43%	46%
Enrollment Yield	54%	56%	53%	57%	55%	58%
GRADUATE**						
Number of Applications Received	838	669	789	687	690	668
Number of Acceptances	593	471	519	551	545	377
Number of Students Matriculated	511	411	459	489	496	325
Accept Ratio	71%	70%	66%	80%	79%	56%
Enrollment Yield	86%	87%	88%	89%	91%	86%

* Fall 2016 projections as of July 18, 2016

**2012-2015 include Summer term applications as well as the Fall term. This is because MAT program begins in the summer.

Source: The College of New Jersey

Academic Preparation of First-Time Entering Students

Presented below are the Scholastic Aptitude Test (SAT) scores (scores from the critical reading (formerly verbal) and math sections combined, scores from writing section are not included) and the high school percentile ranking (for those where high school rank is supplied) of first-time entering students at the College for the fall semester of the last five years, 2011 through 2015:

	2011	2012	2013	2014	2015
All Non-EOF*					
% of all students from outside state	7%	7%	8%	6%	8%
% Retention (Freshmen to Sophomore)	95%	94%	94%	94%	94%
Top 20% of high school class	85%	89%	85%	78%	78%
Mean Combined SAT Score	1240	1243	1250	1228	1230
Median Combined SAT Score	1240	1240	1250	1220	1220
% of entering class	93%	92%	93%	94%	94%
EOF Only*					
% of all students from outside state	0%	0%	0%	0%	0%
% Retention (Freshmen to Sophomore)	88%	98%	95%	95%	97%
Top 20% of high school class	86%	81%	65%	68%	67%
Mean Combined SAT Score	1054	1032	1049	1036	1063
Median Combined SAT Score	1060	1040	1040	1040	1070
% of entering class	7%	8%	7%	6%	6%
TOTAL					
% of all students from outside state	6%	7%	7%	5%	8%
% Retention (Freshmen to Sophomore)	95%	94%	94%	94%	95%
Top 20% of high school class	85%	88%	84%	77%	70%
Mean Combined SAT Score	1227	1226	1235	1216	1220

*EOF = Educational Opportunity Fund: A state-funded program to support educationally disadvantaged students by offering admission to college and limited financial support.

Source: The College of New Jersey

Degrees Conferred

The following table shows the number of Bachelors' degrees awarded during the past five academic years.

YEAR	NUMBER
2011-12	1,566
2012-13	1,490
2013-14	1,582
2014-15	1,538
2015-16	1,634

Source: The College of New Jersey

Budgeting Procedures of the College

The College prepares an annual operating budget funding request and submits it to the State's Office of Management and Budget. The annual budget submission is an opportunity for the College to provide justification for its funding request for the upcoming fiscal year. The Governor recommends to the State Legislature for approval, the annual State budget which includes funding for the College consisting of the base appropriation and fringe benefits appropriation. Once the budget is approved by the State Legislature and signed by the Governor, the base appropriation amount is held by the State for monthly payments to the College throughout the fiscal year. The appropriations for fringe benefits are used by the State to pay certain fringe benefits, principally healthcare and pension costs for the 859 College employees included in the number of State authorized positions for the College. Auxiliary enterprise facilities are operated on a self-supporting basis. Capital appropriations for construction of academic facilities, if funded, are made available by the State to the College and expended as required.

The operating budget for the College is developed by the Treasurer, working with the College Cabinet Officers. The budget planning assumptions are reviewed by the various College-Wide Governance Committees in-addition to the Board of Trustees. After the amount of the state appropriations is approved by the Legislature and enacted into law, the College budget is submitted to the Board of Trustees for their review and approval. Thereafter, the responsibility for budgetary control rests with the Office of the Treasurer. Budget reports and summaries are accessed via the internet and are updated daily. They are available to all appropriate college personnel to keep them informed of expenditures and commitments to date, and uncommitted balances by class of expenditures. Budget summaries are reviewed and analyzed by the Office of the Treasurer and appropriate steps are taken to ensure that budgets are adhered to or adjusted to meet changed needs. Budget revisions are reviewed with the Finance and Investment Committee of the Board of Trustees at their regularly scheduled quarterly meetings.

Legislative Appropriations

The College has annually received appropriations from the State which are applied to the current unrestricted educational and general expenditures of the College. The State legislative appropriations and the expenditures to which they are applied are as follows:

Fiscal Year Ended June 30,	Legislative Appropriations	Unrestricted Educational & General Expenditures
2011	$55,812,000	$126,621,000
2012	$54,408,000	$132,495,000
2013	$53,311,000	$135,864,000
2014	$53,079,000	$140,968,000
2015	$53,847,000	$154,541,000
2016*	$52,161,000	$156,515,000

The budgeted state legislative appropriations for the fiscal year ended June 30, 2017 are flat compared to the fiscal year 2016 budgeted appropriations.

*Fiscal year 2016 information is unaudited and subject to change

Source: The College of New Jersey

Pension Plans

The College participates in several State of New Jersey (the State) retirement plans covering its employees – the Public Employees' Retirement System (PERS), the Teachers' Pension and Annuity Fund (TPAF), the Police and Firemen's Retirement System (PFRS), and the Alternative Benefit Program (ABP). Generally all employees, except certain part-time employees, participate in one of these plans. Under these plans, participants make annual contributions, and the State, in accordance with State statutes, makes employer contributions on behalf of the College for these plans. The employer contributions to ABP are paid by the College who is then reimbursed by the State monthly for the cost of these contributions. The employer contributions for PERS and PFRS are paid by the State. Quarterly, the College reimburses the State for the cost of fringe benefits for employees in excess of the 859 State authorized positions. The reimbursement is at a rate determined by the State that includes pension and health benefits. In fiscal year 2015, the College implemented GASB Statement No. 68 (GASB 68), Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27, and GASB Statement No. 71 (GASB 71), Pension Transition for Contributions made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68. GASB 68 and 71 require state and local government employers to recognize a net pension liability for defined benefit plans where the entity is a participant. The College pension plans impacted by GASB 68 and 71 are PERS, PFRS and TPAF. The College recorded a deferred outflow of resources, a net pension liability and a deferred inflow of resources of $4.6 million, $117.6 million, and $3.5 million, respectively, as of June 30, 2015.

Historically, the State provided the contributions to the plan while seeking reimbursement from the College for the College's non-State-authorized positions. The State provides an annual fringe benefit appropriation to the College based on a fully loaded fringe benefit appropriation. The College recorded the fringe benefit revenue (100% of the State-authorized positions) and expense (100% of State-authorized

(100% of the State-authorized positions) and expense (100% of State-authorized positions plus non-State-authorized positions reimbursed to the State of New Jersey) in its financial statements.

The College's financial statements relating to the reporting of pension liability under GASB 68 reflect its proportionate share, as determined by the State Division of Pensions and Benefits (DPB), of the State-wide pension liabilities under PERS and PFRS as of June 30, 2015 (FY 2015) and June 30, 2014 (FY 2014), respectively. In computing the College's proportionate share for each of FY 2015 and FY 2014, DPB first computed the contributions made for the College for each fiscal year as a percentage of contributions deemed made on behalf of all "employers" in the "State Group" for that fiscal year. Next, DPB multiplied this ratio by the total net pension liability for the entire State Group as of the last day of each fiscal year.

With respect to TPAF, the State determined they met the "special funding situation" included in GASB 68 and the State recorded the pension liability on its respective financial statements.

However, the State has communicated that the GASB 68 pension liability "allocations do not impact state laws or past funding arrangements that have been established annually in the State budget".

Refer to note 2(l) and note 11 of the Audited Financial Statements of the College for additional information related to the implementation of GASB 68 and 71.

Operating Revenues

The following is an illustration of operating revenues by source that were used to fund the College's activities over the past five fiscal years ended June 30, (amounts in thousands, excluding capital grants and gifts):

	2011	2012	2013	2014	2015
Net student revenues	$117,193	$121,876	$124,559	$131,297	$135,614
State appropriations & fringe benefits	55,182	54,408	53,311	53,079	53,847
Grants & contracts	16,958	18,195	19,550	17,636	18,836
Other	9,697	10,022	11,362	8,272	9,727
Total revenues	$199,030	$204,501	$208,782	$210,284	$218,024

Consistent increases in net position have resulted in the continued improvement of the overall financial health of the College and net position is projected to increase by $32 million in fiscal year 2016.

* Fiscal year 2016 information is unaudited and subject to change

Source: The College of New Jersey

Tuition, Fees and Charges

The Board of Trustees of the College has the power to revise the charges for tuition, room, board and College fees. The tuition, mandatory fees and room and board charges for the last five academic years are as follows:

Tuition and Mandatory Fees - Full Academic Year:

	2012-13	2013-14	2014-15	2015-16	2016-17
Undergraduate (in-state)	$14,378	$14,730	$15,004	$15,446	$15,794
Undergraduate (out-of-state)	$24,530	$25,135	$25,617	$26,378	$26,971
Graduate (in-state)	$814/credit	$834/credit	$841/credit	$866/credit	$886/credit
Graduate (out-of-state)	$1,187/credit	$1,216/credit	$1,230/credit	$1,267/credit	$1,296/credit

Source: The College of New Jersey

Room and Board (Average Plan):

Academic Year	2012-13	2013-14	2014-15	2015-16	2016-17
Total Cost	$10,998	$11,342	$12,227	$12,570	$12,881

Source: The College of New Jersey

Land, Buildings and Equipment

The College's net investment in plant as of June 30, 2014 and 2015 consisted of:

	June 30, 2014	June 30, 2015
Land and Land Improvements	$ 22,378,000	$ 22,378,000
Plant and Buildings	703,064,000	713,938,000
Equipment and other assets	76,467,000	78,881,000
Construction in Progress	15,561,000	36,794,000
Less: Accumulated Depreciation	(229,815,000)	(250,518,000)
Total	$ 587,655,000	$ 601,473,000

Source: The College of New Jersey

Please refer to the Audited Financial Statements of the College set forth in Appendix B for additional information.

Outstanding Indebtedness of the College

As of July 1, 2016, the College had outstanding indebtedness assumed under certain New Jersey Educational Facilities Authority Lease and Agreements and Grant Agreements of $357,179,235, as outlined below.

	Principal Outstanding
4.00% to 5.00% Series 2008 D (due serially to the New Jersey Educational Facilities Authority July 1, 2017 to July 1, 2028)	$ 60,275,000
5.00% Series 2008 D (due to the New Jersey Educational Facilities Authority maturing on July 1, 2035)	$ 96,545,000
5.33% to 6.12% Series 2010 B (due serially to the New Jersey Educational Facilities Authority July 1, 2017 to July 1, 2021)	$ 5,245,000
7.225% Series 2010 B (due to the New Jersey Educational Facilities Authority maturing on July 1, 2030)	$ 12,785,000
7.395% Series 2010 B (due to the New Jersey Educational Facilities Authority maturing on July 1, 2040)	$ 22,115,000
2.00% to 5.00% Series 2012 A (due serially to the New Jersey Educational Facilities Authority July 1, 2017 to July 1, 2019)	$ 14,385,000
4.00% to 5.00% Series 2013 A (due serially to the New Jersey Educational Facilities Authority July 1, 2017 to July 1, 2033)	$ 11,870,000
5.00% Series 2013 A (due to the New Jersey Educational Facilities Authority maturing on July 1, 2038)	$ 5,545,000
5.00% Series 2013 A (due to the New Jersey Educational Facilities Authority maturing on July 1, 2043)	$ 7,085,000
3.25% to 5.00% Series 2015 G (due serially to The New Jersey Educational Facilities Authority July 1, 2019 to July 1, 2031)	$114,525,000
SUBTOTAL	**$350,375,000**

5.00% (imputed rate) Dormitory Safety Fund (due to the New Jersey Educational Facilities Authority maturing on January 15, 2018)	$ 60,000
4.50% to 5.25% Higher Education Capital Improvement Fund (due to the New Jersey Educational Facilities Authority maturing on August 15, 2022)	$ 5,502,091
5.00% Higher Education Equipment Leasing Fund (due to the New Jersey Educational Facilities Authority maturing on August 15, 2022)	$ 1,242,144
SUBTOTAL	**$ 6,804,235**
TOTAL	**$357,179,235**

Deposits Held With Trustees

Deposits held with trustees represent restricted funds held by U.S. Bank National Association and The Bank of New York Mellon (the "Trustees"), under the terms of various lease agreements, bond indentures and grant agreements. Restricted deposits held with Trustees are carried in the financial statements at fair value and consist of short-term investments and government securities. As of June 30, 2015, deposits held with Trustees include the following:

Restricted Deposits Held with Trustees		
		Amount
Construction funds	$	24,174
Grant related deposits		14,230
Debt service (principal and interest)		19,840
	$	58,244

As of June 30, 2015, the College's restricted deposits held with Trustees are invested in money market funds or U.S. Treasury notes or government securities guaranteed by the U.S. government. The U.S. Treasury notes, government securities, and money market funds are all rated Aaa. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The following table summarizes restricted deposits held with Trustees maturities as of June 30, 2015:

Restricted Deposits Held with Trustees			
			Investment maturities (in years)
Investment type		Fair value	Less than 1
Money market funds	$	37,166	37,166
U. S. Treasury notes and government securities		21,078	21,078
	$	58,244	58,244

Investment Portfolio

The College's cash and investment portfolio contains three components: working capital, which consists of cash and cash equivalents, a short-duration fixed income approach, which holds high quality fixed income securities generally maturing between one and three years, and a longer-term multi-asset class management portfolio, which entails a broader approach that focuses on the global investment universe. The cash and investment balances for the past five fiscal years ended June 30, (amounts in thousands) were as follows:

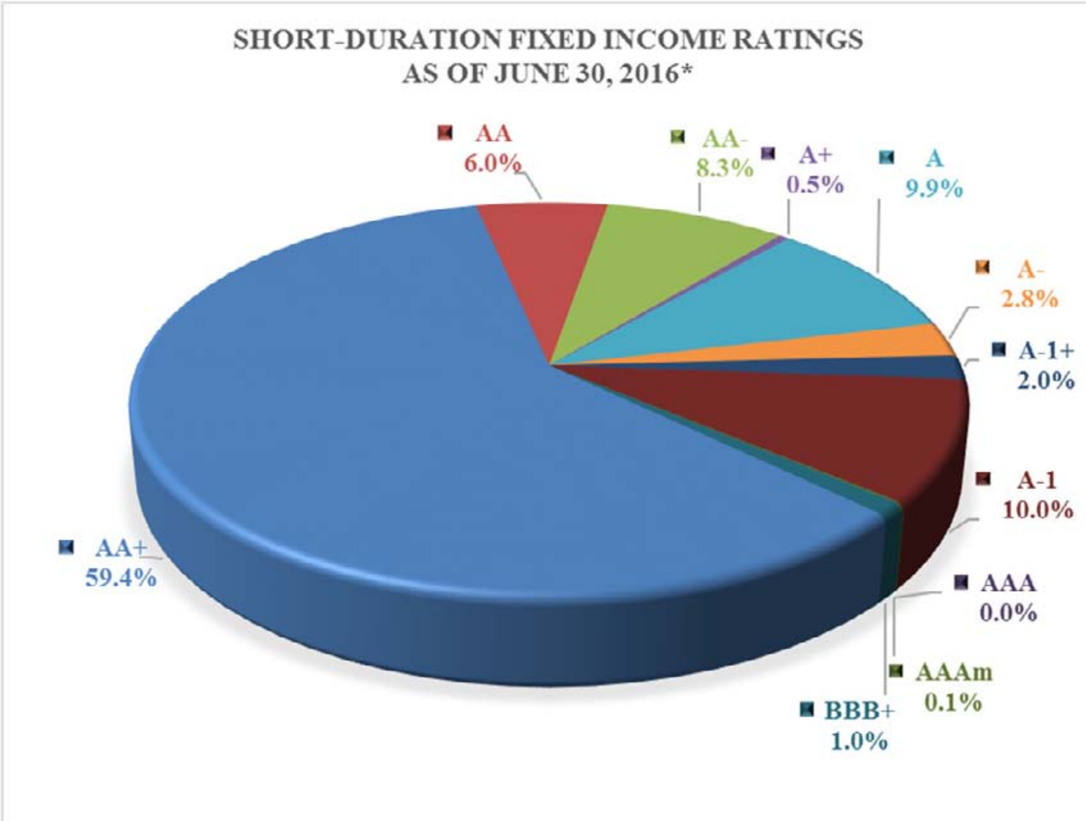
Cash and Investments (Amounts in thousands)						
		2012	2013	2014	2015	2016*
Working Capital	$	59,734	65,920	50,963	40,756	37,994
Short-Duration Fixed Income		25,428	25,510	25,814	32,031	32,459
Multi-Asset Class		10,242	11,544	30,684	41,191	41,988
Total cash and investments	$	95,404	102,974	107,461	113,978	112,441

* Fiscal year 2016 information is unaudited and subject to change

Source: The College of New Jersey

Short-Duration Fixed Income Portfolio

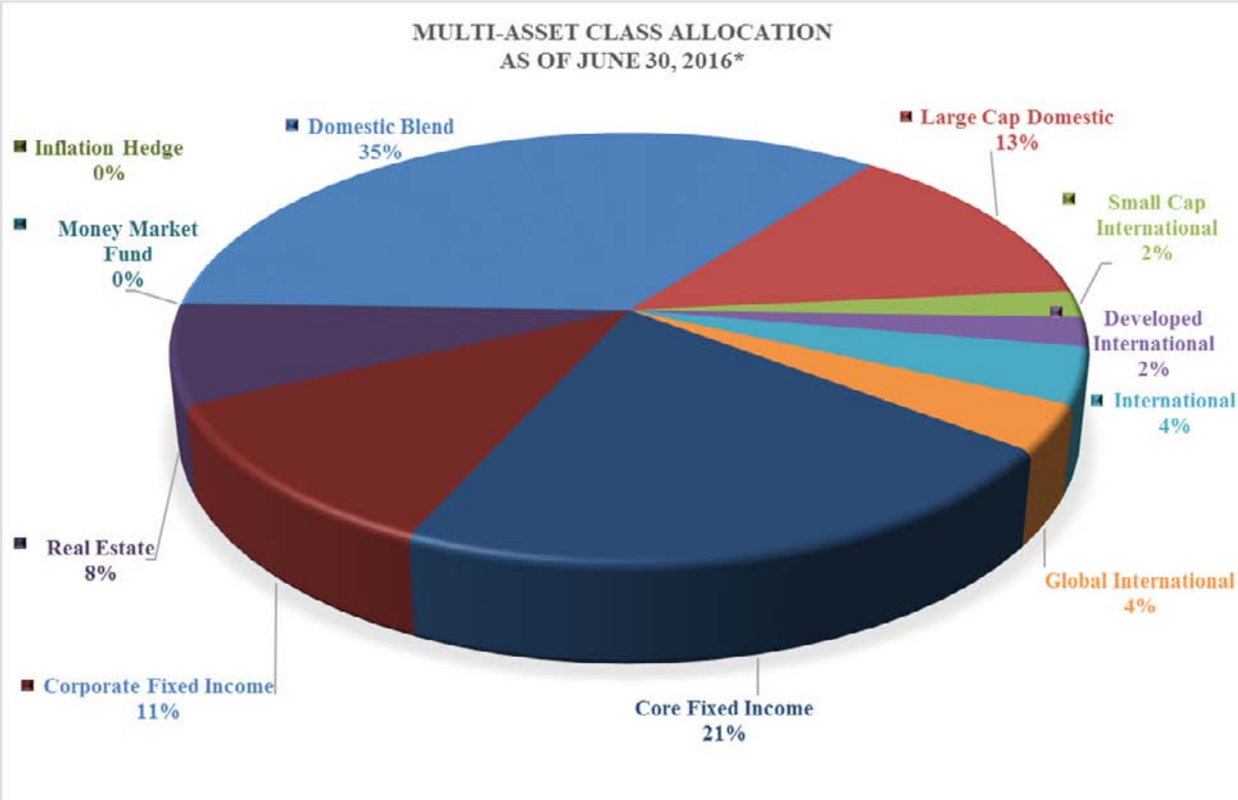
The Short-Duration Fixed Income portfolio had a market value of approximately $32.0 million as of June 30, 2015 and $32.5 million (unaudited) as of June 30, 2016*. This segment of the portfolio is allocated largely towards U.S. government securities, which include U.S. Treasury and federal agency notes and bonds rated AA+. These investments accounted for approximately 59% of the portfolio at June 30, 2016*. The remainder of the portfolio has been invested in high quality credit investments, including corporate notes, commercial paper, and municipal bonds.



*Fiscal year 2016 information is unaudited and subject to change

Multi-Asset Class Management Portfolio

The multi-asset class portfolio has been allocated with a 70.0% equity and 30.0% fixed income approach since its inception in February 2012. The portfolio, totaling $41.2 million at June 30, 2015 and $42.0 million (unaudited) at June 30, 2016* had an overweight to equities as the recovering U.S. economy continues to show positive growth. During fiscal year 2016, the portfolio generated a gross return of 3.38%*.



*Fiscal year 2016 information is unaudited and subject to change

Environmental Conditions

Definitions

"Environmental Conditions", "Project Facilities", "Remediation" and "Applicable Environmental Laws" shall have the meanings ascribed thereto in the Lease and Agreement by and between the New Jersey Educational Facilities Authority and the College that will be dated as of September 1, 2016 relating to the New Jersey Educational Facilities Authority Revenue Refunding Bonds, The College of New Jersey Issues, Series 2016 F and Series 2016 G (Federally Taxable).

"Other Lands and Facilities" refers to other lands and facilities on the main campus of the College in Ewing, New Jersey that are not part of or proximate to and do not affect the Project Facilities.

Environmental Conditions at Project Facilities

None.

Environmental Conditions at Other Lands and Facilities

On or about November 1992, the College discovered that a 30,000 gallon underground storage tank containing No. 6 fuel oil had been leaking into the ground for an indeterminate period of time, involving an unknown quantity of material released. The tank was removed in April 1993 and has been replaced by two above-ground storage tanks. Although certain of the soils in the vicinity of the central utilities plant are known to have been contaminated, the College's environmental consultant reported that chemical constituents in the groundwater are not suspected to have migrated beyond the College's lands as recently as February 28, 2012. The New Jersey Department of Environmental Protection ("NJDEP") conditionally approved a Remedial Action Work plan ("RAW") relating to onsite groundwater contamination in April 1995. Under the RAW, the College was required to install and operate a recovery and treatment system to remove contaminated groundwater. This system operated from March 1998 until June 2003, when the NJDEP authorized a suspension based on groundwater sampling results that achieved the established groundwater quality standards. From June 2003 to approximately May 2012, the College was required by the NJDEP to undertake various monitoring activities, including periodic soil boring investigations, groundwater sampling, and measurement of groundwater elevations and monitoring for the presence of product sheen. On May 7, 2012 the NJDEP Site Remediation Reform Act ("SRRA") came into effect, requiring that a licensed site remediation professional ("LSRP") assume responsibility for managing all remediation cases for the NJDEP. The College has retained the services of a LSRP for this remediation case. Since 2008 and continuing, the College's environmental consultant estimates 13,300 gallons of water with No. 6 oil sheen are recovered each year. Groundwater sampling has not been completed since 2012 under the direction of the LSRP due to groundwater concentrations below NJDEP groundwater quality standards. Groundwater monitoring well gauging and free product monitoring indicates that there is no down-gradient migration of sheen. Soil borings were advanced in 2013 to delineate soils for a Soil Remedial Action Permit which was included in the March 2014 Remedial Investigation Report ("RIR") as required under the new SRRA. The Soil Remedial Action Permit has replaced the need for a county soil deed. It is anticipated that this remediation case will remain open with the NJDEP indefinitely or until such time as all contaminated soil is removed from beneath and adjacent to the central utilities plant.

Previously, the College has reported Environmental Conditions or other circumstances requiring Remediation at certain Other Lands and Facilities on the College's campus, including but not limited to, Holman Hall, Forcina Hall, the Science Complex, the former Ewing Township Municipal Building and sections of Campus Town. It has been determined that all Remediation at these locations is complete and no further remedial action is required.

Compliance

The College believes it is complying with all Applicable Environmental Laws with respect to the foregoing conditions. The College believes that the foregoing conditions do not and will not materially impair the value or usefulness of the Project Facilities (as defined in the Lease and Agreement that will be dated September 1, 2016 between the Authority and the College) or any Other Lands and Facilities on the College's campus for their intended purposes over their useful life, and that available funds will be sufficient to pay the cost of all required investigations and remediation. The College further believes that the foregoing conditions do not and will not have a material adverse impact on the financial condition of the College.

APPENDIX B

FINANCIAL STATEMENTS OF THE COLLEGE OF NEW JERSEY FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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THE COLLEGE OF NEW JERSEY
(A Component Unit of the State of New Jersey)
Basic Financial Statements,
Management's Discussion and Analysis and
Required Supplementary Information

June 30, 2015

(With Independent Auditors' Report Thereon)

Table of Contents

KPMG LLP
New Jersey Headquarters
51 John F. Kennedy Parkway
Short Hills, NJ 07078-2702

Independent Auditors' Report

The Board of Trustees
The College of New Jersey:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of The College of New Jersey (the College), a component unit of the State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

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 opinions 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditor's Report

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of and for the year ended June 30, 2015, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

Adoption of New Accounting Pronouncements

As discussed in note 2 to the financial statements, as of July 1, 2014, the College adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 3 through 20 and the Schedules of Proportionate Share of the Net Pension Liability and Schedules of Employer Contributions on pages 51 and 52, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

KPMG LLP

December 18, 2015

Overview of Financial Statements and Financial Analysis

The Management's Discussion and Analysis (MD&A) section provides an analytical overview of The College of New Jersey's (TCNJ or the College) financial performance during the fiscal year ended June 30, 2015. The financial statements have been prepared in accordance with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), which establishes financial reporting standards for governments, including public colleges and universities. The MD&A section is designed to focus on current activities, resulting changes and currently known facts, and should be read in conjunction with the accompanying financial statements and notes thereto. Responsibility for the accuracy of the information and the completeness and fairness of its presentation, including all disclosures, rests with the management of the College. The College's significant accounting policies are summarized in Note 2 to the financial statements of this report, including further information on the financial reporting entity.

Because the financial statements of The College of New Jersey Foundation Inc., a component unit of TCNJ, are presented discretely from the College, the MD&A focuses only on the College. Information relating to the component unit can be found in its separately issued financial statements.

College Overview

The College of New Jersey is a mid-sized, comprehensive public college that concentrates primarily on the undergraduate experience. The College supports the teacher-scholar model, with teaching being informed by scholarship and scholarship by teaching. TCNJ has an achievement-oriented and diverse student body.

Acknowledged for the quality of its academic offerings, the College has been ranked as one of the best comprehensive colleges in the country since 1993 in *US News & World Report*'s annual survey of "America's Best Colleges." The annual survey for 2015 ranked the College number one among public universities for undergraduate education and tied for number three in the best Regional Universities category for the North region of the country. In *Barron's Profiles of American Colleges*, in 2005, 2007, 2009 and 2011, the College was ranked "Most Competitive," *Barron's* top category. In this ranking, it stated "even superior students will encounter a great deal of competition for admission" to the 85 institutions that garner this ranking. *Barron's Profiles of American Colleges* includes and ranks all four-year institutions that offer bachelor's degrees, if they are fully accredited or are recognized candidates for accreditation. Only five state-supported institutions were included among the 85 schools featured in *Barron's Guide to the Most Competitive Colleges*. In 2015, *Kiplinger's Personal Finance* ranked the College No. 23 in its list of the 100 "Best College Values" in public higher education, the best value institution in New Jersey. Additionally, in 2014, *The Princeton Review* ranked the College as one of the nation's 75 "Best Value" public colleges and universities. The College was the only public college from New Jersey to make the list.

A strong liberal arts core forms the foundation for a wealth of degree programs offered through the College's seven schools. These schools include Arts and Communication; Business; Education; Humanities and Social Science; Science; Nursing, Health, and Exercise Science; and Engineering. The College is enriched by an honors program and extensive opportunities to study abroad; its award-winning First-Year Experience and freshman orientation programs have helped make its retention and graduation rates among the highest in the country.

In the fall of 2014, TCNJ enrolled 6,580 full-time equivalent undergraduate students and 364 full-time graduate students. The College has residential facilities that house more than half of the undergraduate students on campus.

The College is recognized as a public institution of higher education by the State of New Jersey (the State) and, accordingly, the State Legislature appropriates funds annually to support operations and the cost of fringe benefits for state authorized positions. Under the law, the College is an instrumentality of the State with a high degree of autonomy and is subject to all of the laws and regulations applying to the state public colleges.

Governance

The governing board of the College is a Board of Trustees comprised of no more than 15 publicly appointed trustees, two students and the President of the College (ex-officio non-voting). All citizen members are voting members, as is one of the two students. The Board also includes representatives from the staff and the faculty.

Under P.L. 1994, C. 48, the Board of Trustees is responsible for developing an institutional plan; determining academic programs; establishing administrative policies; borrowing money; awarding contracts; setting tuition and fees; granting degrees; appointing, evaluating and determining compensation of the president; appointing, and promoting the faculty and staff; establishing admission standards and requirements and standards for granting diplomas, certificates and degrees; recommending members for appointments to the Board of Trustees by the Governor; having final authority to determine controversies and disputes pertaining to tenure and other personnel matters of employees; investing and reinvesting the funds of the College; retaining legal counsel of the College's choosing; and preparing and making public an annual financial statement.

Academic Profile

Faculty

The College faculty prepares students to excel in their chosen fields and to create, preserve, and transmit knowledge, the arts and wisdom. Committed to their students and their individual disciplines, the College faculty represent an array of scholarly approaches and methodologies. In fall 2014, the College's overall full-time equivalent (FTE) faculty count was 511. Approximately 70% of the total faculty FTE was full time (356) and the remaining 30% (155) included permanent part-time faculty, adjunct and teaching professional staff. During this same period, the total FTE student enrollment was 6,944 and the student to faculty ratio was 13:1. The College does not employ graduate teaching assistants, which increases faculty involvement in the curriculum and enriches student learning.

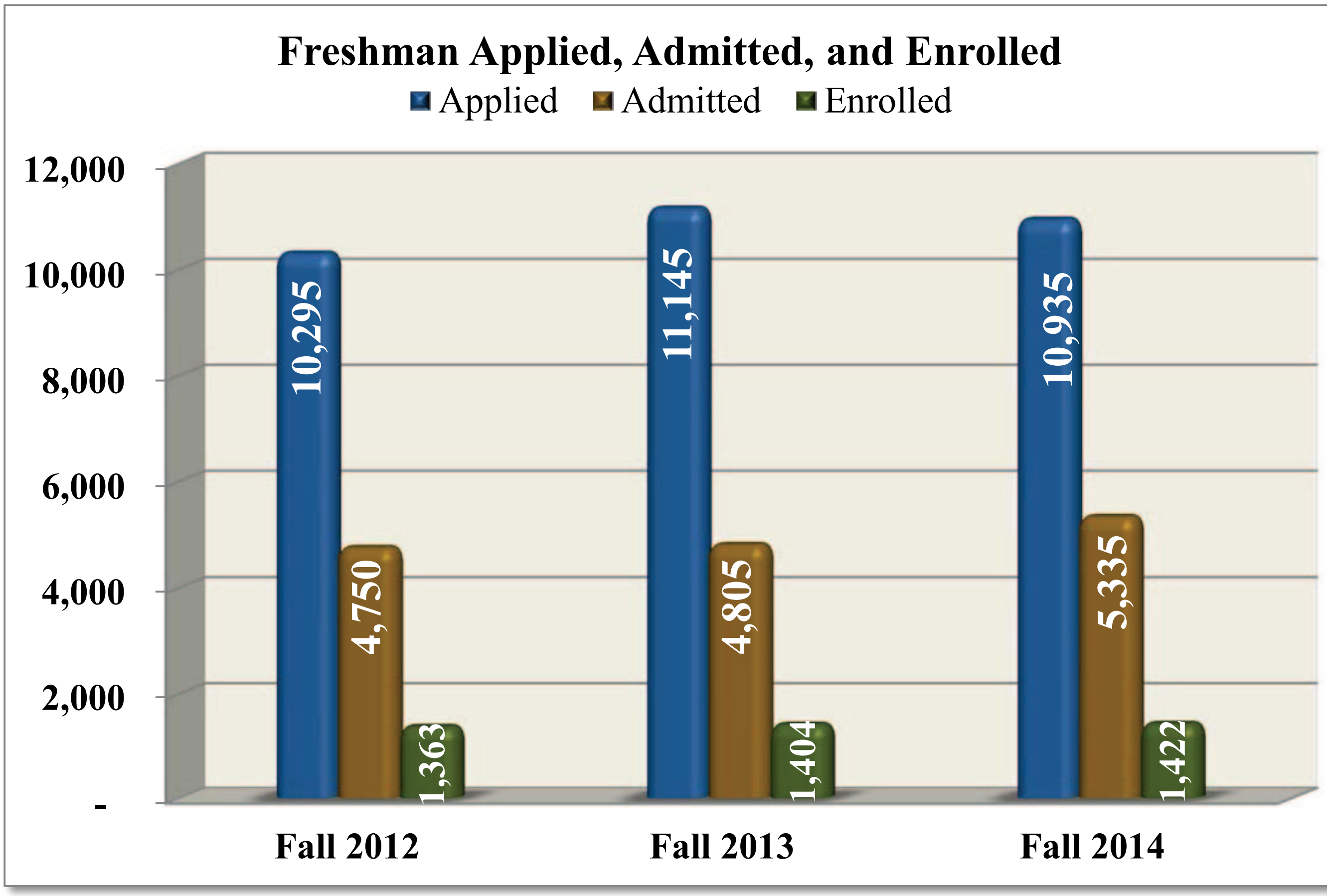
Faculty Data

Academic Year	Full-Time Faculty	Part-Time Faculty*	Tenured Faculty	Faculty with Terminal Degrees	Faculty / Student Ratio
2012 - 2013	349	146	238	307	13:1
2013 - 2014	342	168	284	301	13:1
2014 - 2015	356	155	274	322	13:1

*Part-time includes permanent part-time faculty, adjunct and teaching professional staff full time equivalents.

Student

The College enjoys a healthy student demand and continues to attract academically talented students. As illustrated in the graph below, the fall 2014 full-time freshmen class enrolled 1,422 students yielding a 27% matriculation ratio based upon a 49% acceptance ratio for 10,935 applicants. The 94% freshman to sophomore retention rate demonstrates a high level of student satisfaction. The level of academic engagement is reflected in the high four year and six year graduation rates for the 2008 first time freshman cohort of 74% and 88%, respectively. Currently, 95% of the freshmen class and 58% of all undergraduate students live on campus.



The 2014–2015 academic year concluded with the awarding of 1,510 bachelor's degrees, 361 master's degrees, and 122 pre-/post-master's certifications.

Using the Financial Statements

The basic financial statements present the financial position, the changes in financial position and cash flows of the College, through three primary financial statements and notes to the financial statements. The three financial statements consist of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. The Notes to Financial Statements provide additional information that is essential to a full understanding of the financial statements.

One of the most important questions asked about the College's finances is whether the College as a whole is better off or worse off as a result of the year's activities. The key to understanding this question is the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows. Sustained increases or decreases in net position over time is one indicator of the improvement or erosion of an institution's financial health when considered with relevant nonfinancial indicators such as enrollment levels, quality of freshman applicants, student retention and graduation rates and the condition of the facilities.

Some significant aspects of the financial statements are as follows:

- In fiscal year 2015, the College implemented GASB Statement No. 68 (GASB 68), *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and GASB Statement No. 71 (GASB 71), *Pension Transition for Contributions made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. GASB 68 and 71 require state and local government employers to recognize a net pension liability for defined benefit plans where the entity is a participant. The College pension plans impacted by GASB 68 and 71 are the New Jersey Public Employees' Retirement System (PERS), the New Jersey Police and Firemen's Retirement System (PFRS) and the Teachers' Pension and Annuity Fund (TPAF).

  Historically, the State of New Jersey (the State) provided the contributions to the plan while seeking reimbursement from the College for the College's non-State-authorized positions. The State provides an annual fringe benefit appropriation to the College based on a fully loaded fringe benefit appropriation. The College recorded the fringe benefit revenue (100% of the State-authorized positions) and expense (100% of State-authorized positions plus non-State-authorized positions reimbursed to the State of New Jersey) in its financial statements.

  The College's financial statements relating to the reporting of pension liability under GASB 68 reflect its proportionate share, as determined by the Division of Pensions and Benefits (DPB) of the State of New Jersey, of State-wide pension liability under the New Jersey PERS, the New Jersey PFRS and the TPAF as of June 30, 2014 (FY 2014) and June 30, 2013 (FY 2013), respectively. In computing the College's proportionate share for each of FY 2014 and FY 2013, DPB first computed the contributions made for the College for each fiscal year as a percentage of contributions deemed made on behalf of all "employers" in the "State Group" for that fiscal year. Next, DPB multiplied this ratio by the total net pension liability for the entire State Group as of the last day of each fiscal year.

  With respect to TPAF, the State determined they met the "special funding situation" included in GASB 68 and the State recorded the pension liability on its respective financial statements. With respect to PERS and PFRS, the State determined the College was a separate employer. Thus, the College records on its financial statements the net pension liability and related deferred inflows and deferred outflows as determined by DPB. However, the State has communicated that the GASB 68 pension liability "allocations do not impact state laws or past funding arrangements that have been established annually in the State budget". The College recorded a deferred outflow of resources, a net pension liability and a deferred inflow of resources of $4.6 million, $117.6 million, and $3.5 million, respectively. Refer to note 2(l) and note 11 for additional information related to the implementation of GASB 68 and 71.

- Revenues and expenses are categorized as either operating or nonoperating. Significant recurring sources of the College's revenues, including state appropriations and investment income, are considered nonoperating, as defined by GASB Statement No. 35. The net nonoperating revenue totaled $40.2 million for the year ended June 30, 2015.

- Scholarships applied to student accounts are shown as a reduction of student tuition and residence fee revenue. Tuition waivers are reported as a scholarship expense. For the year ended June 30, 2015, scholarship allowance totaled $26.7 million.
- The College is required to report depreciation on its capital assets. Depreciation expense totaled $20.7 million for the year ended June 30, 2015.
- Unrestricted net position comprised various subcategories of designated and committed funds; however, GASB Statement No. 35 prohibits a breakdown of these designations on the face of the statement of net position. The College has many activities that require a certain level of reserves to be maintained. Examples include working capital reserves for auxiliary operations, educational and general activities, funding for debt service and capital reserves for planned construction efforts.

Statement of Net Position

The statement of net position presents the College's financial position at the end of the fiscal year 2015, including all assets, liabilities and net position using the accrual basis of accounting. Assets and liabilities are generally measured using current values with certain exceptions, such as capital assets which are stated at cost less accumulated depreciation, and long-term debt which is carried at cost.

Assets and liabilities are categorized as current and noncurrent and are shown in order of their relative liquidity. An asset's liquidity is determined by how readily it is expected to be converted to cash or whether restrictions limit the College's ability to use the resources. Current assets are generally considered to be convertible to cash within one year. Deferred outflows of resources are a consumption of net position by the College that is applicable to a future reporting period. A liability's liquidity is based on its maturity or when cash is expected to be used to liquidate it. Current liabilities are amounts becoming due and payable within the next year. Deferred inflows of resources are an acquisition of net position by the College that is applicable to a future reporting period.

The difference between the College's assets, deferred outflows of resources, liabilities and deferred inflows of resources is shown as net position. Net position is one indicator of the financial condition of the College, while the change in net position during the year is a measure of whether the overall condition has improved or worsened during the year.

Net position is classified into three major categories. The first category, net investment in capital assets, provides the College's equity in property, plant, and equipment. The second net position category is restricted expendable net position. These are available to the College but must be spent for purposes as determined by donors and/or external entities that have placed time or purpose restrictions on their usage.

Finally, unrestricted net position represents those balances from operational activities that have not been restricted by parties external to the College, such as donors or granting agencies. Also included are normal working capital balances maintained for departmental and auxiliary enterprise activities.

From the data presented, readers of the Statement of Net Position are able to determine the assets available to continue the operations of the institution. They are also able to ascertain how much the College owes external parties or employees. A summary of the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at June 30, 2015 and 2014 are as follows (2014 amounts have not been restated to reflect the effect of GASB 68):

Condensed Statement of Net Position
(Amounts in thousands)

		2015	2014
Assets:			
Current assets	$	127,811	120,239
Capital assets, net		601,473	587,655
Other noncurrent assets		64,571	65,599
Total assets		793,855	773,493
Deferred outflows of resources		25,893	22,559
Liabilities:			
Current liabilities		55,912	47,537
Noncurrent liabilities		497,877	389,375
Total liabilities		553,789	436,912
Deferred inflows of resources		3,537	—
Net Position:			
Net investment in capital assets		251,027	229,359
Restricted expendable		11,383	11,641
Unrestricted		12	118,140
Total net position	$	262,422	359,140

Statement of Net Position Financial Highlights

Assets

During fiscal year 2015, the College's total assets increased by $20.4 million or 2.6%. At June 30, 2015, the College's working capital, which is current assets less current liabilities, was $71.9 million, a decrease of $0.8 million from the previous year. This change was due to decrease in cash and cash equivalents, offset by an increase accounts payable and accrued expenses.

The working capital is a key financial metric used to measure the College's liquidity for operations. It measures the institution's ability to satisfy its current obligations as they come due. With current assets at 2.3 times above current liabilities in fiscal year 2015, the College had adequate liquidity to satisfy its current obligations.

Summary of Working Capital (Amounts in thousands)			
		2015	2014
Current assets	$	127,811	120,239
Current liabilities		55,912	47,537
Working capital		71,899	72,702
Ratio of current assets to current liabilities		2.29	2.53

Cash and Investments

The College's investment portfolio contains two components: a short duration fixed income approach, which holds high quality fixed income securities generally maturing between one and three years, and a longer-term multi-asset class management portfolio, which entails a broader approach that focuses on the global investment universe.

Despite news-driven market volatility, the College remained focused on providing steady and consistent earnings growth in its portfolio. In aggregate, the College generated over $1.7 million, or approximately 2.5%, in capital appreciation in fiscal year 2015.

The multi-asset class portfolio has been allocated with a 70.0% equity and 30.0% fixed income approach since its inception in February 2012. In fiscal year 2015, the portfolio maintained an overweight to equities as the recovering U.S. economy continues to show positive growth. During the fiscal year, the portfolio generated a gross return of 3.6%.

Despite the interest rate challenges during the fiscal year, the College's Short-Duration Fixed Income portfolio has generated solid returns while adhering to the investment policy mandates of safety, liquidity and yield. Over the past 12 months, the portfolio generated a gross return of 0.7%.

The Short-Duration Fixed Income portfolio is allocated largely towards U.S. government securities, which include U.S. Treasury and federal agency notes and bonds rated AA+. These investments have accounted for approximately 65.0-70.0% of the portfolio. The remainder of the portfolio has been invested in high quality credit investments, including corporate notes, commercial paper, and municipal bonds.

In fiscal year 2015, cash and cash equivalents decreased by $10.2 million, or 20.4%. The net decrease was primarily due to the transfer of $15.0 million of working capital to the investment portfolio, coupled with disbursements for operations including debt service payments. The decrease in cash was offset by cash receipts from operations plus cash reimbursements from deposits held by bond trustees for capital expenses the previous year.

At June 30, 2015, investments totaled $74.2 million, representing an increase of $16.7 million due to the addition of $15.0 million in excess cash to the portfolio, coupled with the strong performance of the portfolio generating $1.7 million in investment income and appreciation.

Cash and Cash Equivalents and Investments (Amounts in thousands)			
		2015	2014
Cash and cash equivalents	$	39,817	50,026
Investments – short term		54,055	36,494
Investments – long term		20,106	20,941
Total cash and cash equivalents and investment	$	113,978	107,461

Restricted Deposits Held With Trustees

Restricted deposits held with trustees decreased by $0.6 million as of June 30, 2015, primarily due to requisitions paid throughout the fiscal year to reimburse TCNJ for bond financed capital expenditures temporarily funded by the operating cash. Debt service payments for July 1, 2015 are reflected in the restricted deposit held with bond trustees balance as of June 30, 2015.

Capital Assets

At June 30, 2015, the College had $601.5 million invested in capital assets, net of accumulated depreciation of $250.5 million. Depreciation charges totaled $20.7 million for the current fiscal year. Gross capital additions totaling $34.5 million were comprised primarily of new construction and renovation of facilities such as the new STEM Complex and the Brower Student Center and Norsworthy residence hall renovations. These additions were funded by capital reserves, capital grants and proceeds from bonds. The following is a breakdown of the net additions (transfers) for fiscal years ended June 30, 2015 and 2014:

Capital Additions (Amounts in thousands)			
		2015	2014
Additions (transfers):			
Buildings and building improvements	$	6,668	26,037
Works of art/historical treasures		—	200
Infrastructure		4,206	4,677
Equipment and other assets		2,414	2,518
Construction in progress		21,233	(21,539)
Net total additions	$	34,521	11,893

Deferred Outflows of Resources

During fiscal year 2015, the deferred outflows of resources consist of deferred amounts from debt refunding and pensions. The debt refunding amounts decreased by $1.2 million due to the amortization of the deferred amounts, while the deferred outflows relating to pensions increased by $4.6 million due to the implementation of GASB 68 and GASB 71.

Liabilities

Current Liabilities

During fiscal year 2015, current liabilities increased by $8.4 million, or 17.6% primarily due to the accrual of construction related invoices that were not paid as of the end of the year and increases in the principal bond payments due July 1 of the next fiscal year.

Noncurrent Liabilities

During fiscal year 2015, noncurrent liabilities increased by $108.5 million, or 27.9% primarily due to the implementation of GASB 68 and GASB 71 which resulted in the recording of $117.5 million in net pension liability. In addition, $3.5 million of unearned revenue related to the New Jersey capital grants was added in 2015. These increases were offset by repayment of principal on various bond issues totaling $10.3 million coupled with $1.3 million amortization of bonds premium.

Long-Term Debt

The use of debt has been a key component in the College's transformation into a highly selective institution that has earned national recognitions for its commitment to academic excellence. The attractiveness of the College's facilities is an important factor in the College's ability to recruit highly qualified students. At June 30, 2015, the College had $375.9 million in outstanding bonds and other long-term obligations. TCNJ's debt burden is a characteristic of many New Jersey state colleges and universities due primarily to the lack of state capital support historically and the TCNJ's strategic choice to invest and reinvest in state-of-the-art facilities.

According to the rating agencies, TCNJ's bond ratings reflect strong student demand and conservative financial management, which have translated into excellent operating performance and significant growth in cash and investments. At June 30, 2015, the College's bond ratings and outlook were as follows:

Bond Rating and Outlook

	Fitch	Moody's Investors Service	Standard & Poor's
Long–term rating	AA	A2	A
Rating outlook	Stable	Stable	Stable

Additional information about the College's existing long-term liabilities is presented in note 9 to the financial statements.

Deferred Inflows of Resources

During fiscal year 2015, the deferred inflows of resources consist of deferred amounts relating to pensions of $3.5 million recognized due to the implementation of GASB 68 and GASB 71.

Net Position

Net position represents the value of the College's assets after considering deferred outflows of resources, deferred inflows of resources and liabilities. The change in net position is one indicator of whether the overall financial condition has improved or worsened during the year. The College's net position increased by $13.8 million, or

5.6% due to fiscal year 2015 positive performance after recording $7.3 million in net pension expense due to the implementation of GASB 68 and 71.

At June 30, 2015, the total net position was reflected in the following three component categories:

- Net investment in capital assets represents the College's capital assets, net of accumulated depreciation and outstanding debt attributable to the acquisition, construction, or improvement of those assets. During fiscal year 2015, this category increased $21.7 million due to net additions to capital assets and payments of outstanding debt.
- Restricted expendable net position contains resources that are subject to externally imposed stipulations regarding their use, but are not required to be maintained in perpetuity. During fiscal year 2015, this category remained relatively flat.
- Unrestricted net position is not subject to externally imposed stipulations although these resources may be designated for specific purposes by the College's management or Board of Trustees. As a result of the implementation of GASB 68, beginning unrestricted net position as of July 1, 2014, was decreased by $110.5 million. In fiscal year 2015, this category had a cumulative decrease of $118.1 million primarily due to the implementation of GASB 68 and GASB 71 which resulted in the recording of $117.5 million in net pension liability as of June 30, 2015.

Statement of Revenues, Expenses and Changes in Net Position

The statement of revenues, expenses and changes in net position presents the College's results of operations. The statement distinguishes revenues and expenses between operating and nonoperating categories, and provides a view of the College's performance. Generally speaking, operating revenues are received for providing goods and services to the various customers and constituencies of the College. Operating expenses are incurred in the normal operation of the College, including a provision for estimated depreciation on capital assets.

Certain revenue sources that the College relies on for operations, including state appropriations and investment income, are required by GASB to be classified as nonoperating revenues. Nonoperating expenses primarily include interest expense and amortization expense related to the deferred outflows of resources from debt refunding. The College will always report an operating loss due to the types of revenues classified as nonoperating. Therefore, the change in net position is more indicative of the overall financial results for the fiscal year.

A summary of the College's revenues, expenses, and changes in net position for the fiscal years ended June 30, 2015 and 2014 are as follows (2014 amounts have not been restated to reflect the effect of GASB 68):

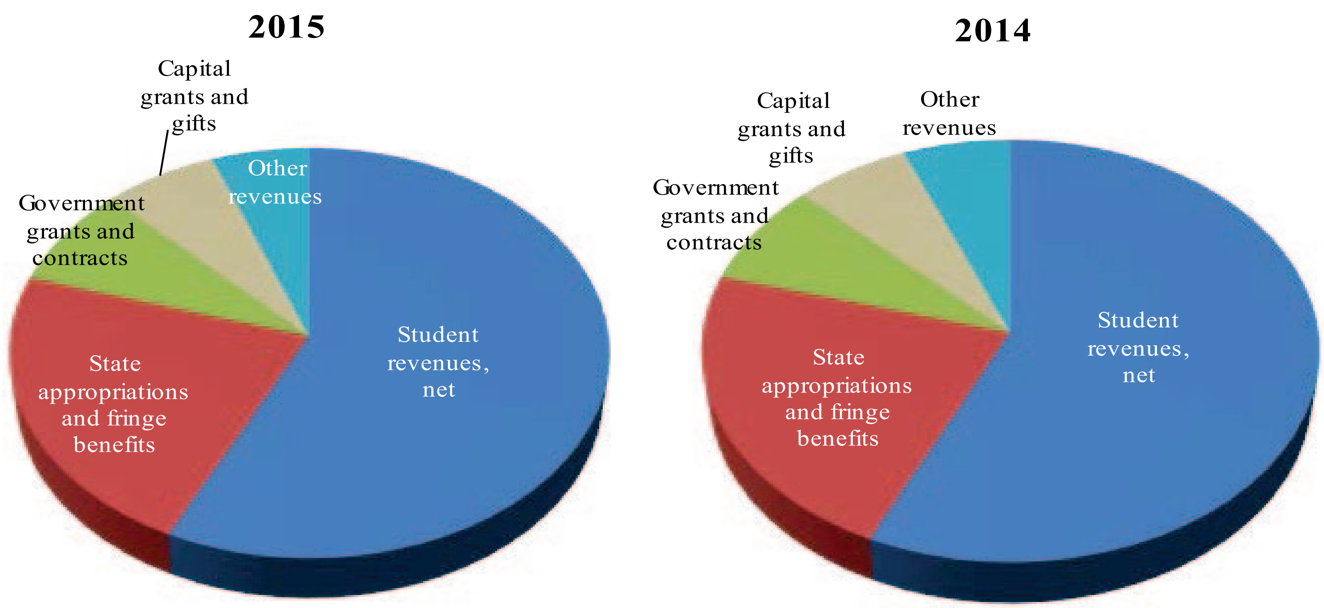
Condensed Statement of
Revenues, Expenses and Changes in Net Position
(Amounts in thousands)

		2015	2014
Net student revenues	$	135,614	131,297
Government grants and contracts		18,836	17,636
Auxiliary activities		4,323	5,699
Other		5,404	2,573
Operating revenues		164,177	157,205
Instruction and research		70,741	66,849
Auxiliary activities		31,084	31,494
Institutional support		17,498	13,228
Operation and maintenance of plant		26,390	23,811
Student services		17,407	15,558
Academic support		15,132	14,972
Depreciation		20,703	20,337
Impairment loss on capital assets		—	5,382
Other		7,373	6,550
Operating expenses		206,328	198,181
Operating loss		(42,151)	(40,976)
State appropriations and fringe benefits		53,847	53,079
Other expenses, net		(13,613)	(12,465)
Net nonoperating revenues		40,234	40,614
Capital grants and gifts		15,728	8,616
Increase in net position		13,811	8,254
Net position, beginning of year, as restated July 1, 2014		248,611	350,886
Net position, end of year	$	262,422	359,140

Statement of Revenues, Expenses and Changes in Net Position Financial Highlights

Revenues

The following is an illustration of revenues by source (both operating and nonoperating), that were used to fund the College's activities for the fiscal years ended June 30, 2015 and 2014:



	2015		2014	
	Amount	Percent	Amount	Percent
	(Amounts in thousands)			
Student revenues, net	$ 135,614	58.0%	$ 131,297	60.0%
State appropriations and fringe benefits	53,847	23.0%	53,079	24.2%
Government grants and contracts	18,836	8.1%	17,636	8.1%
Capital grants and gifts	15,728	6.7%	8,616	3.9%
Other revenues	9,727	4.2%	8,272	3.8%
	$ 233,752	**100.0%**	**$ 218,900**	**100.0%**

Operating Revenues

Operating revenues represent resources generated by the College in fulfilling its instruction, research and public service mandate. Total operating revenues increased by $7.0 million or 4.4% in fiscal year 2015.

Tuition and Fees

Tuition and fees revenues increased $3.7 million, or 3.3% in fiscal year 2015 primarily due to the College's continued strategic efforts to keep the cost of education affordable with a modest tuition and fees increase of 2.0% for in-state undergraduate and out-of-state undergraduate students coupled with a cohort of approximately 80 international non-matriculated students.

Student Housing and Fees

In fiscal year 2015, student housing and fees decreased by $0.2 million or 0.3% primarily due to a residence hall of 156 beds being taken off-line for a major renovation during the fiscal year.

Scholarship Allowance

Scholarship allowance decreased by $0.8 million or 2.9% in fiscal year 2015 primarily due to a decrease in institutional scholarships totaling $1.4 million, which was offset by an increase of $0.3 million in State funded scholarships and $0.3 million in Federal scholarships.

Scholarship Allowance
(Amounts in thousands)

		2015	2014
State scholarships	$	7,115	6,787
Federal scholarships		5,747	5,451
Institutional scholarships		13,827	15,257
Total scholarships	$	26,689	27,495

Auxiliary Activities

Auxiliary activities, which are self-supporting activities, accounted for approximately 2.6% of the total operating revenues in fiscal year 2015. Included in auxiliary activities are revenues derived primarily from commissions, student center and conference center operations, and summer camp activities.

Government Grants and Contracts

The College recognizes revenues associated with the direct costs of grants and contracts as the related expenditures are incurred. Government grants and contracts increased by $1.2 million or 6.8%, primarily due to the increase in federal and state grant activities.

Nonoperating Revenues

Nonoperating revenues are those not generated by the College's core mission and include such funding sources as investment income and New Jersey State support, appropriations and funding for fringe benefits.

New Jersey State Appropriations

New Jersey state appropriations represented 23.0% of the total College revenues in fiscal year 2015. The level of state support is therefore a factor influencing the College's overall financial condition. The state appropriations include amounts appropriated by the State Legislature and employees' fringe benefits paid by the state.

The College reimburses the State for the fringe benefit costs for the number of employees who exceed the state authorized position count of 859 for TCNJ. Even though state appropriations are considered nonoperating revenue, the total amount supports operating expenses.

In fiscal year 2015, the gross state support to the College increased by $0.8 million or 1.4%. The base state appropriations remained stable while the fringe benefits funded by the State increased.

The breakdown of the state appropriations at June 30, 2015 and 2014 are as follows:

State Appropriations (Amounts in thousands)			
		2015	2014
State appropriations	$	29,317	29,317
Fringe benefits		24,530	23,762
Gross state support	$	53,847	53,079

Investment Income

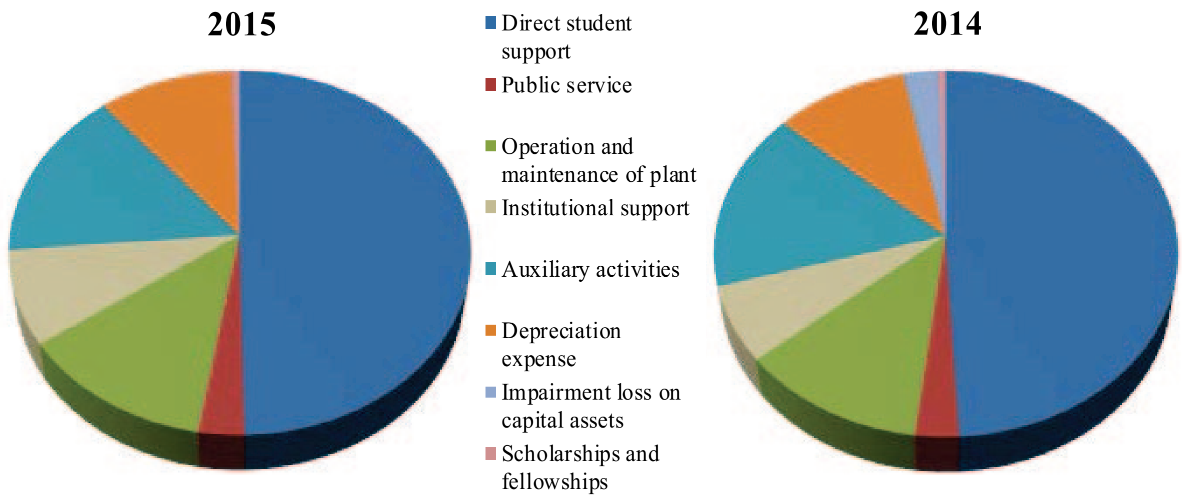
Investment income includes interest and dividend income as well as realized and unrealized gains and losses. During fiscal year 2015, the positive performance of the investment portfolio yielded a total return of $1.8 million, a decrease of $2.7 million over the previous fiscal year total of $4.5 million. This decrease is primarily due to lower investment income and appreciation primarily due to market volatility that impacted the multi-asset segment of the portfolio.

Capital Grants and Gifts

Capital grants and gifts totaled $15.7 million in fiscal year 2015 due to the receipt of a number of New Jersey State grants to fund the acquisition academic equipment, a new Science, Engineering, Technology and Mathematics (STEM) building and various information technology improvements. The revenue for these capital grants is recognized as expenses are incurred. Amounts received from grants for which eligibility requirements have not been met under the terms of the agreements are included in unearned revenue in the statements of net position. In addition, the College received the second payment on a multi-year restricted gift earmarked for a major renovation of the student center. This gift was recognized as revenue as funds are received and in the possession and control of the College.

Expenses

The following is an illustration of operating expenses by function for the fiscal years ended June 30, 2015 and 2014:



	2015		2014	
	Amount	Percent	Amount	Percent
	(Amounts in thousands)			
Instruction and research	$ 70,741	34.3%	$ 66,849	33.7%
Academic support	15,132	7.4%	14,972	7.6%
Student services	17,407	8.4%	15,558	7.8%
Direct student support	103,280	50.1%	97,379	49.1%
Public service	6,080	2.9%	5,511	2.8%
Operation and maintenance of plant	26,390	12.8%	23,811	12.0%
Institutional support	17,498	8.5%	13,228	6.7%
Auxiliary activities	31,084	15.1%	31,494	15.9%
Depreciation expense	20,703	10.0%	20,337	10.3%
Impairment loss on capital assets	—	0.0%	5,382	2.7%
Scholarships and fellowships	1,293	0.6%	1,039	0.5%
	$ **206,328**	**100.0%**	$ **198,181**	**100.0%**

Operating Expenses

The College has consistently demonstrated its commitment to preserving the quality of its academic programs despite the challenging fiscal environment by continuing to allocate a significant portion of its operating expenses to direct student support (instruction, research, academic support and student services) and to the college funded scholarships which is reported as a reduction of operating revenues.

In fiscal year 2015, total operating expenses were $206.3 million, representing an overall increase of $8.1 million or 4.1% over the previous fiscal year total of $198.2 million. This increase was primarily due to $7.3 million in net pension expense due to the implementation of GASB 68 and 71. Increases in salaries and other fringe benefits costs were offset by a decrease of $5.4 million in impairment loss on capital assets recorded in fiscal year 2014.

Instruction and Research

The combination of instruction and research represents the College's largest operating expense category. In fiscal year 2015, the change in both functional categories was primarily due to contractual salary and related fringe benefits costs driven by the recording of pension expenses for the defined benefit plans due to the adoption of GASB 68 and 71.

Academic Support

In fiscal year 2015, academic support expenses remained relatively stable. The current year net increase was primarily due to increase in salary and fringe benefits which was offset by capitalization of equipment and software implementation costs.

Public Service

This category increased by $0.6 million or 10.3% in fiscal year 2015 primarily due to an increase in external grant activity. Public services represent grant activities and academic enterprise programs geared toward community involvement and benefit, such as the Bonner Center for Civic and Community Engagement and the New Jersey AmeriCorps grants.

Student Services

In fiscal year 2015, student service expenses increased by $1.8 million or 11.9% due to increases in salary and fringe benefits costs driven by the recording of pension expenses for the defined benefit plans due to the adoption of GASB 68 and 71. In addition, there were investments for commencement activities, athletics activities and disability support services.

Operation and Maintenance of Plant

Operation and maintenance of plant increased by $2.6 million or 10.8% in fiscal year 2015, mainly due to increases in emergency repairs for maintenance projects plus salary and fringe benefits increases driven by the recording of pension expenses for the defined benefit plans due to the adoption of GASB 68 and 71.

Institutional Support

In fiscal year 2015, institutional support increased $4.3 million or 32.3% due to the strategic funding allocations for the institutional priorities within college advancement for fundraising activities and campus-wide staff professional development. In addition, there were increases in administrative computing for hardware and software coupled with increases in salary and related fringe benefits costs driven by the recording of pension expenses for the defined benefit plans due to the adoption of GASB 68 and 71.

Auxiliary Activities

The $0.4 million or 1.3% decrease during fiscal year 2015 in auxiliary activities can be attributed primarily to a large external event that was held on campus in fiscal year 2014, coupled with the lack of summer camp activities in fiscal year 2015. This was offset by increased meal plan costs, salary and fringe benefits.

Depreciation Expense

Depreciation expense increased by $0.4 million or 1.8%, in fiscal year 2015 due to additional capital expenditures in investment in plant which were eligible to be depreciated.

Nonoperating Expenses

Nonoperating expenses are those not incurred by the College's core mission and include such activities as interest on debt and transactions with institutionally affiliated organizations.

Interest Expense

Interest expense is traditionally partially offset by the amount of interest capitalized during the construction phase of major projects. Interest expense decreased by $0.1 million or 0.8% in fiscal year 2015, primarily due to the capitalized interest on the Series 2013A bonds that were issued to finance the construction of a new STEM building.

Transactions with Affiliates

The College's affiliates include the College of New Jersey Foundation and the Trenton State College Corporation. Examples of transactions that are reflected in affiliate transfers include: funds disbursed from the Foundation for institutional scholarship support, restricted funds disbursements and transfer of properties. In fiscal year 2015, transactions with affiliates increased by $0.2 million primarily due to Foundation activity for institutional scholarship support and restricted private grants. This increase was offset by a modest decrease in the Corporation's affiliate transfers.

Other Revenues (Expenses), Net

In fiscal year 2015, other nonoperating expenses decreased $1.2 million, which was mainly due to the activities relating to the bond issuance costs and loan administrative costs and bad debt expense.

Economic Factors that Will Affect the Future

The College has a long tradition of prudent financial planning and resource allocation. This philosophy has allowed it to continue to strengthen its financial position through positive operating results allowing it to respond to unforeseen challenges and opportunities. For the fiscal year ending June 30, 2015, the College finished with an increase of $13.8 million or 5.6% in net position despite the recording of $7.3 million in net pension expense due to the adoption of GASB 68 and 71. The increase in net position is one indicator that the College's financial health continues to improve.

In the last two years, TCNJ's total state appropriations have remained relatively stable. However, because the State continues to face fiscal pressures, it is unlikely that this pattern of flat funding will continue.

Cognizant of our responsibility to allocate resources strategically and keep the cost of education at TCNJ affordable, the College has identified areas for focused review and strategies to ensure the maintenance of the College's long-term financial health. These focused reviews should provide the foundation for improvement in the health of the institution based on sound strategic planning as well as facilities master planning. These planning enhancements will depend on a better understanding of the increasing demand for institutional scholarships, strategic enrollment management and thoughtful investment in academic and student development programs. The strategies include cost containment initiatives, review of the organizational structure to generate financial efficiencies and preserve organizational effectiveness, investment in facilities, expansion of fundraising activities, diversification of revenues, and enhancement of entrepreneurial activity.

The state and national economy will continue to pose budgetary challenges for the College in the future. However, as a result of strategic planning efforts and a campus-wide commitment to prudent fiscal management, TCNJ is poised to make significant strategic investments over the next several years based on our improved financial position. The following strategic budget priorities were established for fiscal year 2016:

- Revenue enhancement initiatives;
- Signature experiences, including integrated curricular and co-curricular activities;
- Academic and operational technology and infrastructure;
- Diversity and inclusion; and
- Facilities.

A healthy student demand and favorable market position as evidenced by steadily increasing enrollment, our sustained ability to attract and retain high-achieving students and our consistently strong operating performance and liquidity, are all factors in the positive outlook for the College of New Jersey. Management believes that the College is well positioned to continue providing excellence in educational programs to our students and service to the State.

STATEMENT OF NET POSITION

June 30, 2015

(Amounts in thousands)

Assets	Business-Type Activities The College of New Jersey	Component Unit The College of New Jersey Foundation, Inc.	Total
Current assets:			
Cash and cash equivalents	$ 39,817	1,326	41,143
Receivables:			
Student accounts, net of allowance of doubtful accounts of $427	2,898	—	2,898
Student loans	851	—	851
Grants	3,291	—	3,291
Due from State of New Jersey (note 5)	3,601	—	3,601
Due from affiliates (note 3)	1,377	—	1,377
Other	1,111	1,049	2,160
Total receivables	13,129	1,049	14,178
Investments (notes 4 and 16)	54,055	1,630	55,685
Restricted deposits held with trustees (note 7)	19,840	—	19,840
Prepaid expenses and other assets	970	—	970
Total current assets	127,811	4,005	131,816
Noncurrent assets:			
Student loans receivable, net of allowance of doubtful loans of $514	3,022	—	3,022
Restricted deposits held with trustees (note 7)	38,404	—	38,404
Other assets	—	4	4
Investments (notes 4 and 16)	20,106	—	20,106
Restricted investments (notes 4 and 16)	—	30,609	30,609
Prepaid insurance premium costs, net of accumulated amortization of $1,156	3,039	—	3,039
Capital assets, net (note 6)	601,473	—	601,473
Total noncurrent assets	666,044	30,613	696,657
Total assets	793,855	34,618	828,473
Deferred Outflows of Resources			
Deferred amounts from debt refunding	21,312	—	21,312
Deferred amounts from pensions (note 11)	4,581	—	4,581
Total deferred outflows of resources	25,893	—	25,893
Liabilities			
Current liabilities:			
Accounts payable and accrued expenses (note 8)	37,394	26	37,420
Compensated absences – current portion (note 12)	3,637	—	3,637
Due to affiliates (note 3)	102	1,323	1,425
Unearned revenue and student deposits	2,224	—	2,224
Bonds payable – current portion, including net premium of $1,149 (note 9)	11,884	—	11,884
Other long-term obligations – current portion (note 9)	671	371	1,042
Total current liabilities	55,912	1,720	57,632
Noncurrent liabilities (note 9):			
Compensated absences – noncurrent (note 12)	433	—	433
U.S. and Government grants refundable	4,414	—	4,414
Unearned revenue – noncurrent	12,144	—	12,144
Bonds payable – noncurrent, including net premium of $8,020 (note 9)	356,535	—	356,535
Other long-term obligations (note 9)	6,804	2,570	9,374
Net pension liability (note 11)	117,547	—	117,547
Total noncurrent liabilities	497,877	2,570	500,447
Total liabilities	553,789	4,290	558,079
Deferred Inflows of Resources			
Deferred amounts from pensions (note 11)	3,537	—	3,537
Net Position			
Net investment in capital assets	251,027	—	251,027
Restricted:			
Nonexpendable:			
Scholarships	—	7,829	7,829
Other programs	—	3,117	3,117
Expendable:			
Scholarships	—	12,887	12,887
Research	—	72	72
Debt service and capital	11,082	—	11,082
Other	—	3,046	3,046
Student loans	301	—	301
Unrestricted (note 13)	12	3,378	3,390
Total net position	$ 262,422	30,329	292,751

See accompanying notes to financial statements.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Year ended June 30, 2015

(Amounts in thousands)

		Business-Type Activities The College of New Jersey	Component Unit The College of New Jersey Foundation, Inc.	Total
Operating revenues:				
Student revenues:				
Student tuition and fees	$	115,813	—	115,813
Less tuition scholarship allowances		(20,862)	—	(20,862)
Net student tuition and fees		94,951	—	94,951
Student housing and fees		46,490	—	46,490
Less housing scholarship allowances		(5,827)	—	(5,827)
Net student housing and fees		40,663	—	40,663
Federal grants and contracts		10,041	—	10,041
State of New Jersey grants and contracts		8,795	—	8,795
Auxiliary activities		4,323	—	4,323
Contributions		—	3,361	3,361
Interest on student loans receivable		89	—	89
Other operating revenues		5,315	1,360	6,675
Total operating revenues		164,177	4,721	168,898
Operating expenses:				
Instruction		60,048	—	60,048
Research		10,693	—	10,693
Academic support		15,132	—	15,132
Public service		6,080	—	6,080
Student services		17,407	—	17,407
Operation and maintenance of plant		26,390	—	26,390
Institutional support		17,498	—	17,498
Scholarships and fellowships		1,293	546	1,839
Auxiliary activities		31,084	—	31,084
Fundraising		—	678	678
Depreciation		20,703	—	20,703
Total operating expenses		206,328	1,224	207,552
Operating (loss) income		(42,151)	3,497	(38,654)
Nonoperating revenues (expenses):				
State of New Jersey appropriations		29,317	—	29,317
State of New Jersey fringe benefits		24,530	—	24,530
Investment income		1,782	850	2,632
Interest expense		(16,592)	—	(16,592)
Transactions with affiliates (note 3)		1,980	(3,397)	(1,417)
Other revenues (expenses), net		(783)	(837)	(1,620)
Net nonoperating revenues (expenses)		40,234	(3,384)	36,850
Income (loss) before other revenues		(1,917)	113	(1,804)
Additions to permanent endowments		—	832	832
Capital grants and gifts		15,728	—	15,728
Increase in net position		13,811	945	14,756
Net position as of beginning of year, as restated (note 2)		248,611	29,384	277,995
Net position as of end of year	$	262,422	30,329	292,751

See accompanying notes to financial statements.

STATEMENT OF CASH FLOWS

(Business-Type Activities – College only)

Year ended June 30, 2015

(Amounts in thousands)

		2015
Cash flows from operating activities:		
Student tuition and fees	$	94,256
Federal, State, and local grants and contracts		19,016
Payments to suppliers		(50,171)
Payments to employees		(99,999)
Payments for benefits		(4,400)
Student housing and auxiliary activities		45,918
Other receipts, net		5,609
Net cash provided by operating activities		10,229
Cash flows from noncapital financing activities:		
New Jersey State appropriations		29,317
Other receipts (disbursements), net		1,709
Net cash provided by noncapital financing activities		31,026
Cash flows from capital and related financing activities:		
Purchase of capital assets		(26,310)
Net (deposits to) withdrawals from deposits held with trustees		7,595
Capital grants and gifts		11,293
Principal payments on bonds and other obligations		(9,422)
Interest payments on bonds and other obligations		(19,675)
Net cash used in capital and related financing activities		(36,519)
Cash flows from investing activities:		
Interest on investments		55
Purchases of investments		(15,000)
Net cash used in investing activities		(14,945)
Net change in cash and cash equivalents		(10,209)
Cash and cash equivalents as of beginning of year		50,026
Cash and cash equivalents as of end of year	$	39,817
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	$	(42,151)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation		20,703
State of New Jersey fringe benefits		24,530
Changes in assets and liabilities:		
Receivables, net		45
Prepaid expenses		(266)
Deferred outflows of resources from pensions		(4,581)
Accounts payable and accrued expenses		26
Accrued salaries		609
Other accrued expenses		138
Unearned revenue and student deposits		621
Net pension liability		7,018
Deferred inflows of resources from pensions		3,537
Net cash provided by operating activities	$	10,229

See accompanying notes to financial statements.

(1) Organization

The College of New Jersey (the College) is a mid-sized, comprehensive public college that concentrates primarily on the undergraduate experience. Baccalaureate and master's degrees are offered through the academic programs of the College's seven schools (Arts and Communication; Business; Education; Humanities and Social Science; Science; Nursing, Health, and Exercise Science; and Engineering). In the fall of 2014, the College enrolled 6,580 full-time equated undergraduate students and 364 full-time equated graduate students. The College has residential facilities that house more than half of the students on campus.

The College is recognized as a public institution of higher education by the State of New Jersey (the State) and, accordingly, the State Legislature appropriates funds annually to support the College. Under the law, the College is an instrumentality of the State with a high degree of autonomy. However, pursuant to the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, the College is considered to be a component unit of the State for financial reporting purposes. Accordingly, the financial statements of the College are included in the State's Comprehensive Annual Financial Report.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The accounting policies of the College conform to all U.S. generally accepted accounting principles as applicable to public colleges and universities.

GASB Statement No. 35 establishes standards for external financial reporting for public colleges and universities and requires that resources be classified for accounting and reporting purposes into the following net position categories.

- ***Net investment in capital assets:*** Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- ***Restricted:***

  Nonexpendable: Net position that is subject to externally imposed stipulations and must be maintained permanently by the College.

  Expendable: Net position that is subject to externally imposed stipulations that can be fulfilled by actions of the College pursuant to the stipulations or that expire by the passage of time.
- ***Unrestricted:*** Net position that is not subject to externally imposed stipulations and may be designated for specific purposes by action of management to the board of trustees.

  When an expense is incurred that can be paid using either restricted or unrestricted resources, the College's policy is to first apply the expense towards restricted resources and then towards unrestricted resources.

(b) Measurement Focus and Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting using the economic resources measurement focus. The College reports as a business-type activity, as defined by GASB Statement No. 35. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services.

(c) Cash and Cash Equivalents

Cash and cash equivalents consist primarily of investments with the New Jersey State Cash Management Fund that are combined into a large scale investment program with amounts contributed by other state entities. These investments consist primarily of U.S. Treasury issues, commercial paper and certificates of deposit. All highly liquid investments purchased with an original maturity of three months or less are classified as cash equivalents.

(d) Restricted Deposits Held with Trustees

Restricted deposits held with trustees are reflected at fair value, which is based on quoted market prices. Purchases and sales of investments are accounted for on the trade-date basis. Investment income is recorded on an accrual basis.

(e) Investments

Investments are reflected at fair value, which is based on quoted market prices. Purchases and sales of investments are accounted for on the trade-date basis. Investment income is recorded on an accrual basis. Changes in fair value (including both realized and unrealized gains and losses) are reported in investment income.

(f) Capital Assets

Capital assets include buildings, equipment, works of art, and infrastructure assets, such as roads and sidewalks. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Building improvements and infrastructure costing over $5, equipment items with a unit cost of $3 or more, land improvements over $25, and software implementation over $100 are capitalized. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Works of art or historical treasures that are held for public exhibition, education, or research in furtherance of public service are capitalized.

Capital assets of the College are depreciated using the straight line method over the following useful lives:

Capital asset	Useful lives
Buildings	30 to 50 years
Infrastructure	35 years
Land and building improvements	25 years
Equipment and other assets	5 to 10 years

Estimated costs to complete the projects classified as construction in progress are approximately $76,850. Such construction costs are anticipated to be financed by proceeds from long-term debt, capital grants and gifts, and capital reserves.

(g) Deferred Outflows of Resources

Deferred outflows of resources represent unamortized amounts from debt refunding and amounts related to changes in the net pension liability.

(h) Deferred Inflows of Resources

Deferred inflows of resources represent amounts related to changes in the net pension liability.

(i) Revenue Recognition

Revenues from student tuition and fees and auxiliary activities are presented net of scholarships applied to student accounts and are recognized in the period earned. Tuition waivers and other payments made directly to students are presented as scholarships and are included in operating expenses in the period incurred. Student tuition and fees and deposits collected in advance of the fiscal year are recorded as unearned revenue in the accompanying statements of net position.

Grant revenue is comprised mainly of funds received from grants from Federal and State of New Jersey sources and is recognized when all eligibility requirements for revenue recognition are met which is generally the period in which related expenses are incurred. Amounts received from grants for which eligibility requirements have not been met under the terms of the agreements are included in unearned revenue in the accompanying statements of net position.

Revenue from State of New Jersey appropriations is recognized in the fiscal year during which the State of New Jersey appropriates the funds to the College.

(j) Student Activity Fees

It is the policy of the College to collect the student activity fees for the Student Finance Board. Collections and related remittance of these fees to the Student Finance Board of $1,759 in fiscal year 2015 have not been included in the accompanying financial statements.

(k) Operating Activities

The College's policy for defining operating activities as reported on the statement of revenues, expenses and changes in net position are those that serve the College's principal purpose and generally result from exchange transactions such as the payment received for services and payment made for the purchase of goods and services. Examples include: student tuition and fees, net of scholarship allowances, and most Federal, State and private grants and contracts. Certain significant revenue streams relied upon for operations are recorded as nonoperating revenue, as defined by GASB Statement No. 35, including state appropriations, gifts, and investment income. Interest expense is reported as a nonoperating expense.

(l) Adoption of Accounting Pronouncements

The College adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* (GASB 68) in fiscal year 2015. GASB 68 addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense related to pensions. Note disclosure and required supplementary information requirements about pensions also are addressed. For defined benefit pensions, this statement also identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Certain College employees are provided with defined benefit pensions through the Public Employees' Retirement System (PERS), Police and Firemen's Retirement System (PFRS), and Teachers' Pension and Annuity Fund (TPAF), cost-sharing, multiple-employer defined benefit pension plans administered by the State of New Jersey, Division of Pensions and Benefits. In accordance with the provisions of GASB 68, the College has reported its proportionate share of PERS and PFRS net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense and the employer pension expense and related revenue for TPAF which met the criteria for a special funding situation.

Notes to the Financial Statements ($ in thousands)

The College also adopted GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* (GASB 71). GASB 71 amends paragraph 137 of GASB 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability.

The provisions of GASB 68 and 71 have been applied to the beginning net position of the 2015 fiscal year. The following is a reconciliation of the total net position as previously reported at July 1, 2014 to the total restated net position:

Total net position as previously reported as of July 1, 2014	$	359,140
Restatement to beginning of year net position		(110,529)
Total net position as of July 1, 2014 (restated)	$	248,611

(m) Accounting Pronouncements Applicable to the College, Issued but Not Yet Effective

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application* (GASB 72). The statement addresses accounting and financial reporting issues related to fair value measurements of assets and liabilities. GASB 72 identifies various approaches to measuring fair value and levels of inputs based on the objectivity of the data used to measure fair value. GASB 72 will be effective for periods beginning after June 15, 2015. The College is evaluating the impact of this new statement.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* (GASB 73). This Statement establishes requirements for defined benefit pensions and defined contribution pensions that are not within the scope of GASB 68 and amends certain provisions of GASB Statement No. 67, Financial Reporting for Pension Plans, and GASB 68. GASB 73 will be effective for fiscal periods beginning after June 15, 2016. The College is evaluating the impact of this new statement.

In June 2015, the GASB issued Statement No 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). The statement addresses accounting and financial reporting for other postemployment benefits (OPEB) that are provided to the employees of state and local governmental employers. GASB 75 establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to OPEB in the basic financial statements, in addition to requiring more extensive note disclosures and required supplementary information. GASB 75 will be effective for fiscal periods beginning after June 15, 2017. The College is evaluating the impact of this new statement.

(n) Income Taxes

The College is exempt from income taxes on related income pursuant to Federal and State tax laws as an instrumentality of the State of New Jersey.

(o) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that 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 reported period. Actual results could differ from those estimates.

(3) Transactions with Affiliates

(a) The College of New Jersey Foundation

The College of New Jersey Foundation, Inc. (the Foundation) has approved payments to the College for restricted private grants and donated capital assets of $3,397 during fiscal year 2015. The College provides certain administrative functions on behalf of the Foundation. The costs of salaries and benefits for administrative functions were not charged to the Foundation in fiscal year 2015. As of June 30, 2015, a receivable of $1,323 was due from the Foundation. Additional information about the Foundation is presented in note 16 to the financial statements.

(b) Trenton State College Corporation

Trenton State College Corporation (TSC Corporation or the Corporation) assists in the development and growth of the College through property acquisitions and facilities management. The accompanying financial statements do not include the activities of the TSC Corporation. The New Jersey Board of Higher Education approved the Corporation on April 15, 1988, in accordance with the Public College Auxiliary Organizations Act, P.L. 1982.

During fiscal year 2015, the College incurred $297 in rent and related expenses paid to the Corporation for usage of space in homes owned by the Corporation. In addition, the College reimbursed the Corporation for expenses associated with the maintenance of College owned properties. As of June 30, 2015, there was outstanding payable of $102 due to the Corporation relating to these expenses.

Additionally, the Corporation pays the College for the portion of salaries and benefits of College employees who perform functions for the Corporation and any expenses applicable to the Corporation. This amounted to $345 as of June 30, 2015, of which $54 was due to the College as of June 30, 2015.

The Corporation had purchased some Transfer Housing facilities in order to provide additional housing for the College's students. During fiscal year 2015, the College reimbursed the Corporation for expenses incurred while maintaining the Transfer Housing facilities plus a management fee. The expenses reimbursed to the Corporation for Transfer Housing during fiscal year 2015 was $233.

(4) Cash, Cash Equivalents and Investments

Cash and cash equivalents was $39,817 as of June 30, 2015, which included $34,196 held in the State of New Jersey Cash Management fund and $5,614 held in various accounts at Wells Fargo Bank. Of the amounts held at Wells Fargo Bank, $250 per account was insured by the Federal Deposit Insurance Corporation (FDIC) and the amounts in excess of FDIC coverage are collateralized pursuant to New Jersey Statute 52:18-16-1.

The College participates in the State of New Jersey Cash Management Fund wherein amounts also contributed by other State entities are combined into a large scale investment program. The operations of the Cash Management Fund are governed by the provisions of the State Investment Council Regulations for the purpose of determining authorized investments. Statutes of the State of New Jersey and Regulations of the State Investment Council authorize the New Jersey Division of Investment to invest in obligations of the U.S. Treasury, agencies, and municipal or political subdivisions of the State, commercial paper, bankers acceptances, revenue obligations of public authorities, debt instruments of banks, collateralized notes, mortgages, certificates of deposit, repurchase agreements, equity, and convertible equity securities, and other common types of investment securities. Investee institutions and organizations are prescribed by the statutes and regulations based on such criteria as minimum capital, dividend paying history, credit history and other evaluation factors. The Cash Management Fund is unrated with a portfolio maturity of less than one year.

The College has an investment policy approved by the Board of Trustees that establishes guidelines for permissible investments. The College may invest in equities, real estate assets, inflation hedge and fixed income assets. The Commonfund is a nonprofit provider of intermediate-term fixed income investment products for nonprofit institutional clients.

Notes to the Financial Statements ($ in thousands)

The College's investments as of June 30, 2015 were as follows:

Investments		
		Amount
Mutual funds:		
Domestic equities	$	28,885
International equities		2,228
Fixed income		10,078
Mutual funds total		41,191
U.S. Treasury bonds and notes		13,054
U.S. Government agencies		9,046
Corporate bonds		8,871
Municipal bonds		533
Commercial paper		500
Money market fund		817
Commonfund – Intermediate-term fund		149
Total	$	74,161

The College's investments are subject to various risks. Among these risks are credit risk and interest rate risk. Each one of these risks is discussed in more detail below.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's). As of June 30, 2015, the College's fixed income investments were rated as follows:

Fixed Income Investments Ratings

Rating		Total	U.S. Treasury bonds and notes	U.S. Government agencies	Corporate bonds	Municipal bonds	Commercial paper	Money market fund
Aaa	$	23,479	13,054	9,046	562	—	—	817
Aa1		—	—	—	—	—	—	—
Aa2		342	—	—	342	—	—	—
Aa3		1,010	—	—	1,010	—	—	—
A1		2,712	—	—	2,712	—	—	—
A2		3,391	—	—	3,391	—	—	—
A3		854	—	—	854	—	—	—
P1		500	—	—	—	—	500	—
NR		533	—	—	—	533	—	—
	$	32,821	13,054	9,046	8,871	533	500	817

The fixed income mutual funds of $10,078 as of June 30, 2015 were not rated.

Notes to the Financial Statements ($ in thousands)

The College's investment policy requires the following limits:

- Corporate notes and bonds – Issuers must have a long-term rating of at least A- by Standard & Poor's or A3 by Moody's. The maximum maturity of any investment in this sector is limited to five years from time of purchase.
- Certificates of deposit – Issuers must have a minimum short-term rating of A-1 by Standard & Poor's or P1 by Moody's or a minimum long-term rating of A- by Standard & Poor's or A3 by Moody's. The maximum maturity of any investment in this sector is limited to five years from time of purchase.
- Commercial paper – Issuers must have a short-term rating of at least A-1 by Standard & Poor's or P1 by Moody's. The maximum maturity of any investment in this sector is limited to 270 days from time of purchase.
- Bankers' acceptances – Issuers must have a short-term rating of at least A-1 by Standard & Poor's and P1 by Moody's. The maximum maturity of any investment in this sector is limited to 180 days from time of purchase.
- No single corporate issuer shall exceed 5% of the College's portfolio.
- Municipal debt obligations – Issuers must have a long-term rating of at least A- by Standard & Poor's or A3 by Moody's. The maximum maturity of any investment in this sector is limited to five years from time of purchase. No single issuer shall exceed 5% of the College's portfolio.
- Repurchase agreements – The maximum maturity of any investment in this sector is limited to 90 days at time of purchase. No single repurchase agreement counterparty shall exceed 15% of the College's portfolio.
- Money market funds – Funds must be rated AAm by Standard & Poor's or Aa-mf by Moody's. No single fund in this category shall exceed 15% of the College's portfolio.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a debt investment. The College's investment policy provides limitations in the maturities of various types of investments as a means of managing its exposure to fair value losses arising from interest rate fluctuations. As of June 30, 2015, the College's fixed income investments had maturity dates as follows:

Fixed Income Investments Maturity

Maturing in years		Total	U.S. Treasury bonds and notes	U.S. Government agencies	Corporate bonds	Municipal bonds	Commercial paper	Money market fund
Less than 1	$	12,715	6,516	2,822	1,652	408	500	817
1 – 5		19,440	6,538	5,558	7,219	125	—	—
6 – 10		666	—	666	—	—	—	—
	$	32,821	13,054	9,046	8,871	533	500	817

Notes to the Financial Statements ($ in thousands)

(5) Due from State of New Jersey

Due from the State of New Jersey consists of the following as of June 30, 2015:

Due from State of New Jersey		
		Amount
FICA benefit reimbursement	$	1,004
Alternative Benefit Programs (ABP)		791
Capital grants		1,806
Total	$	3,601

(6) Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

Capital Asset Activity		Beginning balance	Additions	Transfers/ retirements	Ending balance
Nondepreciable assets:					
Land	$	22,148	—	—	22,148
Works of art/historical treasures		592	—	—	592
Construction in progress		15,561	32,364	(11,131)	36,794
Total nondepreciable assets		38,301	32,364	(11,131)	59,534
Depreciable assets:					
Land improvements		230	—	—	230
Buildings		535,074	—	129	535,203
Building improvements		112,023	488	6,051	118,562
Infrastructure		55,967	529	3,677	60,173
Equipment and other assets		75,875	1,140	1,274	78,289
Total depreciable assets		779,169	2,157	11,131	792,457
Total capital assets		817,470	34,521	—	851,991
Accumulated depreciation:					
Land improvements		(174)	(9)	—	(183)
Buildings		(134,878)	(10,738)	—	(145,616)
Building improvements		(24,386)	(4,480)	—	(28,866)
Infrastructure		(11,641)	(1,598)	—	(13,239)
Equipment and other assets		(58,736)	(3,878)	—	(62,614)
Total accumulated depreciation		(229,815)	(20,703)	—	(250,518)
Capital assets, net	$	587,655	13,818	—	601,473

Notes to the Financial Statements ($ in thousands)

As of June 30, 2015, the College's bond obligations were collateralized by buildings and equipment with a book value of $508,304. During fiscal year 2015, interest income on bond construction funds for Series 2010 A, 2010 B, and 2013 A bonds was $26. Interest expense on these same bond funds was $1,657 for 2015. Net interest costs of $1,631 for fiscal year 2015 was capitalized and included in construction in progress.

(7) Restricted Deposits Held with Trustees

Deposits held with trustees represent restricted funds held by U.S. Bank and BNY Mellon (the trustees), under the terms of various lease agreements, bond indentures and grant agreements. Restricted deposits held with trustees are carried in the financial statements at fair value and consist of short-term investments and government securities. As of June 30, 2015, deposits held with trustees include the following:

Restricted Deposits Held with Trustees		
		Amount
Construction funds	$	24,174
Grant related deposits		14,230
Debt service (principal and interest)		19,840
	$	58,244

As of June 30, 2015, the College's restricted deposits held with trustees are invested in money market funds or U.S. Treasury notes or government securities guaranteed by the U.S. government. The U.S. Treasury notes, government securities, and money market funds are all rated Aaa. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The following table summarizes restricted deposits held with trustees maturities as of June 30, 2015:

Restricted Deposits Held with Trustees			
			Investment maturities (in years)
Investment type		Fair value	Less than 1
Money market funds	$	37,166	37,166
U. S. Treasury notes and government securities		21,078	21,078
	$	58,244	58,244

Notes to the Financial Statements ($ in thousands)

(8) Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following as of June 30, 2015:

Accounts Payable and Accrued Expenses		
		Amount
Bond principal and interest	$	19,395
Vendors		6,615
Accrued salaries and benefits		4,328
Accrued expense – construction		7,056
Total	$	37,394

(9) Noncurrent Liabilities

The College is obligated under lease agreements associated with various revenue bonds issued by the New Jersey Educational Facilities Authority (the Authority) to finance the construction and acquisition of dormitories, parking garages, equipment, academic facilities, a co-generation plant, and student recreational facilities.

The following is a breakout of bonds payable and other long-term obligations, as of June 30, 2015:

Bonds Payable and Other Long-Term Obligations		
		Amount
Bonds payable:		
New Jersey Educational Facilities Authority:		
2008 Series D (interest 4.00% to 5.00%, due serially starting on July 1, 2010 to July 1, 2028)	$	147,165
2008 Series D (interest 5.00%, maturing on July 1, 2035)		127,455
2010 Series B (interest 4.878% to 7.395%, maturing on July 1, 2016 through July 1, 2040)		41,090
2012 Series A (interest 2.00% to 5.00%, maturing on July 1, 2019)		18,590
2013 Series A (interest 4.00% to 5.00%, due serially starting on July 1, 2016 to July 1, 2033)		12,320
2013 Series A (interest 5.00%, maturing on July 1, 2038)		5,545
2013 Series A (interest 5.00%, maturing on July 1, 2043)		7,085
Subtotal bonds payable		359,250
Add:		
Bond premium		9,169
Total bonds payable	$	368,419
Other long-term obligations:		
Dormitory Safety Trust Fund (interest 0%, maturing on January 15, 2018)	$	178
Higher Education Capital Improvement Fund (interest 4.52% to 5.25%, maturing on August 15, 2022)		5,910
Higher Education Equipment Leasing Fund (interest 5.00%, maturing on May 1, 2023)		1,387
Total other long-term obligations	$	7,475

Notes to the Financial Statements ($ in thousands)

Aggregate principal and interest repayments required during the next five fiscal years and in five year increments thereafter are as follows as of June 30, 2015:

Principal and Interest Repayments

		Bond Principal	Other long-term obligations principal	Bond interest	Other long-term obligations interest
Year ending June 30:					
2016	$	10,735	671	18,717	328
2017		11,520	611	18,182	300
2018		12,185	641	17,603	271
2019		13,080	639	17,028	242
2020		13,845	667	16,364	213
2021-2025		78,010	4,246	70,558	356
2026-2030		87,005	—	49,611	—
2031-2035		109,955	—	24,924	—
2036-2040		18,455	—	4,885	—
2041-2043		4,460	—	453	—
	$	359,250	7,475	238,325	1,710

Noncurrent liabilities activity for the year ended June 30, 2015 is as follows:

Noncurrent Liabilities Activity

		Beginning balance	Additions	Deductions	Ending balance	Current portion
Noncurrent liabilities:						
Compensated absences	$	3,932	905	(767)	4,070	3,637
U.S. and Government grants refundable		4,414	—	—	4,414	—
Unearned revenues and student deposits		10,285	11,908	(7,825)	14,368	2,224
Bonds payable, net		379,360	—	(10,941)	368,419	11,884
Other long-term obligations		8,097	—	(622)	7,475	671
Net pension liability		111,592	10,556	(4,601)	117,547	—
Total noncurrent liabilities	$	517,680	23,369	(24,756)	516,293	18,416

*The beginning balance of the net pension liability is a restatement as a result of the adoption of GASB 68.

(10) Benefits Paid by the State of New Jersey

The State, through separate appropriations, funds certain fringe benefits, principally healthcare costs and FICA taxes, on behalf of College employees and retirees. The costs of these benefits were funded directly by the State on behalf of the College and are included in the accompanying financial statements as part of nonoperating revenues and as operating expenses in various functional expense categories.

(11) Retirement Plans

(a) Introduction

The College participates in three cost-sharing, multiple-employer defined benefit retirement plans administered by the State of New Jersey, Division of Pensions and Benefits. These three plans are within the scope of GASB 68 and are as follows:

- Public Employees' Retirement System (PERS) – The College was determined to be a separate employer within the State Group of the plan. Although the State has historically provided the contribution, the special funding situation criteria was not met and the New Jersey statutes are silent as to the legal obligation. The College has recorded its proportionate share of the net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to the PERS plan in the financial statements.

- Police and Firemen's Retirement System (PFRS) – The College was determined to be a separate employer within the State Group of the plan. Although the State has historically provided the contribution, the special funding situation criteria was not met and the New Jersey statutes are silent as to the legal obligation. The College has recorded its proportionate share of the net pension liability, pension expense, deferred outflows of resources and deferred inflows of resources related to the PFRS plan in the financial statements.

- Teachers' Pension and Annuity Fund (TPAF) – TPAF met the GASB 68 special funding situation criteria per the New Jersey State statute and thus the net pension liability is recorded by the State of New Jersey. The College has recorded its proportionate share of the pension expense and related revenue in the statement of revenues, expenses and changes in net position.

Benefit and employer contribution provisions are established by state statute and the provisions of the aforementioned plans can only be amended by new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for PERS, PFRS and TPAF once a Target Funded Ratio (TFR) is met, that will have the discretionary authority to modify certain PERS plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30 year projection period. Chapter 78, P.L. 2011 also suspended COLA increases for all active and future retirees of all State of New Jersey retirement plans.

A publicly available Comprehensive Annual Financial Report (CAFR) of the State of New Jersey Division of Pensions and Benefits, which includes financial statements, required supplementary information, and detailed information about the PERS, PFRS and TPAF plan's fiduciary net position, can be obtained at www.state.nj.us/treasury/pensions/annrprts.shtml or by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Notes to the Financial Statements ($ in thousands)

The College also participates in several defined contribution retirement plans, primarily the Alternative Benefit Program (ABP). Generally all employees, except certain part-time employees, participate in one of these plans. Under these plans, participants make annual contributions, and the State, in accordance with annual appropriations, makes employer contributions on behalf of the College for these plans. The College is charged for pension costs through a fringe benefit charge assessed by the State which is included within the state paid fringe benefits in the accompanying financial statements.

(b) Plan Descriptions

Public Employees' Retirement System

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A. PERS provides retirement, death and disability benefits to substantially all full-time employees of the State or any county, municipality, school district or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state pension fund or local jurisdiction's pension fund. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Police and Firemen's Retirement System

The vesting and benefit provisions for PFRS are set by N.J.S.A. 43:16A. PFRS provides retirement, death and disability benefits to substantially all full-time county and municipal police or firemen and state firemen or officer employees with police powers appointed after June 30, 1944. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

Notes to the Financial Statements ($ in thousands)

The following represents the membership tiers for PFRS:

Tier	Definition
1	Members who were enrolled prior to May 22, 2010
2	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
3	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tiers 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case benefits would begin at age 55 equal to 2% of final compensation for each year of service.

Teachers' Pension and Annuity Fund

The vesting and benefit provisions for TPAF are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits to substantially all teachers or members of the professional staff certified by the State Board of Examiners and employees of the State of New Jersey Department of Education, who have titles that are unclassified, professional, and certified. Certain faculty members of the College participate in the TPAF. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represents the membership tiers for TPAF:

Tier	Definition
1	Members who were enrolled prior to July 1, 2007
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3	Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62, and tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least ten years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Plans

The ABP is a defined contribution plan that provides retirement and death benefits for or on behalf of those full-time professional employees and faculty members electing to participate in this optional retirement program. The ABP is an agency fund overseen by the State of New Jersey Division of Pensions and Benefits.

Effective July 1, 2010, the College established two supplemental retirement plans – Supplemental Alternate Benefit Plan and Supplemental Retirement Plan for the benefit of its eligible employees and the eligible employees of certain subsidiaries and affiliates that adopt the plans. The objective of the plans is to help provide for additional security on retirement, by means of employer contributions supplemental to those under the Alternate Benefit Program for the Supplemental Alternate Benefit Plan and supplemental to those under the Alternate Benefit Program and the Supplemental Alternate Benefit Plan for the Supplemental Retirement Plan.

(c) Basis of Accounting and Valuation of Investments

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS, PFRS and TPAF and additions to/deductions from PERS', PFRS' and TPAF's fiduciary net position have been determined on the same basis as they are reported by the respective plans. Benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

(d) Contributions

PERS, PFRS and TPAF covered employees are required by State statute to contribute a certain percentage of their salaries to the plan. The contribution requirements of employees are established and may be amended by the Pension Plan Design Committee of the respective plan. Each member's percentage is based on age determined at the effective date of enrollment. The employee contribution rates as a percentage of salary for the fiscal year ended June 30, 2015 were as follows:

Defined Benefit Retirement Plan Employee Contributions

	Contribution rate
Public Employees' Retirement System	6.78%
Police and Firemen's Retirement System	10.00%
Teachers' Pension and Annuity Fund	6.78%

The required employer contributions are actuarially determined. Chapter 1, P.L. 2010 required the State of New Jersey to resume making actuarially recommended contributions to the defined benefit pension plans on behalf of the employers on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012.

Notes to the Financial Statements ($ in thousands)

The State's contributions made subsequent to the measurement date to the PERS, PFRS and TPAF plans on behalf of the College for the fiscal year ended June 30, 2015 were as follows:

Defined Benefit Retirement Plan Employer Contributions		
		Amount
Public Employees' Retirement System	$	883
Police and Firemen's Retirement System		236
Teachers' Pension and Annuity Fund		—
Total	$	1,119

The above contributions are recognized in the financial statements as deferred outflows of resources.

(e) Pension Amounts

Net pension liability amounts recorded within the College's financial statements are measured as of June 30, 2014. The College's proportion of the respective plans' net pension liability was based on the ratio of the employer contributions made related to the College's employees to the total contributions made by all participating State-group employers for the fiscal year ended June 30, 2014. Pension expense is recognized within the functional classifications in the statement of revenues, expenses and changes in net position.

Summary of Pension Amounts				
		PERS	PFRS	TPAF*
College proportionate share of the net pension liability	$	112,127	5,420	4,666
College proportion of the net pension liability - State group:				
2014		0.557%	0.153%	0.009%
2013		0.555%	0.134%	0.007%
College proportion of the net pension liability - Plan as a whole:				
2014		0.289%	0.031%	—%
2013		0.279%	0.025%	—%
Deferred outflows of resources		3,702	879	N/A
Deferred inflows of resources		3,403	134	N/A
Net pension expense		6,565	528	251

* TPAF meets the special funding situation criteria of GASB 68. The proportionate share of the net pension liability shown here is the portion of the State's net pension liability attributable to the College, and is 100% of the amount attributable to the College. The amount of pension expense disclosed is also recognized as revenue by the College.

Notes to the Financial Statements ($ in thousands)

Deferred Outflows of Resources from Pensions			
		PERS	PFRS
Changes in assumptions	$	2,473	110
Changes in proportion		346	533
Contributions paid to plan subsequent to measurement date**		883	236
Total	$	3,702	879

** The contributions paid to the plan subsequent to the measurement date will be recognized as a reduction of the net pension liability in fiscal year 2016.

Deferred Inflows of Resources from Pensions			
		PERS	PFRS
Net difference between projected and actual investment earnings on pension plan investments	$	3,403	134
Total	$	3,403	134

The following table displays the net deferred outflows of resources and deferred inflows of resources that will be recognized in pension expense or that will be recognized as a reduction of the net pension liability:

Future Recognition of Net Deferred Outflows (Inflows) of Resources			
		PERS	PFRS
2016	$	(332)	91
2017		(332)	91
2018		(332)	91
2019		(332)	91
2020		516	124
Thereafter		228	21
Total deferrals recognized as pension expense		(584)	509
Deferred outflows recognized as a reduction to net pension liability		883	236
Net deferred outflows	$	299	745

Notes to the Financial Statements ($ in thousands)

(f) Defined Benefit Plan Assumptions

The College's net pension liability for each plan was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability for each plan was determined by an actuarial valuation as of July 1, 2013 rolled forward to June 30, 2014. The total pension liability for each plan was determined using the following actuarial assumptions, applied to all periods in the measurement:

Actuarial Methods and Assumptions			
	PERS	**PFRS**	**TPAF**
Valuation date	7/1/2013	7/1/2013	7/1/2013
Measurement date	6/30/2014	6/30/2014	6/30/2014
Inflation rate	3.01%	3.01%	2.50%
Salary increases:			
2012-2021	2.15% - 4.40% based on age	3.95% - 8.62% based on age	Varies based on experience
Thereafter	3.15% - 5.40% based on age	4.95% - 9.62% based on age	Varies based on experience
Investment rate of return	7.90%	7.90%	7.90%
Municipal bond rate:			
2014	4.29%	4.29%	4.29%
2013	4.63%	4.63%	4.63%
Discount rate:			
2014	5.39%	6.32%	4.68%
2013	5.55%	6.45%	4.95%
Experience study dates	7/1/2008 - 6/30/2011	7/1/2007 - 6/30/2010	7/1/2009 - 6/30/2012

Mortality rates for the PERS and PFRS were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback one year for females) with adjustments for mortality improvements from the base year of 2012 for PERS and 2011 for PFRS based on Projection Scale AA.

Mortality rates for the TPAF were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus seven years to account for future mortality improvement.

Discount Rate

The discount rates in the above table used to measure the total pension liabilities for PERS, PFRS and TPAF, respectively, are single blended discount rates based on the long-term expected rate of return on investments of 7.90% and the municipal bond rate of 4.29% and 4.63% as of June 30, 2014 and 2013, respectively. The municipal bond rate is based on the Bond Buyer GO 20-Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based on the average of the last five years of contributions made in relation to the last five years of actuarially recommended contributions for PERS and PFRS and based on the average of the last five years' contributions for TPAF. Based on those assumptions, the plans' fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2033 for PERS, 2045 for PFRS and 2027 for TPAF. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2033 for PERS, 2045 for PFRS and 2027 for TPAF and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability for each plan.

Long-term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and the Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

Notes to the Financial Statements ($ in thousands)

Target Asset Allocation and Long-Term Expected Rate of Return				
	PERS and PFRS		TPAF	
	Target Allocation	Long-term Expected Real Rate of Return	Target Allocation	Long-term Expected Real Rate of Return
Cash	6.00%	0.80%	6.00%	0.50%
Core fixed income	N/A	N/A	0.00%	2.19%
Core bonds	1.00%	2.49%	1.00%	1.38%
Short-term bonds	N/A	N/A	0.00%	1.00%
Intermediate-term bonds	11.20%	2.26%	11.20%	2.60%
Long-term bonds	N/A	N/A	0.00%	3.23%
Mortgages	2.50%	2.17%	2.50%	2.84%
High yield bonds	5.50%	4.82%	5.50%	4.15%
Non-US fixed income	N/A	N/A	0.00%	1.41%
Inflation-indexed bonds	2.50%	3.51%	2.50%	1.30%
Broad US equities	25.90%	8.22%	25.90%	5.88%
Large cap US equities	N/A	N/A	0.00%	5.62%
Mid cap US equities	N/A	N/A	0.00%	6.39%
Small cap US equities	N/A	N/A	0.00%	7.39%
Developed foreign equities	12.70%	8.12%	12.70%	6.05%
Emerging market equities	6.50%	9.91%	6.50%	8.90%
Private equity	8.25%	13.02%	8.25%	9.15%
Hedge funds/absolute return	12.25%	4.92%	12.25%	3.85%
Real estate (property)	3.20%	5.80%	3.20%	4.43%
Real estate (REITS)	N/A	N/A	0.00%	5.58%
Commodities	2.50%	5.35%	2.50%	3.60%
Long credit bonds	N/A	N/A	0.00%	3.74%

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the College's proportionate share of the collective net pension liability for the PERS and PFRS as of June 30, 2014 calculated using the discount rate as disclosed above for each plan as well as what the College's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

Notes to the Financial Statements ($ in thousands)

Sensitivity of the Net Pension Liability			
Pension Plan	1.0% decrease in discount rate	At current discount rate	1.0% increase in discount rate
PERS	132,435	112,127	95,096
PFRS	6,553	5,420	4,487

(g) Alternate Benefit Program

The ABP currently provides the choice of seven investment carriers: Teachers Insurance and Annuity Association/College Retirement Equities Fund (TIAA/CREF), VALIC, AXA Financial (Equitable), Met Life, MassMutual (formerly The Hartford), VOYA Financial Services and Prudential Retirement Services. The College assumes no liability for ABP members other than payment of contributions. A separate board of trustees administers ABP alternatives. The State and Social Security Law establishes participation eligibility as well as contributory and noncontributory requirements.

Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits vest after the completion of one year of service. Individually owned annuity contracts that provide for full ownership of retirement and survivor benefits are purchased at the time of vesting. Participating College employees contribute 5% of salary and may contribute a voluntary additional contribution up to the maximum Federal statutory limit, on a pretax basis. Employer contributions for the ABP are 8%. During the year ended June 30, 2015, ABP investment carriers received employer and employee contributions as follows:

ABP Employer and Employee Contributions		
		Amount
Employer contributions	$	4,693
Employee contributions		6,277
Participating employees' salaries		58,665

Employer contributions to the ABP are paid by the State and are reflected in the accompanying financial statements as nonoperating revenue under New Jersey State appropriations and as operating expenses in various functional expense categories.

(h) Supplemental Alternate Benefit Program

The plan is administered by the College. TIAA-CREF is the privately operated investment carrier for this defined contribution retirement plan. All contributions are made by the College with non-State funds. The plan is intended to qualify as a governmental plan that is a tax-sheltered annuity plan under section 403(b) of the Internal Revenue Code of 1986, as amended. It is also intended that the Plan be exempt from the Employee Retiree Income Security Act of 1974, as amended, pursuant to Department of Labor regulations section 2510.3-2(f). Each employee whose compensation exceeds the State limit on contributions for the ABP in a given year shall be eligible to participate in the plan and have employer contributions made on their behalf. The College will contribute 8% of the employee's compensation in excess of the State limit on compensation. The accumulated base salary limit during each calendar year is $141. There were no employee contributions during fiscal year 2015. The employer contributions made during fiscal year 2015 were $98.

(i) Post-employment Benefits Other Than Pension

In addition to providing pension benefits, the State provides certain health care and life insurance benefits for the College's retired employees. Full health coverage is provided to eligible employees retiring with 25 years of service credited on or before June 30, 1997 in one of the State of New Jersey's mandatory pension plans. Employees retiring with 25 years of service credit after June 30, 1997 may share in the cost of health care provided under the State Plan according to the terms specified in the appropriate bargaining unit agreement in effect at the time the employee reaches 25 years of credited service. The rules governing the contribution rate are the same as that for active employees. Since the costs of these programs are the responsibility of the State and the retired employees, the amounts are not available to the College and no expenses or liabilities for benefits are reflected in the College's financial statements.

(12) Compensated Absences

Payments for accumulated sick leave balances are made to retiring employees upon regular retirement. The payment is based on 50% of the sick leave accumulation at the pay rate in effect at the time of retirement up to a maximum of $15 per employee. Employees separating from College service prior to retirement are not entitled to payments for accumulated sick leave balances. Accordingly, the College recorded a liability for accumulated sick leave balances in the amount of $433 as of June 30, 2015, which is reflected in compensated absences in the accompanying financial statements.

The College is required to pay non-faculty employees for their accumulated vacation time upon their separation or retirement. The liability was $3,229 as of June 30, 2015, and is reflected in compensated absences in the accompanying financial statements.

The College is required to pay employees for their accumulated bank leave time upon their separation or retirement. As of June 30, 2015 a liability of $408 was included in compensated absences in the accompanying financial statements.

(13) Contingencies

The College is a party to various pending legal actions and other claims in the normal course of business. Management of the College is of the opinion that the outcome thereof will not have a material effect on its financial position based on legal representation letters obtained from outside counsel.

(14) Government Relations and Legal Fees

The New Jersey Higher Education Restructuring Act of 1994 requires the College to disclose the costs incurred associated with government and public relations and legal costs. During the year ended June 30, 2015, the College expended $340 for government and public relations, and $95 for legal fees.

Notes to the Financial Statements ($ in thousands)

(15) The College of New Jersey Foundation, Inc.

Component Unit

The College of New Jersey Foundation, Inc. (the Foundation) is a legally separate, tax-exempt component unit of the organization with a fiscal year end of June 30. The Foundation has received a determination letter from the Internal Revenue Service concluding that it is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation acts primarily as a fundraising entity to supplement the resources that are available to the College in support of its programs. Although the College does not control the timing or amount of receipts from the Foundation, the Foundation's assets are used exclusively for the benefit, support, and promotion of the College and its educational activities. The Foundation meets the criteria to be discretely presented in the College's financial statements. Complete financial statements for the Foundation can be obtained from the College at 2000 Pennington Road, Ewing, NJ 08628.

Investments

The Foundation has an investment policy, which establishes guidelines for permissible investments. The primary investment objective is to preserve and increase the value of endowment funds and maximize the long-term total rate of return on all invested assets while assuming a level of risk consistent with prudent investment practices for such funds. The Foundation may invest in obligations of the U.S. Government, certificates of deposit, money market funds, equities and stock funds, bonds and bond funds and alternative investments. Investments consist of the following as of June 30, 2015:

Foundation Investments

		Amount
Cash and cash equivalents	$	3,927
U.S. Treasury bills and notes and Government agencies		2,414
Corporate bonds		567
Equities		19,303
Mutual funds		4,704
Alternative investments		1,324
	$	32,239

The Foundation's investments are subject to various risks. Among these risks are credit risk and interest rate risk. Each one of these risks is discussed in more detail below.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by nationally recognized statistical rating agencies such as Moody's Investors Service, Inc. (Moody's).

Notes to the Financial Statements ($ in thousands)

As of June 30, 2015, the Foundation's fixed income investments, which consist of U.S. Treasury bills and notes, U.S. Government agencies and corporate bonds, were rated as follows:

Foundation Fixed Income Investments Ratings

Rating		Total	U.S. Treasury bills and notes	U.S. Government agencies	Corporate bonds
Aaa	$	2,479	1,505	909	65
Aa1		30	—	—	30
Aa2		20	—	—	20
Aa3		23	—	—	23
A1		35	—	—	35
A2		86	—	—	86
A3		119	—	—	119
Baa1		103	—	—	103
Baa2		51	—	—	51
Baa3		24	—	—	24
Ba1		11	—	—	11
	$	2,981	1,505	909	567

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Foundation's investment policy provides limitations in the maturities of various types of investments. As of June 30, 2015, the Foundation's fixed income investments, which consist of U.S. Treasury bills and notes, U.S. Government agencies and corporate bonds, had maturity dates as follows:

Foundation Fixed Income Investments Maturity

Maturing in years		Total	U.S. Treasury bills and notes	U.S. Government agencies	Corporate bonds
Less than 1	$	146	97	49	—
1 – 5		896	551	88	257
6 – 10		923	687	12	224
Greater than 10		1,016	170	760	86
	$	2,981	1,505	909	567

(16) Risk Management

The College is exposed to various risks of loss. The College purchased and funds property and casualty insurances through a joint insurance program with the nine State of New Jersey Public Colleges and Universities. The College's risk management program involves insurance for all property risk in the joint insurance program and all liability risk and employee benefit exposures are self-funded programs maintained and administered by the State of New Jersey (including tort liability, auto liability, trustees and officers liability, workers' compensation, unemployment, temporary and long term disability, unemployment liability, life insurance and employee retirement programs).

Buildings, plants, and equipment and lost revenue are fully insured on an all risk replacement basis to the extent that losses exceed $100 per occurrence with a per occurrence limit of $1,500,000. Commercial crime insurance coverage provides money and securities coverage for an actual loss in excess of $75 with a per loss limit of $5,000. In addition to the insurance purchased and maintained through the consortium, the College maintains two additional policies. The first is a student blanket professional liability insurance policy with a limit of $2,000 per claim and a $5,000 aggregate. The second is a museum collection and temporary loans policy with a $500 limit.

As an instrumentality of the State of New Jersey the liability of the College is subject to all of the provisions of the New Jersey Tort Claims Act (NJSA 59:1-1 et seq.), the New Jersey Contractual Liability Act (NJSA 59:13-1 et seq.), and the availability of appropriations. The Tort Claims Act also creates a fund and provides for payment of claims under the Act against the State of New Jersey or against its employees for which the State of New Jersey is obligated to indemnify against tort claims, which arise out of the performance of their duties.

All insurance policies are renewed on an annual basis. All of the State of New Jersey self-funded programs are statutory with an annual appropriation provided by the legislature. There has been no decrease in insurance coverage during the current year. There have been no settlements in excess of insurance coverage in the past three years.

(17) Campus Town Development

The College is participating in a public-private partnership with a private real estate corporation to develop approximately 13 acres of land adjacent to the College into a mixed use retail/student housing complex. This project, called Campus Town, which is projected to cost approximately $85 million for Phase One, was made possible pursuant to the provisions of the New Jersey Economic Stimulus Act of 2009. In February 2015, the College and the developer agreed to expand the project to include two additional residential buildings in Phase Two of the project. The partnership has been structured to include no direct financial obligation of the College to support the project. Planning, design, construction, operation, preventative maintenance and capital renewal of the project are all borne by the developer.

The Ground Lease for Campus Town was executed by all parties at closing on April 4, 2014. The term of the Ground Lease is 50 years and the Developer agrees to make Basic Rent payments of $400,000 on the rent commencement date (earlier of first day of twenty-fifth calendar month following month in which the initial Certificate of Occupancy date occurs or in which the Outside Completion date occurs) in accordance with the lease agreement, increasing by an Additional Applicable Increase Rent of $25,000 annually for the duration of the Ground Lease term. In addition to the Basic and Applicable Increase Rent, after the seventh year of the lease, the Developer will also pay Supplemental Rent in accordance with the lease agreement. The developer will set rental rates for the student housing units and the College will treat this similarly to other off-campus housing it does not own and manage. There were no rental payments by the developer during fiscal year 2015. The College will not be providing any financial assistance to the developer. Upon expiration of the lease term the premises will revert to the College.

Phase One of the project opened on schedule for student housing in August 2015 for the fall semester of 2015. Phase Two of the project is in the midst of construction, is on schedule and is expected to open for student housing in August 2016 for the fall semester of 2016. Bond rating agencies do not include any Campus Town debt in their calculations of the College's debt burden given the state's legislation prohibiting the College from financing any portion of Campus Town, or being financially obligated.

The College entered into an agreement on April 4, 2014 to lease a space from the Developer to operate a fitness center on the Campus Town premises. The lease term is 10 years beginning August 2015 with two options to renew for an additional five years. The Base Rent for year one is $195,500 annually plus Additional Rent equal to the College's percentage of the cost of expenses as included in the lease agreement. Future years' Base Rent will also increase in accordance with the lease agreement. Rental payments do not begin until either Possession Date or Rent Commencement Date occurs in accordance with the lease agreement. There were no rental payments by the College during fiscal year 2015.

Under the fitness center lease agreement, the College is responsible for the capital tenant improvements to prepare the leased property for its intended use. As of June 30, 2015, $108 of capital construction costs have been incurred and were recorded as construction in progress in the statement of net position. The cost of these leasehold improvements will be depreciated on a straight-line basis over the 10 year term of the lease agreement upon completion.

On July 7, 2015, the College Board of Trustees executed an agreement with the Board of Directors of the Corporation whereby the College will provide $250,000 to the Corporation for reimbursement of the fit-out and tenant improvement costs for the College bookstore in Campus Town. Additionally, the agreement stipulates that the commission payments made by Barnes & Noble to the Corporation, net of certain operating costs and reimbursement of fit-out and tenant improvement costs estimated in the aggregate to be $1,085 during the first five years of the Barnes & Noble agreement will be transferred to the College.

(18) Subsequent Event

In August 2015, the New Jersey Educational Facilities Authority issued tax-exempt Series 2015 G Revenue Refunding Bonds to advance refund a portion of the Series 2008 D bonds and pay certain costs incidental to the issuance and sale of the Series 2015 G bonds. The serial bonds totaling $114,525 carry coupon rates ranging from 3.25% to 5.00% and mature through July 1, 2031. The bonds were issued with a premium of $11,086 and the College incurred $662 in bond issue cost which will be expensed in fiscal year 2016. This advance refunding achieved $3,781 in present value savings on the debt service with no extension of bond maturities.

The College of New Jersey

Schedules of Proportionate Share of the Net Pension Liability

(Unaudited)

June 30, 2015

(In thousands)

Public Employees' Retirement System

		2015
College proportion of the net pension liability - State group		0.557%
College proportion of the net pension liability - Plan as a whole		0.289%
College proportionate share of the net pension liability	$	112,127
College covered-employee payroll (for the year ended as of the measurement date)		25,380
College proportionate share of the net pension liability as a percentage of the employee covered-payroll		441.79%
Plan fiduciary net position as a percentage of the total pension liability		42.74%

Police and Firemen's Retirement System

		2015
College proportion of the net pension liability - State group		0.153%
College proportion of the net pension liability - Plan as a whole		0.031%
College proportionate share of the net pension liability	$	5,420
College covered-employee payroll (for the year ended as of the measurement date)		822
College proportionate share of the net pension liability as a percentage of the employee covered-payroll		659.37%
Plan fiduciary net position as a percentage of the total pension liability		58.86%

Teachers' Pension and Annuity Fund

		2015
College proportion of the net pension liability		0.000%
College proportionate share of the net pension liability	$	—
State's proportionate share of the net pension liability associated with the College		4,666
Total net pension liability		4,666
College covered-employee payroll (for the year ended as of the measurement date)		122
College proportionate share of the net pension liability as a percentage of the employee covered-payroll		3824.59%
Plan fiduciary net position as a percentage of the total pension liability		33.64%

See accompanying independent auditors' report.

The College of New Jersey

Schedules of Employer Contributions

(Unaudited)

June 30, 2015

(in thousands)

Public Employees' Retirement System

		2015
Contractually required contribution (amount provided by the State of New Jersey)	$	883
Contributions in relation to the contractually required contribution (amount provided by the State of New Jersey)		883
Contribution deficiency (excess)	$	—
College covered-employee payroll (as of the fiscal year end)	$	26,126
Contributions as a percentage of covered-employee payroll		3.38%

Police and Firemen's Retirement System

		2015
Contractually required contribution (amount provided by the State of New Jersey)	$	236
Contributions in relation to the contractually required contribution (amount provided by the State of New Jersey)		236
Contribution deficiency (excess)	$	—
College covered-employee payroll (as of the fiscal year end)	$	598
Contributions as a percentage of employee covered payroll		39.46%

See accompanying independent auditors' report.

APPENDIX C

FORMS OF PRINCIPAL LEGAL DOCUMENTS

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TRUST INDENTURE

by and between

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of September 1, 2016

Relating to

$193,180,000 New Jersey Educational Facilities Authority
Revenue Refunding Bonds,
The College of New Jersey Issue,
Series 2016 F (Tax-Exempt) and Series 2016 G (Federally Taxable)

613290.5 [59819-047]

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TRUST INDENTURE

This **TRUST INDENTURE** (this "Indenture"), dated as of September 1, 2016, by and between the **NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**, a public body corporate and politic of the State of New Jersey (the "Authority"), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, with fiduciary and trust powers in the State of New Jersey, and being duly qualified to accept and administer the trusts created hereby (the "Trustee"),

W I T N E S S E T H:

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

WHEREAS, the Authority has heretofore issued its Revenue Refunding Bonds, The College of New Jersey Issue, Series 2008 D (the "Series 2008 D Bonds") on behalf of The College of New Jersey (the "Public College"); and

WHEREAS, the Authority has heretofore issued its Revenue Bonds, The College of New Jersey Issue, Series 2010 B (Build America Bonds – Direct Payment) (the "Series 2010 B Bonds") on behalf of the Public College; and

WHEREAS, the Public College has determined it is necessary and advisable to undertake a project (the "Project") consisting of: (i) the refunding of a portion of the outstanding Series 2008 D Bonds, (ii) the refunding of a portion of the outstanding Series 2010 B Bonds, and (iii) paying certain costs incidental to the issuance and sale of the Bonds (as hereinafter defined); and

WHEREAS, pursuant to a resolution of the Authority adopted on July 26, 2016, the Authority determined that it was necessary and in keeping with its authorized purposes to issue bonds to be designated "New Jersey Educational Facilities Authority Revenue Refunding Bonds, The College of New Jersey Issue, Series 2016 F (Tax-Exempt)" (the "Series 2016 F Bonds") and "New Jersey Educational Facilities Authority Revenue Refunding Bonds, The College of New Jersey Issue, Series 2016 G (Federally Taxable)" (the "Series 2016 G Bonds"; together with the Series 2016 F Bonds, the "Bonds") for the purpose of providing funds, together with other available funds, to finance the Project; and

WHEREAS, the repayment of the Bonds will be secured by a Lease and Agreement dated the date hereof by and between the Authority and the Public College (the "Lease Agreement") pursuant to which the Authority will lease the Leased Facilities (as defined therein) to the Public College, provided that the Lease Agreement shall be subject to the Prior Agreements (as defined in the Lease Agreement) to the extent set forth therein; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, legal and binding, special and limited obligations of the Authority and to constitute this Indenture a valid, legal and binding agreement and pledge of the property, rights, interests and revenues herein pledged and assigned, have been done and performed, and the execution and delivery of this Indenture and the issuance and delivery of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

NOW, THEREFORE, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of the Bonds by the Owners thereof, and of other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to secure the payment of the principal of, redemption premium, if any, and interest on all of the Bonds issued and Outstanding under this Indenture from time to time according to their tenor and effect, and to secure the performance and observance by the Authority of all the covenants, agreements and conditions herein and in the Bonds contained, the payment of all Swap Payment Obligations, if any, and Swap Termination Payments, if any, the Authority does hereby transfer, pledge and assign to the Trustee and its successors and assigns in trust forever, and does hereby grant a security interest unto the Trustee and its successors in trust and its assigns, in the property described in the Granting Clauses below (said property being herein referred to as the "Trust Estate"), to wit:

GRANTING CLAUSE FIRST

All right, title and interest of the Authority in, to and under the Lease Agreement, pledged by the Public College thereunder to the extent provided in the Lease Agreement, and all payments received or receivable by the Authority from the Public College under the Lease Agreement (but excluding the Authority's rights to payment of its fees and expenses, to indemnification and as otherwise expressly set forth in the Lease Agreement).

GRANTING CLAUSE SECOND

All moneys and securities from time to time held by the Trustee under the terms of this Indenture, including but not limited to those amounts held in the Project Fund and the Debt Service Fund (except moneys and securities held in the Rebate Fund).

GRANTING CLAUSE THIRD

All Swap Revenues paid by the Public College or by the Swap Provider, if any.

GRANTING CLAUSE FOURTH

Any and all other property (real, personal or mixed) of every kind and nature from time to time hereafter by delivery or by writing of any kind, pledged, assigned or transferred as and for additional security hereunder by the Authority or by anyone on its behalf or with its written consent, to the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD, with all rights and privileges hereby transferred, pledged, assigned and/or granted or agreed or intended so to be, to the Trustee and its successors and assigns in trust forever;

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all Swap Payment Obligations and Swap Termination Payments, if any, and all present and future holders of the Bonds, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of one bond over or from the others, by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided;

PROVIDED, NEVERTHELESS, and these presents are upon the express condition that, if the Authority or its successors or assigns shall well and truly pay or cause to be paid the principal of such Bonds with interest, according to the provisions set forth in the Bonds or shall provide for the payment or redemption of such Bonds by depositing or causing to be deposited with the Trustee the entire amount of funds or securities requisite for payment or redemption thereof when and as authorized by the provisions hereof, and shall also pay or cause to be paid all other sums payable hereunder by the Authority, and shall pay or cause to be paid all Swap Payment Obligations, if any, and Swap Termination Payments, if any, then these presents and the estate and rights hereby granted shall cease, terminate and become void, and thereupon the Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Authority and upon the payment of the costs and expenses thereof, shall duly execute, acknowledge and deliver to the Authority such instruments of satisfaction or release as may be necessary or proper to discharge this Indenture of record, and if necessary shall grant, reassign and deliver to the Authority, its successors or assigns, all the property, rights, privileges and interests by it hereby granted, conveyed and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Indenture shall be and remain in full force and effect.

NOW, THEREFORE, it is hereby expressly declared, covenanted and agreed by and between the parties hereto, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and that all the Trust Estate is to be held and applied under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Authority does hereby agree and covenant with the Trustee and with the respective Owners from time to time of the Bonds, and the Swap Provider, if any, as their interests may appear, as follows:

ARTICLE I
DEFINITIONS, RULES OF CONSTRUCTION

Section 1.01 Definitions of Words and Terms. In addition to words and terms elsewhere defined herein, the following words and terms as used in this Indenture and in the Lease Agreement shall have the following meanings, unless some other meaning is plainly intended:

"Act" means New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented, N.J.S.A. 18A:72A-1 *et seq.*).

"Administrative Expenses" means those reasonable expenses of the Authority which are properly chargeable to the Public College on account of the Bonds and the Bond Documents as administrative expenses under GASB and include, without limiting the generality of the foregoing, the following: (a) fees and expenses of the Trustee, the Escrow Agent and the Authority, including the Authority's Initial Fee and Annual Administrative Fee; and (b) reasonable fees and expenses of counsel to the Authority, the Trustee and the Escrow Agent.

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

"Authority" means the New Jersey Educational Facilities Authority, a public body corporate and politic, with corporate succession, constituting a political subdivision of the State, organized and existing under and by virtue of the Act.

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

"Authorized Officer" means (i) in the case of the Authority, the Chair, Vice Chair, Executive Director, Deputy Executive Director, Secretary, any Assistant Secretary, Assistant Treasurer, Director of Project Management or Director of Compliance Management, 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 or serving in an interim or acting capacity; (ii) in the case of the Public College, the Chair or Vice Chair of the Public College Board, the President or the Treasurer, and when used in reference to any act or document also means any other person or persons authorized by a resolution of the Public College Board to perform any act or execute any document; and (iii) in the case of the Trustee, means the President, Executive Vice President, Senior Vice President, any Vice President, any Assistant Vice President, any Corporate Trust Officer, any Trust Officer, any Assistant Trust Officer or any Assistant Secretary of the Trustee, and when used with reference to any act or document also means any other person authorized to perform any act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee.

"Basic Lease Payments" means an amount of money payable in accordance with the Lease Agreement, as more fully provided for in Section 4.05 of the Lease Agreement.

"Basic Lease Payment Date" means (i) with respect to the Principal Portion of a Basic Lease Payment, December 20 and June 20 prior to any regularly scheduled Principal Payment Date or, if such date is not a Business Day, the Business Day next preceding such date, (ii) with respect to the Interest Portion of a Basic Lease Payment, December 20 and June 20, as applicable, prior to any regularly scheduled Interest Payment Date, (iii) with respect to Swap Payment Obligations and any Swap Termination Payments, two (2) Business Days prior to any payment dates therefor set forth in the Swap Agreement and (iv) with respect to a prepayment or acceleration, the date of payment of the Purchase Option Price or Mandatory Purchase Price, as the case may be.

"Bond Documents" means this Indenture, the Resolution, the Bonds, the Lease Agreement, the Escrow Deposit Agreement, the Continuing Disclosure Agreement and the Tax Certificate and any and all future renewals and extensions or restatements of, or amendments or supplements to, any of the foregoing.

"Bond Payment Obligations" means, for any period or payable at any time, the principal of (whether on an Interest Payment Date, at stated maturity, by mandatory sinking fund redemption, if any, by acceleration or otherwise) and redemption premium, if any, and interest on the Bonds for that period or due and payable at that time as the case may be.

"Bond Register" means the registration books of the Authority kept by the Trustee to evidence the registration and transfer of the Bonds.

"Bond Registrar" means the Trustee when acting as such, and any other bank or trust company designated and at the time serving as bond registrar under this Indenture.

"Bondowner" "Holder" "Owner" or **"Registered Owner"** means the Person in whose name a Bond is registered on the Bond Register.

"Bond Year" shall have the meaning assigned to such term in the Tax Certificate.

"Business Day" means a day other than a day (i) on which banks located in the City of New York, New York, the State or the city in which the Principal Office of the Trustee is located, is required or authorized by law or executive order to close, and (ii) on which the New York Stock Exchange is closed.

"Cede & Co." means Cede & Co., as nominee of The Depository Trust Company, New York, New York.

"Certificate" means a certificate or report, in form and substance satisfactory to the Authority (such satisfaction to be assumed if such certificate or report is mailed to the Authority and it does not object in writing within ten (10) days after such mailing), executed: (a) in the case of an Authority Certificate, by the Chair, Vice Chair, Executive Director, Treasurer, Director of Project Management, Director of Risk Management or Assistant Treasurer of the Authority and by its Secretary or any Assistant Secretary, including those serving in an interim or acting capacity; (b) in the case of a Public College Certificate, by the Chair, Vice Chair, President, Treasurer or Assistant Treasurer of the Public College; and (c) in the case of a Certificate of any other Person, by such Person, if an individual, and otherwise by an officer,

partner or other authorized representative of such Person; provided that in no event shall any individual be permitted to execute any Certificate in more than one capacity.

"Certified Public Accountant" or **"Accountant"** shall mean any firm of certified public accountants (not an individual) who shall be Independent, appointed by the Public College Board or the Authority, as the case may be, actively engaged in the business of public accounting, and duly certified as a certified public accountant under the laws of the State.

"Certified Resolution" means, as the context requires: (a) one or more resolutions of the Authority, certified by the Secretary or an Assistant Secretary of the Authority under its official common seal, to have been duly adopted and to be in full force and effect as of the date of certification; or (b) one or more resolutions of the Public College Board or duly authorized committee thereof, certified by the Secretary to the Public College Board or any authorized officer of the Public College as authorized by resolution of the Public College Board, under its corporate seal, to have been duly adopted and to be in full force and effect as of the date of certification.

"Closing Date" means the date of initial delivery of and payment for the Bonds.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement executed by and between the Public College and U.S. Bank National Association, as dissemination agent, pertaining to the Bonds, as the same may be amended and supplemented.

"Costs of Issuance" means issuance costs with respect to the Bonds described in Section 147(g) of the Internal Revenue Code, including but not limited to the following: (a) underwriters' spread (whether realized directly or derived through purchase of the Bonds at a discount below the price at which they are expected to be sold to the public); (b) counsel fees (including bond counsel, underwriters' counsel, Authority's counsel, the Public College's counsel, if any, Trustee's counsel, Escrow Agent's Counsel, as well as any other specialized counsel fees incurred in connection with the borrowing); (c) financial advisor fees of any financial advisor to the Authority or the Public College incurred in connection with the issuance of the Bonds; (d) rating agency fees; (e) Trustee, registrar, Paying Agent and dissemination agent fees; (f) accountant fees and other expenses related to issuance of the Bonds; (g) printing costs (for the Bonds and for the preliminary and final official statements relating to the Bonds); (h) Escrow Agent and verification agent fees; and (i) fees and expenses of the Authority incurred in connection with the issuance of the Bonds.

"Costs of Issuance Account" means the account so designated, created and established in the Project Fund pursuant to Section 4.01(a)(i) hereof.

"Counsel" shall mean an attorney at law or law firm duly authorized to engage in the practice of law (which may include counsel to the Public College) satisfactory to the Authority.

"Debt Service Fund" means the Fund by that name created by Section 4.01(b) hereof.

"Escrow Agent" shall mean U.S. Bank National Association.

"Escrow Deposit Agreement" means the Escrow Deposit Agreement, dated September 29, 2016, by and between the Authority and the Escrow Agent, executed in connection with the advance refunding of the Series 2008 D Bonds described therein and the "crossover" refunding of the Series 2010 B Bonds described therein.

"Event of Default" means (a) with respect to this Indenture, any "Event of Default" as defined in Section 7.01 hereof, and (b) with respect to the Lease Agreement, any "Event of Default" as defined in Section 7.01 of the Lease Agreement.

"Extraordinary Services" and **"Extraordinary Expenses"** means all services rendered and all reasonable expenses properly incurred by the Trustee or any of its agents under this Indenture, other than Ordinary Services and Ordinary Expenses.

"Final Computation Date" shall have the meaning assigned to that term in Section 4.08(b) hereof.

"Financing Documents" shall have the meaning assigned to that term in the Lease Agreement.

"Fiscal Year" means the fiscal year of the Public College, currently the 12-month period beginning on July 1 of each calendar year and ending on June 30 of the following calendar year, or such other period of 12 months as may be adopted by the Public College Board from time to time as its Fiscal Year.

"Fitch" means Fitch Ratings, a division of Fitch Group, and its successors and assigns.

"GASB" means those accounting principles applicable in the preparation of financial statements of institutions of higher learning, as promulgated by the Governmental Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certified Public Accountants or any successor body.

"Government Obligations" shall mean:

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

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

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

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

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

"Holder" shall have the same meaning as the term "Bondowner."

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

"Independent" shall mean, with respect to any Person, one which is not a member of the Authority, a member of the Public College Board, a corporate officer or employee of the Authority or a corporate officer or employee of the Public College, or which is not a partnership, corporation or association having a partner, director, corporate officer, member or substantial stockholder who is a member of the Authority or a member of the Public College Board, a corporate officer or employee of the Authority or a corporate officer or employee of the Public College; provided, however, that the fact that such Person is retained regularly by or transacts business with the Authority or the Public College shall not make such Person an employee within the meaning of this definition.

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

"Interest Payment Date" means each January 1 and July 1, commencing January 1, 2017, through and including the maturity date for the Bonds.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended, and, when appropriate, any statutory predecessor or successor thereto, and all applicable regulations (whether proposed, temporary or final) thereunder and any applicable official rulings, announcements, notices, procedures and judicial determinations relating to the foregoing.

"Investment Obligations" means any of the following investments:

(a) Government Obligations;

(b) obligations issued or guaranteed as to full and timely payment of principal and interest by any agency or Person controlled or supervised by and acting as an instrumentality of the United States of America, pursuant to authority granted by the United States Congress;

(c) obligations of the Governmental National Mortgage Association, Farmers Home Administration, Federal Financing Bank, Federal Housing Administration, Maritime Administration and Public Housing Authorities, provided that the full and timely payment of the principal and interest on such obligations shall be unconditionally guaranteed by the United States of America;

(d) obligations of the Federal Intermediate Credit Corporation and of the Federal National Mortgage Association;

(e) obligations of the Federal Banks for Cooperation;

(f) obligations of Federal Land Banks;

(g) obligations of Federal Home Loan Banks; provided that the obligations described in clauses (c) through (f) above shall constitute Investment Obligations only to the extent that the Rating Agency has assigned a rating to such obligations which is not lower than the highest rating assigned by such Rating Agency to any series of comparable Bonds then Outstanding;

(h) certificates of deposit of any bank, savings and loan or trust company organized under the laws of the United States or any state thereof, including the Trustee or any 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 Investment Obligations described in clauses (a), (b), (c), (d), (e), (f) or (g) above having a market value at all times equal to the uninsured amount of such deposit;

(i) money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, including funds for which the Trustee, its parent, its affiliates or its subsidiaries provide investment advisory or other management services, and which are rated at least AA- by Fitch, or Aa3 by Moody's, or AA- by S&P;

(j) investment agreements (which term, for purposes of this clause, shall not include repurchase agreements) with a Qualified Financial Institution;

(k) repurchase agreements with Qualified Financial Institutions including but not limited to the Trustee and any of its affiliates, provided that each such repurchase agreement results in transfer to the Trustee of legal and equitable title to, or the granting to the Trustee of a prior perfected security interest in, identified Investment Obligations described in clauses (a), (b), (c), (d), (e), (f) or (g) above which are free and clear of any claims by third-parties and are segregated in a custodial or trust account held either by the Trustee or by a third-party (other than the repurchaser) as the agent solely of, or in trust solely for the benefit of, the Trustee, provided that Government Obligations acquired pursuant to such repurchase agreements shall be valued at the lower of the then current market value of such Government Obligations or the repurchase price thereof set forth in the applicable repurchase agreement;

(l) bonds or notes issued by any state or municipality which are rated at least AA- by Fitch, or Aa3 by Moody's, or AA- by S&P;

(m) commercial paper rated at least P1 by Moody's or A1 by S&P having original maturities of not more than 270 days;

(n) any auction rate certificates which are rated at least AA- by Fitch, or Aa3 by Moody's, or AA- by S&P;

(o) corporate bonds and medium term notes rated at least AA- by Fitch, or Aa3 by Moody's, or AA- by S&P;

(p) asset-backed securities rated AAA by Fitch, or Aaa by Moody's, or AAA by S&P;

(q) any other investment approved by the Authority for which confirmation is received from any Rating Agency that such investment will not adversely affect such Rating Agency's rating on the Bonds; or

(r) the New Jersey Cash Management Fund.

"Lease Agreement" means the Lease and Agreement relating to the Bonds, dated as of the date hereof, by and between the Authority and the Public College, as from time to time amended by Supplemental Lease Agreements.

"Lease Payments" means the payments referred to in Section 4.05 of the Lease Agreement.

"Moody's" means Moody's Investors Service, Inc. and its successors and assigns.

"Net Proceeds" when used with respect to any insurance proceeds or any condemnation award, means the amount remaining after deducting all expenses (including attorneys' fees and disbursements) incurred in the collection of such proceeds or award from the gross proceeds thereof.

"Obligations" shall have the meaning assigned to that term in Section 12.06(a) hereof.

"Official Statement" means the Official Statement dated August 23, 2016 with respect to the Bonds.

"Opinion of Counsel" means an opinion in writing signed by legal counsel acceptable to the Public College and, to the extent the Authority is asked to take action in reliance thereon, the Authority, who may be an employee of or counsel to the Public College.

"Ordinary Services" and **"Ordinary Expenses"** means those services normally rendered and those expenses normally incurred, by a trustee under instruments similar to this Indenture, but not those services rendered and those expenses incurred following the occurrence and during the continuation of an Event of Default under Section 7.01 hereof.

"Original Purchaser" means, collectively, Morgan Stanley & Co. LLC, as representative, on behalf of itself and the other underwriters named in the Contract of Purchase, dated August 23, 2016, by and among the Authority, the Public College and the Original Purchaser in respect of the Bonds.

"Outstanding" means, when used with reference to Bonds, as of a particular date, all Bonds theretofore authenticated and delivered, except: (a) Bonds theretofore canceled by the Trustee or delivered to the Trustee for cancellation pursuant to Section 2.11 hereof; (b) Bonds which are deemed to have been paid in accordance with Article XI hereof; and (c) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to Article II hereof.

"Owner" has the same meaning as the term "Bondowner."

"Participants" means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

"Paying Agent" means the Trustee and any other commercial bank or trust institution organized under the laws of any state of the United States of America or any national banking association designated by this Indenture or any Supplemental Indenture as paying agent for the Bonds at which the principal of and redemption premium, if any, and interest on such Bonds shall be payable.

"Payment Default" means an Event of Default described in Section 7.01(a) or (b).

"Person" means any natural person, firm, joint venture, association, partnership, business, trust, corporation, public body, agency or political subdivision thereof or any other similar entity.

"Prime Rate" means the rate from time to time publicly announced by the Trustee's primary commercial banking affiliate as its "prime rate" or "base rate."

"Principal Office" means, with respect to any entity performing functions under any Bond Document, the designated office of that entity or its affiliate at which those functions are performed.

"Project Facilities" shall have the meaning assigned to that term in the Lease Agreement.

"Project Fund" means the fund by that name created pursuant to Section 4.01(a) hereof.

"Public College" means the public institution for higher education authorized and created pursuant to State law, the name of which is, The College of New Jersey, located in Ewing Township, New Jersey.

"Public College Board" means the Board of Trustees of the Public College, as the governing body vested with the power of management of the Public College, or a duly authorized committee thereof.

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

"Rating Agency" shall mean each nationally recognized securities rating agency then maintaining a rating on the Bonds at the request of the Authority, and initially means S&P, Moody's and Fitch.

"Rebatable Arbitrage" shall have the meaning assigned to that term in Section 4.08(b) hereof.

"Rebate Computation Date" shall have the meaning assigned to that term in Section 4.08(b) hereof.

"Rebate Fund" means the fund by that name created by Section 4.01(c) hereof.

"Record Date" means the fifteenth day of the month immediately preceding each Interest Payment Date.

"Registered Owner" shall have the same meaning as the term "Bondowner."

"Rental Pledge Account" means The College of New Jersey Rental Pledge Account created by the Public College to be maintained with the Trustee pursuant to Section 4.04 of the Lease Agreement.

"Replacement Bonds" means Bonds issued to the beneficial Owners of the Bonds in accordance with Section 2.12(b) hereof.

"Resolution" means the resolution of the Authority, adopted July 26, 2016, authorizing, among other things, the execution and delivery of this Indenture and the Lease Agreement and the issuance of the Bonds.

"S&P" means S&P Global Ratings, acting through Standard & Poor's Financial Services LLC, and its successors and assigns.

"Securities Depository" means, initially, The Depository Trust Company, New York, New York, and its successors and assigns, and any successor Securities Depository appointed pursuant to Section 2.12(c) hereof.

"Sinking Fund Installment" means, with respect to the Bonds, the amount of money necessary to redeem the Bonds in the principal amounts, at the times and in the manner set forth in Section 3.02(c) hereof.

"State" means the State of New Jersey.

"Supplemental Indenture" means any indenture supplemental or amendatory to this Indenture entered into by the Authority and the Trustee pursuant to Article IX hereof.

"Supplemental Lease Agreement" means any agreement supplemental or amendatory to the Lease Agreement entered into by the Authority and the Public College pursuant to Article X hereof.

"Swap" or **"Swap Agreement"** means any agreement between the Authority and a Swap Provider, entered into on behalf of the Public College, confirming a transaction which is a rate swap transaction, basis swap, forward rate transaction, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, corridor transaction, currency swap transaction, cross-currency rate swap transaction, currency option or other similar transaction (including any option with respect to any of the foregoing transactions) or any combination of these transactions and any related agreement. As of the execution of this Indenture, no Swap Agreement has been entered into by the Authority and a Swap Provider.

"Swap Payment Obligations" means all net amounts payable by the Authority under any Swap (excluding any Swap Termination Payment payable by the Authority).

"Swap Provider" means the Authority's counterparty under a Swap Agreement, which counterparty must be rated at least A-/A3 or better by S&P and Moody's, respectively.

"Swap Revenues" means all amounts received by the Authority or the Trustee pursuant to any Swap, including without limitation any Swap Termination Payment, whether such amounts are paid by the Public College or by the Swap Provider.

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

"Tax Certificate" means, collectively, the Arbitrage and Tax Certificates executed and delivered by the Public College and the Authority at the time of issuance and delivery of the Bonds.

"Trustee" means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, with fiduciary and trust powers in the State, and its successors and any entity resulting from or surviving any consolidation or merger to which it or its successors may be a party, and any successor trustee at the time serving as successor trustee hereunder.

"Trust Estate" means the Trust Estate described in the Granting Clauses of this Indenture.

"Value" as of any particular time of determination, means:

(a) For securities:

(1) the closing bid price quoted by Interactive Data Systems, Inc.; or

(2) a valuation performed by a nationally recognized and accepted pricing service whose valuation method consists of the composite average of various bid price quotes on the valuation date; or

(3) the lower of two dealer bids on the valuation date; the dealers or their parent holding companies must be rated at least investment grade by Moody's and S&P and must be market makers in the securities being valued; or

(4) a valuation performed by a pricing service acceptable to the Trustee; or

(5) for any security maturing within 30 days of the valuation date, the maturity value of the security including interest to be paid on the maturity date.

(b) As to certificates of deposit and bankers' acceptances, the face amount thereof, plus accrued interest;

(c) With respect to any investment agreement, the total amount that may be withdrawn therefrom for the purposes of the fund in which it is held; and

(d) As to any investment not specified above, the value thereof established by prior agreement between the Authority, the Public College and the Trustee.

"Written Request" means a request in writing signed by an Authorized Officer of the Authority or Public College, as applicable.

"Yield" shall have the meaning assigned to that term in the Tax Certificate.

Section 1.02 Rules of Construction. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction apply in construing the provisions of this Indenture:

(a) The terms defined in this Article I include the plural as well as the singular.

(b) All accounting terms not otherwise defined herein shall have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with GASB to the extent applicable.

(c) The words "herein," "hereof," "hereunder," "hereto" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(d) The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

(e) Whenever an item or items are listed after the word "including," such listing is not intended to be a listing that excludes items not listed.

(f) Any references herein to the Swap Provider or Swap Agreement shall be disregarded at any time during which there is no Swap Provider or Swap Agreement in effect.

ARTICLE II
THE BONDS

Section 2.01 Amount of Bonds; Purpose. No Bonds may be issued under this Indenture except in accordance with this Article II. The Bonds shall be issued and secured under this Indenture for the purposes set forth in the Recitals. The total principal amount of Bonds that may be issued as provided in Section 2.02 is hereby expressly limited to $193,180,000.

Section 2.02 Issuance of the Bonds. The Bonds are hereby authorized to be issued and secured hereunder as follows:

(a) Designation, Denominations, Numbering and Dating. The Series 2016 F Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Refunding Bonds, The College of New Jersey Issue, Series 2016 F (Tax-Exempt)." The Series 2016 G Bonds shall be designated "New Jersey Educational Facilities Authority Revenue Refunding Bonds, The College of New Jersey Issue, Series 2016 G (Federally Taxable)." The Bonds shall be issuable as fully registered Bonds without coupons in Authorized Denominations and shall be numbered consecutively from 1 upward in the order of their issuance. The Bonds shall initially be dated the date of their initial issuance and delivery, and thereafter shall be dated the date of authentication; provided, however, that if, as shown by the records of the Trustee, interest on the Bonds shall be in default, Bonds issued in lieu of Bonds surrendered for transfer or exchange may be dated as of the date to which interest has been paid in full on the Bonds surrendered.

(b) Principal Amount, Maturity and Interest – Series 2016 F Bonds. The Series 2016 F Bonds shall be issued in an aggregate principal amount of $87,925,000, shall bear interest payable initially on January 1, 2017 and thereafter semiannually on January 1 and July 1 of each year, at the rates per annum set forth below and shall mature on July 1 (subject to prior redemption as provided in Article III hereof) of each year in the years and in the principal amounts as follows:

Maturity Date (July 1)	Principal Amount	Interest Rate
2020	$ 1,080,000	4.00%
2021	1,880,000	5.00
2022	2,325,000	5.00
2023	2,400,000	5.00
2024	2,980,000	5.00
2025	2,655,000	5.00
2026	2,750,000	5.00
2027	2,760,000	5.00
2028	2,865,000	5.00
2029	2,970,000	5.00
2030	2,790,000	4.00
2031	2,885,000	4.00
2032	6,480,000	4.00
2033	6,870,000	4.00
2034	7,730,000	4.00
2035	23,530,000	4.00
2040	12,975,000	3.00

(c) Principal Amount, Maturity and Interest – Series 2016 G Bonds. The Series 2016 G Bonds shall be issued in an aggregate principal amount of $105,255,000, shall bear interest payable initially on January 1, 2017 and thereafter semiannually on January 1 and July 1 of each year, at the rates per annum set forth below and shall mature on July 1 (subject to prior redemption as provided in Article III hereof) of each year in the years and in the principal amounts as follows:

Maturity Date (July 1)	Principal Amount	Interest Rate
2020	$ 2,450,000	1.866%
2021	1,780,000	2.096
2022	5,230,000	2.304
2023	5,420,000	2.504
2024	5,800,000	2.579
2025	5,165,000	2.729
2026	5,340,000	2.829
2027	5,370,000	2.979
2028	5,565,000	3.119
2029	5,780,000	3.219
2030	6,290,000	3.319
2031	6,520,000	3.419
2032	14,610,000	3.459
2034	29,935,000	3.640

Section 2.03 Determination of Interest Rates.

The Bonds shall bear interest from the most recent Interest Payment Date next preceding the date of such Bonds to which interest has been paid, unless the date of such Bond is an Interest Payment Date, in which case interest shall be payable from such date, or unless the date of such Bond is prior to the first Interest Payment Date of the Bonds, in which case interest shall be payable from the dated date of the Bonds, or unless the date of such Bond is between a Record Date and the next succeeding Interest Payment Date, in which case from such Interest Payment Date.

Section 2.04 Conditions To Delivery of Bonds.

(a) The Bonds shall be executed substantially in the form and manner set forth in Section 2.07 hereof and furnished to the Trustee for authentication, but prior to or simultaneously with the authentication and delivery of the Bonds by the Trustee there shall be filed or deposited with the Trustee the following:

(i) A copy, certified as true and correct by the Secretary or Assistant Secretary of the Authority, of the Resolution adopted by the Authority authorizing the issuance of the Bonds and the execution of this Indenture, the Lease Agreement, the Escrow Deposit Agreement and any other Bond Documents to which it is a party.

(ii) A copy, duly certified as true and correct by the Secretary or an Assistant Secretary of the Public College Board (or other officer serving in a similar capacity), of the resolution(s) adopted and approved by the Public College Board authorizing the

execution and delivery of the Lease Agreement, the Continuing Disclosure Agreement and any other Bond Documents to which it is a party, and approving this Indenture and the issuance and sale of the Bonds.

(iii) An original executed counterpart of this Indenture, the Lease Agreement, and each of the other Bond Documents.

(iv) A request and authorization to the Trustee on behalf of the Authority, executed by an Authorized Officer of the Authority, to authenticate the Bonds and deliver the Bonds to the Original Purchaser upon payment to the Trustee, for the account of the Authority, of the purchase price thereof. The Trustee shall be entitled to rely conclusively upon such request and authorization as to the name of the Original Purchaser and the amount of such purchase price.

(v) An opinion or opinions of bond counsel, dated the Closing Date, in substantially the form(s) attached as an appendix to the Official Statement.

(vi) Such other certificates, statements, receipts, opinions and documents as the Authority shall reasonably require for the delivery of the Bonds.

(b) When the documents specified in subsection (a) shall have been filed with the Trustee, and when the Bonds shall have been executed and authenticated as required by this Indenture, the Trustee shall deliver the Bonds to or upon the order of the Original Purchaser thereof, but only upon payment to the Trustee of the purchase price of the Bonds as specified in the request and authorization by the Authority. Excluding the portion of the net proceeds of the Bonds paid to the Escrow Agent for deposit in the Escrow Fund established pursuant to the Escrow Deposit Agreement, the balance of the net proceeds of the Bonds shall be immediately paid over to the Trustee, and the Trustee shall deposit and apply such proceeds as provided in Article IV hereof.

Section 2.05 Forms and Denominations of Bonds.

(a) The Bonds and the Trustee's Certificate of Authentication to be endorsed thereon shall be in substantially the form set forth in Exhibit A hereto, with such necessary or appropriate variations, omissions and insertions as are permitted or required by this Indenture or any Supplemental Indenture. The Bonds may have endorsed thereon such legends or text as may be necessary or appropriate to conform to any applicable rules and regulations of any governmental authority or any custom, usage or requirement of law with respect thereto.

(b) The Bonds shall be issuable in the form of fully registered Bonds without coupons in Authorized Denominations.

Section 2.06 Method and Place of Payment of Bonds.

(a) The Trustee is hereby designated as the Authority's Paying Agent for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

(b) The principal of, redemption premium, if any, and interest on the Bonds shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts.

(c) The principal of and the redemption premium, if any, on all Bonds shall be payable by check or draft at maturity or upon earlier redemption to the Persons in whose names such Bonds are registered on the Bond Register at the maturity or redemption date thereof, upon the presentation and surrender of such Bonds at the Principal Office of the Trustee or of any Paying Agent named in the Bonds.

(d) The interest payable on each Bond on any Interest Payment Date shall be paid by the Trustee to the Person in whose name such Bond is registered on the Bond Register at the close of business on the Record Date for such interest, (i) by check or draft mailed on the applicable Interest Payment Date to such Registered Owner at his address as it appears on such Bond Register or at such other address as is furnished to the Trustee in writing by such Owner or (ii) by electronic transfer in immediately available funds, if the Bonds are held by a Securities Depository, or at the written request addressed to the Trustee by any Owner of Bonds in the aggregate principal amount of at least $1,000,000, such request to be signed by such Owner, containing the name of the bank (which shall be in the continental United States), its address, its ABA routing number, the name and account number to which credit shall be made and an acknowledgment that an electronic transfer fee is payable, and to be filed with the Trustee no later than ten Business Days before the applicable Record Date preceding such Interest Payment Date.

Section 2.07 Execution and Authentication of Bonds.

(a) The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chair, Vice Chair, Executive Director or Deputy Executive Director and attested by the manual or facsimile signature of its Secretary or any Assistant Secretary, including those serving in an interim or acting capacity, and shall have the official common seal of the Authority or a facsimile thereof affixed thereto or imprinted thereon. In case any officer whose signature or facsimile thereof appears on any Bonds shall cease to be such officer before the delivery of such Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if such Person had remained in office until delivery. Any Bond may be signed by such Persons as at the actual time of the execution of such Bond shall be the proper officers to sign such Bond although at the date of such Bond such Persons may not have been such officers.

(b) The Bonds shall have endorsed thereon a Certificate of Authentication substantially in the form set forth in Exhibit A hereto, which shall be manually executed by the Trustee. No Bond shall be entitled to any security or benefit under this Indenture or shall be valid or obligatory for any purpose unless and until such Certificate of Authentication shall have been duly executed by the Trustee. Such executed Certificate of Authentication upon any Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered under this Indenture. The Certificate of Authentication on any Bond shall be deemed to have been duly executed if signed by any Authorized Officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the Certificate of Authentication on all of the Bonds that may be issued hereunder at any one time.

Section 2.08 Registration, Transfer and Exchange of Bonds.

(a) The Trustee is hereby appointed Bond Registrar and as such shall keep the Bond Register at its Principal Office.

(b) Any Bond may be transferred only upon the Bond Register upon surrender thereof to the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee. Upon any such transfer, the Authority shall execute and the Trustee shall authenticate and deliver in exchange for such Bond, a new Bond or Bonds registered in the name of the transferee, of any Authorized Denomination or Denominations, in an equal aggregate principal amount and of the same maturity and bearing interest at the same rate.

(c) Any Bonds, upon surrender thereof at the Principal Office of the Trustee, together with an assignment duly executed by the Registered Owner or his attorney or legal representative in such form as shall be satisfactory to the Trustee, may, at the option of the Registered Owner thereof, be exchanged for an equal aggregate principal amount of Bonds of the same maturity, of any Authorized Denomination or Denominations, and bearing interest at the same rate.

(d) In all cases in which Bonds shall be exchanged or transferred hereunder, the Authority shall execute and the Trustee shall authenticate and deliver at the earliest practicable time Bonds in accordance with this Indenture. All Bonds surrendered in any such exchange or transfer shall forthwith be canceled by the Trustee.

(e) The Authority, the Trustee or the Securities Depository may make a charge against the Bondowner requesting the same for every such transfer or exchange of Bonds sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such transfer or exchange, and such charge shall be paid before any such new Bond shall be delivered. The fees and charges of the Trustee for making any transfer or exchange hereunder and the expense of any bond printing necessary to effect any such transfer or exchange shall be paid by the Public College. In the event any Bondowner fails to provide a correct taxpayer identification number to the Trustee, the Trustee may impose a charge against such Bondowner sufficient to pay any governmental charge required to be paid as a result of such failure. In compliance with Section 3406 of the Internal Revenue Code, such amount may be deducted by the Trustee from amounts otherwise payable to such Bondowner hereunder or under the Bonds.

(f) The Trustee shall not be required to transfer or exchange (i) any Bond during a period beginning at the opening of business 15 days before the day of mailing of any notice of redemption of Bonds and ending at the close of business on the day of such mailing, (ii) any Bond so selected for redemption in whole or in part, or (iii) any Bond during a period beginning at the opening of business on any Record Date and ending at the close of business on the relevant Interest Payment Date.

(g) The Person in whose name any Bond shall be registered on the Bond Register shall be deemed and regarded as the absolute Owner of such Bond for all purposes, and payment of or on account of the principal of and redemption premium, if any, and interest on any such Bond shall be made only to or upon the order of the Registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond, including the interest thereon, to the extent of the sum or sums so paid.

(h) At reasonable times upon prior Written Request and under reasonable regulations established by the Trustee, the Bond Register may be inspected and copied by the Public College, the Authority or by the Owners (or a designated representative thereof) of 10% or more in principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the satisfaction of the Trustee.

Section 2.09 Temporary Bonds.

(a) Until definitive Bonds are ready for delivery, the Authority may execute, and upon the Written Request of the Authority, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same limitations and conditions as definitive Bonds, temporary printed, engraved, lithographed or typewritten Bonds.

(b) If temporary Bonds shall be issued, the Authority shall cause the definitive Bonds to be prepared and to be executed and delivered to the Trustee, and the Trustee, upon presentation to it at its Principal Office of any temporary Bond shall cancel the same and authenticate and deliver in exchange therefor, without charge to the Owner thereof, a definitive Bond in the same aggregate principal amount and of the same maturity and bearing interest at the same rate as the temporary Bond surrendered. Until so exchanged the temporary Bonds shall in all respects be entitled to the same benefit and security of this Indenture as the definitive Bonds to be issued and authenticated hereunder.

Section 2.10 Mutilated, Lost, Stolen or Destroyed Bonds.

In the event any Bond shall become mutilated, or be lost, stolen or destroyed, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond of like date and tenor as the Bond mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Authority and the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together, in either such case, with such security or indemnity as may be required by the Trustee to save the Authority and the Trustee harmless. In the event any such Bond shall have matured or shall have been selected for redemption, instead of issuing a substitute Bond, the Trustee in its discretion may pay, with funds available under this Indenture for such purpose, such Bond without surrender thereof (except in the case of a mutilated Bond). Upon the issuance of any substitute Bond, the Authority and the Trustee may require the payment of an amount by the Bondowner sufficient to reimburse the Authority and the Trustee for any tax or other governmental charge that may be imposed in relation thereto and any other reasonable fees and expenses incurred in connection therewith.

Section 2.11 Cancellation and Destruction of Bonds Upon Payment.

All Bonds which have been paid or redeemed or which the Trustee has purchased or which have otherwise been surrendered to the Trustee under this Indenture, either at or before maturity, shall be canceled and destroyed by the Trustee in compliance with all applicable laws and regulations and the record retention requirements of the Trustee upon the payment, redemption or purchase of such Bonds and the surrender thereof to the Trustee. The Trustee shall execute a certificate in triplicate describing the Bonds so canceled and destroyed, and shall file executed counterparts of such certificate with the Authority and the Public College.

Section 2.12 Book-Entry; Securities Depository.

(a) The Bonds shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no beneficial Owners will receive certificates representing their respective interests in the Bonds, except in the event the Trustee issues Replacement Bonds as provided in subsection (b). It is anticipated that during the term of the Bonds, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, redemption premium, if any, and interest on the Bonds to the Participants until and unless the Trustee authenticates and delivers Replacement Bonds to the beneficial Owners as described in subsection (b).

(b) If (i) the Authority determines (A) that the Securities Depository is unable to properly discharge its responsibilities or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, or (B) that the continuation of a book-entry system to the exclusion of any Bonds being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the beneficial Owners of the Bonds of a series, or (ii) the Trustee receives written notice from Participants having interests in not less than 50% of the Bonds of a series Outstanding, as shown on the records of the Securities Depository (and certified to such effect to the Trustee by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Bonds of such series being issued to any Bondowner other than Cede & Co. is no longer in the best interests of the beneficial Owners of the Bonds of such series, then the Trustee, based on information provided to it by the Securities Depository, shall notify the beneficial Owners of the Bonds of such series of such determination or such notice and of the availability of certificates to beneficial Owners of the Bonds requesting the same, and the Trustee shall register in the name of and authenticate and deliver Bonds (the "Replacement Bonds") to the beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (i)(A) of this subsection (b), the Authority with the consent of the Trustee may select a successor Securities Depository in accordance with subsection (c) to effect book-entry transfers. In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository or its nominee is the Registered Owner of at least one Bond. Upon the issuance of Replacement Bonds, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Trustee, to the extent applicable with respect to such Replacement Bonds. If the Securities Depository resigns and the Authority, the Trustee or the Public College is unable to locate a qualified successor Securities Depository in accordance with

subsection (c) below, then the Trustee shall authenticate and cause delivery of Replacement Bonds, as provided herein. The Trustee may rely on information from the Securities Depository and its Participants as to the names, addresses, taxpayer identification numbers of and principal amount held by the beneficial Owners of the Bonds. The cost of printing Replacement Bonds shall be paid for by the Public College.

(c) In the event the Securities Depository resigns or is no longer qualified to act as a securities depository and registered clearing agency under the Securities Exchange Act of 1934, as amended, the Authority may appoint a successor Securities Depository provided the Trustee receives written evidence satisfactory to the Trustee with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a registered clearing agency under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Trustee upon its receipt of a Bond or Bonds for cancellation shall cause the delivery of Bonds to the successor Securities Depository in Authorized Denominations and form as provided herein.

ARTICLE III
REDEMPTION OF BONDS

Section 3.01 Redemption of Bonds Generally. The Bonds shall be subject to redemption prior to maturity in accordance with the terms and provisions set forth in this Article III.

Section 3.02 Redemption of Bonds.

(a) Optional Redemption. The Series 2016 F Bonds maturing on or before July 1, 2026 are not subject to optional redemption prior to maturity, except for extraordinary optional redemption as described in paragraph (d) of this Section 3.02. The Series 2016 F Bonds maturing on or after July 1, 2027 are subject to redemption prior to maturity on or after July 1, 2026, at the option of the Authority with the prior consent of the Public College, in whole or in part, at any time or from time to time at a redemption price equal to 100% of the principal amount to be redeemed, together with accrued interest to the date of redemption.

(b) Make-Whole Redemption. The Series 2016 G Bonds are subject to redemption prior to maturity on any Business Day, at the option of the Authority with the prior consent of the Public College, in whole or in part, at the Make-Whole Redemption Price described below.

The "Make-Whole Redemption Price" is the greater of (1) 100% of the principal amount of the Series 2016 G Bonds to be redeemed and (2) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of the Series 2016 G Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which the Series 2016 G Bonds are to be redeemed, discounted to the date on which such Series 2016 G Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate (as defined below) plus the number of basis points shown below with respect to the years shown below, plus, in each case, accrued and unpaid interest on the Series 2016 G Bonds to be redeemed on the redemption date. The Trustee may retain, at the expense of the Public College, an independent accounting firm or financial advisor to determine the Make-Whole Redemption Price and perform all actions and make all calculations required to determine the Make-Whole Redemption Price. The Trustee, the Authority and the Public College may conclusively rely on such accounting firm's or financial advisor's calculations in connection with, and determination of, the Make-Whole Redemption Price, and none of the Trustee, the Authority or the Public College will have any liability for their reliance.

2020 to 2024: 15 basis points
2025 to 2027: 20 basis points
2028 to 2040: 25 basis points

The "Treasury Rate" is, as of any redemption date, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available

source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Series 2016 G Bonds to be redeemed. However, if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used.

(c) Mandatory Sinking Fund Redemption. (i) The Series 2016 F Bonds maturing on July 1, 2040 shall be retired by Sinking Fund Installments as hereinafter described, which shall be accumulated in the Principal Account at a redemption price equal to one hundred percent (100%) of the principal amount to be redeemed, plus accrued interest to the redemption date. The Sinking Fund Installments shall be sufficient to redeem the principal amount of the Series 2016 F Bonds on July 1 in each of the years and in the principal amounts as follows:

Term Bonds Maturing July 1, 2040

Year	Amount
2036	$2,445,000
2037	2,515,000
2038	2,595,000
2039	2,670,000
2040*	2,750,000

* Final maturity.

(ii) The Series 2016 G Bonds maturing on July 1, 2034 shall be retired by Sinking Fund Installments as hereinafter described, which shall be accumulated in the Principal Account at a redemption price equal to one hundred percent (100%) of the principal amount to be redeemed, plus accrued interest to the redemption date. The Sinking Fund Installments shall be sufficient to redeem the principal amount of the Series 2016 G Bonds on July 1 in each of the years and in the principal amounts as follows:

Term Bonds Maturing July 1, 2034

Year	Amount
2033	$14,985,000
2034*	14,950,000

* Final maturity.

(iii) The principal amount of the Bonds required to be redeemed from Sinking Fund Installments may be reduced by the principal amount of such Bonds theretofore delivered to the Trustee by the Public College in lieu of cash payments under the Lease Agreement or purchased by the Trustee out of moneys in the Redemption Fund that have not theretofore been applied as a credit against any Sinking Fund Installment.

(d) Extraordinary Optional Redemption. Subject to the Prior Agreements, if all or a substantial portion of the Project Facilities are damaged or destroyed by fire or other casualty, or title to or the temporary use of all or a substantial portion of such facilities is condemned or taken for any public or quasi-public use by any governmental entity exercising or threatening the exercise of the power of eminent domain, or title thereto is found to be deficient, to such extent

that in the determination of the Public College (i) such facilities cannot be reasonably restored or replaced to the condition thereof preceding such event, or (ii) the Public College is thereby prevented from carrying on its normal operations, or (iii) the cost of restoration or replacement thereof would exceed the Net Proceeds of any casualty insurance, title insurance, condemnation awards or sale under threat of condemnation with respect thereto, the Bonds are subject to extraordinary optional redemption prior to maturity, in whole or in part at any time or from time to time, from and to the extent of any condemnation or insurance proceeds deposited in the Debt Service Fund pursuant to the Lease Agreement, at the election of the Authority with the consent of the Public College. Any such redemption shall be made on the earliest practicable date at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption.

Section 3.03 Selection of Bonds to be Redeemed.

(a) Bonds shall be redeemed only in Authorized Denominations. If less than all of the Bonds of a series are to be redeemed prior to maturity, such Bonds shall be called for redemption in any order of maturity and in any principal amount within a maturity as the Authority may designate with the consent of the Public College, and in the case of any Bond subject to mandatory sinking fund redemption, the Authority may designate, with the consent of the Public College, whether such partial redemption shall be credited against the principal amount due at maturity or against particular scheduled Sinking Fund Installments with respect to such Bond. Bonds to be redeemed within any maturity shall be selected by the Trustee by lot or by any other method.

(b) In the case of a partial redemption of Bonds when such Bonds of denominations greater than the minimum Authorized Denomination are then Outstanding, then for all purposes in connection with such redemption each principal amount equal to the minimum Authorized Denomination shall be treated as though it was a separate Bond of the minimum Authorized Denomination. If it is determined that a portion, but not all, of the principal amount represented by any Bond is to be selected for redemption, then upon notice of intention to redeem such portion, the Owner of such Bond or such Owner's attorney or legal representative shall forthwith present and surrender such Bond to the Trustee (i) for payment of the redemption price (including the premium, if any, and interest to the date fixed for redemption) of the principal amount called for redemption, and (ii) for exchange, without charge to the Owner thereof for a new Bond or Bonds of the aggregate principal amount of the unredeemed portion of the principal amount of such Bond. If the Owner of any such Bond shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, said Bond shall, nevertheless, become due and payable on the redemption date to the extent of the principal amount called for redemption (and to that extent only).

(c) The Trustee shall call Bonds for redemption and payment as herein provided upon receipt by the Trustee at least 45 days prior to the redemption date of a Written Request of the Authority. Such request shall specify the principal amount of the Bonds and their series and maturities so to be called for redemption, the applicable redemption price or prices and the provision or provisions above referred to pursuant to which such Bonds are to be called for redemption. The foregoing provisions of this paragraph shall not apply in the case of any mandatory sinking fund redemption of Bonds pursuant to Section 3.02(c), and such Bonds,

subject to the exercise by the Authority of its rights under Section 3.02(c), shall be called by the Trustee for redemption pursuant to such mandatory sinking fund redemption requirements without the necessity of any action by the Authority and whether or not the Trustee shall hold in the Debt Service Fund moneys available and sufficient to effect the required redemption.

Section 3.04 Notice and Effect of Call for Redemption. Official notice of any such redemption shall be given by the Trustee on behalf of the Authority by mailing a copy of an official redemption notice by first class mail at least 30 days and not more than 60 days prior to the redemption date to each Registered Owner of the Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Trustee, and such mailing shall be a condition precedent to such redemption.

All official notices of redemption shall be dated and shall state: (i) the redemption date; (ii) the redemption price; (iii) if less than all Outstanding Bonds are to be redeemed, the identification number and the respective principal amounts to be redeemed of the Bonds to be redeemed; (iv) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and (v) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the Principal Office of the Trustee for the payment of Bonds.

Any notice of redemption of any Bonds pursuant to Section 3.02(a) may specify that the redemption is contingent upon the deposit of moneys with the Trustee in an amount sufficient to pay the redemption price of all the Bonds or portions thereof which are to be redeemed on that date.

Official notice of redemption having been given as aforesaid, the Bonds or portions thereof so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Authority shall default in the payment of the redemption price) such Bonds, or portions thereof shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal. All Bonds which have been redeemed shall be canceled and destroyed by the Trustee in accordance with Section 2.11 hereof and shall not be reissued.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

For so long as the Securities Depository is effecting book-entry transfers of the Bonds, the Trustee shall provide the notices specified in this Section 3.04 only to the Securities Depository. It is expected that the Securities Depository shall, in turn, notify its Participants and that the Participants, in turn, will notify or cause to be notified the beneficial Owners. Any failure on the part of the Securities Depository or a Participant, or failure on the part of a nominee of a beneficial Owner of a Bond (having been mailed notice from the Trustee, a Participant or otherwise) to notify the beneficial Owner of the Bond so affected, shall not affect the validity of the redemption of such Bond.

Failure of any Owner to receive a copy of such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other Bonds. Any notice mailed shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives the notice.

ARTICLE IV
CREATION OF FUNDS AND ACCOUNTS;
APPLICATION OF BOND PROCEEDS AND OTHER MONEYS

Section 4.01 Creation of Funds and Accounts. There are hereby created and ordered to be established in the custody of the Trustee, with respect to the Bonds, the following special trust funds in the name of the Authority to be designated as follows:

(a) "New Jersey Educational Facilities Authority Project Fund, The College of New Jersey Issue, Series 2016 F/G (the "Project Fund") from which moneys deposited into the Project Fund shall be expended in accordance with the provisions of the Lease Agreement, and which Fund shall have the following subaccounts therein: (i) a "Costs of Issuance Account" and (ii) a "Project Account."

(b) "New Jersey Educational Facilities Authority Debt Service Fund, The College of New Jersey Issue, Series 2016 F/G" (the "Debt Service Fund").

(c) "New Jersey Educational Facilities Authority Rebate Fund, The College of New Jersey Issue, Series 2016 F" (the "Rebate Fund").

(d) The Trustee shall establish such additional accounts or subaccounts within such funds as are called for by the provisions hereof at such time or times as such accounts or subaccounts are required or become applicable or as directed by the Authority.

Section 4.02 Deposit of Bond Proceeds and Other Moneys. The aggregate principal amount of the Bonds, plus a net original issue premium, less the underwriters' discount, plus any additional sums described by the Authority, shall be applied as directed by the Authority to the Trustee in writing in a certificate dated the date of the issuance of the Bonds.

Section 4.03 Application of Moneys in Project Fund. (a) As soon as practicable after the delivery of the Bonds, the Authority shall direct, in writing, the Trustee to pay from the Costs of Issuance Account to the firms, corporations or Persons entitled thereto the Costs of Issuance, including but not limited to the legal, administrative, financing and incidental expenses of the Authority relating to the issuance of the Bonds. On the date that is six months following the Closing Date, or upon the earlier written direction of the Authority, the balance, if any, remaining in the Costs of Issuance Account shall be transferred to the Debt Service Fund, and the Costs of Issuance Account shall thereafter be closed.

(b) Except as otherwise provided in this Article IV, any moneys deposited in the Project Fund shall be used in accordance with the provisions of the Lease Agreement. For purposes of internal accounting, the Project Fund may contain one or more subaccounts, as the Authority or the Trustee may deem proper.

Payments pursuant to paragraph (a) of this Section 4.03 shall be made in accordance with a Certificate or Certificates signed by an Authorized Officer of the Authority stating the names of the payees, the purpose of each payment in terms sufficient for identification and the respective amounts of each such payment. Payments pursuant to subparagraph (b) of this Section 4.03 shall be made in accordance with a Certificate or Certificates signed by an

Authorized Officer of the Authority, substantiated by a Certificate filed with the Authority by the Public College describing in reasonable detail the purpose for which such moneys were used and the amount thereof, and further stating the opinion that such purposes constitute a necessary part of the cost of the Project, such substantiating Certificate to be signed by an Authorized Officer of the Public College. If the Public College requests a copy of any Certificate issued by the Authority under this subparagraph, the Authority shall comply with such request.

Section 4.04 Use of Money in the Project Fund Upon Default. If the Bonds shall be accelerated pursuant to Section 7.02 hereof, any balance remaining in the Project Fund, if any, shall, without further authorization, be transferred into the Debt Service Fund.

Section 4.05 Reserved.

Section 4.06 Reserved.

Section 4.07 Debt Service Fund.

(a) The Trustee shall make deposits and credits to the applicable accounts (if any) in the Debt Service Fund, as and when received, as set forth below.

(i) On each Basic Lease Payment Date, from the applicable subaccount in the Rental Pledge Account established with the Trustee pursuant to the Lease Agreement, such Basic Lease Payments on deposit therein payable by the Public College to the Authority specified in Section 4.04 of the Lease Agreement, sufficient to pay the amounts when due described in Section 4.07(c) below;

(ii) The balance of the Net Proceeds of condemnation awards, sale under threat of condemnation or insurance received by the Trustee pursuant to the Lease Agreement.

(iii) Interest earnings and other income on Investment Obligations required to be deposited in the Debt Service Fund pursuant to Section 5.02 hereof.

(iv) All other moneys received by the Trustee under the Lease Agreement or any other Bond Document, when accompanied by directions from the Person depositing such moneys that such moneys are to be paid into the Debt Service Fund.

(b) Except as otherwise provided in Article VII hereof or elsewhere herein, moneys in each account (if any) in the Debt Service Fund shall be expended solely as follows: (i) to pay interest on the applicable Bonds as the same becomes due; (ii) to pay principal of the applicable Bonds as the same mature or become due upon mandatory sinking fund redemption, if any, (iii) to pay principal of and redemption premium, if any, on the applicable Bonds as the same become due upon redemption prior to maturity (other than mandatory sinking fund redemption, if any), (iv) to pay applicable Swap Payment Obligations, if any as they become due; and (v) to pay an applicable Swap Termination Payment, if any, provided, however, that a Swap Termination Payment shall only be paid on a regularly scheduled payment date and after full satisfaction of, and on a subordinate basis to, those payments listed in the foregoing clauses (i), (ii), (iii) and (iv) of this subsection (b).

(c) The Authority hereby authorizes and directs the Trustee to withdraw sufficient funds from the applicable account (if any) in the Debt Service Fund to pay (i) principal of and redemption premium, if any, and interest on the applicable Bonds as the same become due and payable at maturity or upon redemption; (ii) applicable Swap Payment Obligations as they become due; and (iii) an applicable Swap Termination Payment; provided, however, that a Swap Termination Payment shall only be paid on a regularly scheduled payment date and after full satisfaction of, and on a subordinate basis to, those payments listed in clauses (i), (ii), (iii) and (iv) of subsection (b) above, and to make said funds so withdrawn available to the Trustee and any Paying Agent for the purpose of paying said principal, redemption premium, if any, and interest and Swap Payment Obligations and Swap Termination Payments.

(d) Whenever there is on deposit in an account (if any) in the Debt Service Fund moneys sufficient to redeem all or a portion of the applicable Bonds Outstanding and to pay interest to accrue thereon prior to such redemption and redemption premium, if any, the Trustee shall, upon Written Request of the Authorized Officer of the Authority, with the consent of the Public College, take and cause to be taken the necessary steps to redeem all such Bonds on the next succeeding redemption date for which the required redemption notice may be given or on such later redemption date as may be specified by the Public College. Any moneys in the Debt Service Fund may be used to redeem a part of the Bonds Outstanding, in accordance with Article III hereof, so long as the Public College is not in default with respect to any payments under the Lease Agreement and to the extent said moneys are in excess of the amounts required to be on deposit therein pursuant to Section 2.03 of the Lease Agreement and the amount required for payment of Bonds theretofore matured or called for redemption and past due interest in all cases when such Bonds have not been presented for payment.

(e) After payment in full of the principal of and redemption premium, if any, and interest on the Bonds (or after provision has been made for the payment thereof as provided in this Indenture), payment in full of Swap Payment Obligations and Swap Termination Payments, if any, all Rebatable Arbitrage to the United States of America and the fees, charges and expenses of the Trustee, any Paying Agent and the Authority, and any other amounts required to be paid under this Indenture and the Lease Agreement, all amounts remaining in the Debt Service Fund shall be paid to the Public College upon the expiration or sooner termination of the Lease Agreement.

Section 4.08 Rebate Fund.

(a) The Rebate Fund shall be held for the benefit of the United States of America and not for the benefit of the Holders of the Bonds, which Holders shall have no rights in or to such fund.

(b) Subject to subsection (c) of this Section 4.08, as of the last day of each fifth Bond Year (the "Rebate Computation Date"), the Authority shall calculate, or cause to be calculated, the amount required to be paid to the United States of America (the "Rebatable Arbitrage") pursuant to Section 148 of the Internal Revenue Code. On or before the sixtieth day after such date, the Trustee, at the written direction of the Authority and upon the receipt of funds from the Public College, shall deposit in the accounts (if any) in the Rebate Fund the amount, if any, needed to increase the amount in the accounts (if any) in such Rebate Fund to an amount equal to one hundred percent (100%) of the Rebatable Arbitrage for the period from the Closing Date to the Rebate Computation Date at issue, or shall transfer from the Rebate Fund to the Debt Service Fund the amount, if any, needed to reduce the amount in the Rebate Fund to ninety percent (90%) of the amount of the Rebatable Arbitrage for such period.

Subject to subsection (c) of this Section 4.08, as of the last day on which the last Series 2016 F Bond remaining Outstanding is retired (the "Final Computation Date"), the Authority shall calculate, or cause to be calculated, the amount required to be paid to the United States of America pursuant to Section 148 of the Internal Revenue Code. On or before the sixtieth day after such date, the Trustee, at the written direction of the Authority and upon the receipt of funds from the Public College, shall deposit in the accounts (if any) in the Rebate Fund the amount, if any, needed to increase the amount in the accounts in such Rebate Fund to an amount equal to the Rebatable Arbitrage for the period from the Closing Date to the Final Computation Date, or shall transfer from the Rebate Fund to the Debt Service Fund the amount, if any, needed to reduce the amount in the Rebate Fund to the amount of the Rebatable Arbitrage for such period.

After making any transfer required for a Rebate Computation Date and the Final Computation Date, the Authority shall immediately pay or cause to be paid to the United States of America the amount in the Rebate Fund. The amounts in the Rebate Fund shall not be subject to the claim of any party, including any Holder, and shall not be paid to any party other than the United States of America.

All amounts in the Rebate Fund shall be used and withdrawn by the Authority or the Trustee solely for the purposes set forth in this Section 4.08. In the event the amount in the Rebate Fund is for any reason insufficient to pay to the United States of America the amounts due as calculated in this Section 4.08, the Public College or the Trustee, at the written direction of the Authority and upon the receipt of funds from the Public College, shall deposit in the Rebate Fund the amount for such deficiency.

(c) Notwithstanding the provisions of this Section 4.08, the Authority hereby agrees to calculate or cause to be calculated the amount to be deposited in the Rebate Fund and the amount to be rebated to the United States of America pursuant to Section 148(f) of the Internal Revenue Code in a manner not inconsistent with its arbitrage covenants set forth in the Tax Certificate. Such calculation shall give regard to all regulations applicable to such Section 148(f) including any temporary regulations heretofore or hereafter released.

(d) The Authority and the Public College agree that the Trustee shall not be liable for any damages, costs or liabilities resulting from the performance of the Trustee's duties and obligations under this Section 4.08, except that the Trustee shall be liable for its negligence or willful misconduct. In making any deposit or transfer to or payment from the Rebate Fund, the Trustee shall be entitled to rely conclusively and solely on the written instructions of the Authority and shall have no duty to examine such written instruments to determine the accuracy of the Authority's calculation of the Rebatable Arbitrage or the amounts to be paid to the United States. In the event that the Public College or the Authority shall not comply with their respective obligations under this Section 4.08, the Trustee shall have no obligation to cause compliance on their respective behalf.

Section 4.09 Payments Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of principal of or redemption premium, if any, or interest on the Bonds or the date fixed for redemption of any Bonds shall be a Saturday, a Sunday or a legal holiday or other day that is not a Business Day, then payment of principal, redemption premium, if any, or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the date of maturity or the date fixed for redemption, and no interest shall accrue for the period after such date.

Section 4.10 Nonpresentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Authority to the Owner thereof for the payment of such Bond, shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee, to hold such funds in trust in a separate trust account, uninvested and without liability for interest thereon, for the benefit of the Owner of such Bond, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on or with respect to said Bond. Thereupon it shall be the duty of the Trustee to comply with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq*. with respect to such funds in accordance with the Trustee's escheat policies and procedures, which must not be in conflict with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq*. Any money held by the Trustee pursuant to this Section 4.10 shall be held uninvested and without any liability for interest.

Section 4.11 Reports From Trustee. The Trustee shall furnish monthly to the Authority and the Public College a report on the status of each of the funds and accounts established under this Article IV which are held by the Trustee, showing at least the balance in each such fund or account as of the first day of the preceding month, the total of deposits to and the total of disbursements from each such fund or account, the dates of such deposits and disbursements, and the balance in each such fund or account on the last day of the preceding month.

Section 4.12 Certain Verifications. The Authority, from time to time, may cause a firm of attorneys, consultants or Independent accountants or an investment banking firm acceptable to the Authority to supply the Authority or the Public College with such information as the Authority or the Public College may request in order to determine in a manner reasonably satisfactory to the Authority or the Public College all matters relating to (a) the Yield on the Series 2016 F Bonds as the same may relate to any data or conclusions necessary to verify that the Series 2016 F Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code, and (b) compliance with rebate requirements of Section 148(f) of the Internal Revenue Code. Payment for costs and expenses incurred in connection with supplying the foregoing information shall be paid by the Public College. The Authority and the Public College authorize the Trustee to provide to such firm(s) such information as may be required by such firm(s) to make such determinations which the Trustee has maintained on its records pursuant to this Indenture.

ARTICLE V
DEPOSITORIES OF MONEYS, SECURITY FOR DEPOSITS AND INVESTMENT OF FUNDS

Section 5.01 Moneys to be Held in Trust. All moneys deposited with or paid to the Trustee for the funds and accounts held under this Indenture, and all moneys deposited with or paid to any Paying Agent under any provision of this Indenture shall be held by the Trustee or Paying Agent in trust and shall be applied only in accordance with this Indenture and the Lease Agreement, and, until used or applied as herein provided, shall (except for moneys in the Rebate Fund) constitute part of the Trust Estate and be subject to the lien, terms and provisions hereof and shall not be commingled with any other funds of the Authority or the Public College except as provided under Section 5.02 hereof for investment purposes. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon in writing.

Section 5.02 Investment of Moneys. Moneys held in each of the funds and accounts hereunder shall, pursuant to the written direction of the Authority, be invested and reinvested by the Trustee in accordance with the provisions hereof in Investment Obligations which mature or are subject to redemption by the Owner thereof prior to the date such funds are expected to be needed. Notwithstanding any other provision of this Indenture, if the Trustee fails to receive written directions of the Authority regarding investment of funds pursuant to this Section 5.02, moneys held in any fund or account hereunder shall be invested or reinvested in shares of an open-end, diversified investment company which is registered under the Investment Company Act of 1940, as amended, and which invests its assets exclusively in obligations of or guaranteed by the United States of America or any instrumentality or agency thereof, and for which the Trustee may or may not act as the investment manager or advisor. The Trustee may make any investments permitted by this Section 5.02 through its own or its affiliate's bond department or investment department and may pool moneys for investment purposes, except moneys held in the yield restricted portion of any fund or account, which shall be invested separately. Any such Investment Obligations shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund or account in which such moneys are originally held. The interest accruing on and any profit realized from such Investment Obligations (other than any amounts required to be deposited in the Rebate Fund pursuant to Section 4.08 hereof and amounts required to be transferred from the Costs of Issuance Account of the Project Fund to the Debt Service Fund) shall be credited to such fund or account, and any loss resulting from such Investment Obligations shall be charged to such fund or account. The Trustee shall sell and reduce to cash a sufficient amount of such Investment Obligations whenever the cash balance in such fund or account is insufficient for the purposes of such fund or account. The Trustee shall not be responsible for any loss or decrease in value of the investments made pursuant to this Article V. The Trustee shall not be required to provide brokerage confirmations so long as the Trustee provides periodic statements that include investment activity to the Authority.

Section 5.03 Record Keeping. The Trustee shall maintain records of the investments made pursuant to this Article V and Article IV for at least six years after the payment of all of the Outstanding Bonds.

ARTICLE VI
PARTICULAR COVENANTS AND PROVISIONS

Section 6.01 Special and Limited Obligations. The Bonds and the interest thereon, Swap Payment Obligations, Swap Termination Payments (subject to the immediately succeeding sentence), if any (provided, that Swap Payment Obligations shall be payable equally and ratably with Bond Payment Obligations only to the extent so provided in the applicable Swap Agreement and provided further that Swap Payment Obligations may be subordinate but never prior to Bond Payment Obligations), each in accordance with their terms and the provisions of this Indenture shall be special and limited obligations of the Authority payable (except to the extent paid out of Bond proceeds or the income from the temporary investment thereof and under certain circumstances from insurance proceeds and condemnation awards) solely out of the Basic Lease Payments and other payments derived by the Authority under the Lease Agreement (except for fees and expenses payable to the Authority, the Authority's right to indemnification as set forth in the Lease Agreement and any payments made by the Trustee or the Public College to meet the rebate requirements of Section 148(f) of the Internal Revenue Code) as provided herein, and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Trustee and in favor of the Owners of the Bonds and the Swap Provider, as provided in this Indenture. Swap Termination Payments, if any, shall be secured by the Trust Estate on a wholly subordinate basis to the Bond Payment Obligations and Swap Payment Obligations. Notwithstanding anything to the contrary in the Resolution, the Bonds or this Indenture, the Bond Payment Obligations, Swap Payment Obligations and Swap Termination Payments, if any, shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof other than the Authority (to the limited extent set forth herein) within the meaning of any State constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit or the taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent set forth herein), and shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to make any appropriation for their payment. The State or any political subdivision thereof other than the Authority (to the limited extent set forth herein) shall not in any event be liable for the payment of the principal of, redemption premium, if any, or interest on the Bonds, Swap Payment Obligations or Swap Termination Payments or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any political subdivision thereof other than the Authority (to the limited extent set forth herein) or any charge upon its general credit or against its taxing power. The Authority has no taxing power.

Section 6.02 Punctual Payment. The Authority represents and warrants and agrees that it will deposit or cause to be deposited in the Debt Service Fund all Basic Lease Payments and any and all other payments and sums received under the Lease Agreement and this Indenture promptly to meet and pay the principal of, redemption premium, if any, and interest on the Bonds, Swap Payment Obligations and Swap Termination Payments, if any, as the same become due and payable at the place, on the dates and in the manner provided herein, in the Bonds and in the Swap Agreement according to the true intent and meaning thereof.

Section 6.03 Authority to Issue Bonds and Execute Indenture. The Authority represents and warrants that it is duly authorized under the Constitution and laws of the State to execute this Indenture, to issue the Bonds and to pledge and assign the Trust Estate in the manner and to the extent herein set forth; that all action on its part for the execution and delivery of this Indenture and the issuance of the Bonds has been duly and effectively taken, and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable, special and limited obligations of the Authority according to the import thereof.

Section 6.04 Performance of Covenants. The Authority covenants that it will (to the extent within its control) faithfully perform or cause to be performed at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in the Bonds and in all proceedings pertaining thereto.

Section 6.05 Instruments of Further Assurance. The Authority agrees that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further acts, instruments, financing statements and other documents as the Trustee may reasonably require for the better assuring, transferring, pledging and assigning to the Trustee, and granting a security interest unto the Trustee in and to the Trust Estate and the other property and revenues herein described to the payment of the principal of, redemption premium, if any, and interest on the Bonds, all at the expense of the Public College. The Lease Agreement, all Supplemental Lease Agreements and all other documents, instruments or policies of insurance required hereunder or under the Lease Agreement shall be delivered to and held by the Trustee.

Section 6.06 Inspection of Books. The Authority agrees that all books and documents in its possession relating to this Indenture, the Lease Agreement, and any other Bond Documents and the transactions relating thereto shall at all times be open to inspection by such accountants or other agencies as the Trustee may from time to time designate.

Section 6.07 Enforcement of Rights. The Authority agrees that the Trustee, as assignee, transferee, pledgee, and Owner of a security interest hereunder in its name or in the name of the Authority may enforce all rights of the Authority and/or the Trustee and all obligations of the Public College under and pursuant to the Lease Agreement for and on behalf of the Bondowners, whether or not the Authority is in default hereunder.

Section 6.08 Tax Covenants. The Authority covenants, and the Public College has covenanted in the Lease Agreement not to take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Series 2016 F Bonds under Section 103 and Sections 141 through 150, inclusive, of the Internal Revenue Code. The Authority and the Public College will not directly or indirectly use or permit the use of any proceeds of the Series 2016 F Bonds or any other funds of the Authority or the Public College, or take or omit to take any action that would cause the Series 2016 F Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Internal Revenue Code. To that end, the Authority and the Public College will comply with all requirements of Section 148 of the Internal Revenue Code to the extent applicable to the Series 2016 F Bonds. In the event that at any time the Authority or the Public College is of the opinion that for purposes of this Section 6.08 it is necessary to restrict or limit the yield on the investment

of any moneys held by the Trustee under this Indenture, the Lease Agreement or otherwise, the Authority or the Public College shall so instruct the Trustee, in writing, and the Trustee shall take such action as shall be set forth in such instructions. The covenants of the Authority contained in the Lease Agreement are fully incorporated herein by reference and are made a part of this Indenture as if fully set forth herein.

Without limiting the generality of the foregoing, the Authority and the Public College agree that there shall be paid from time to time all amounts required to be rebated to the United States of America pursuant to Section 148(f) of the Internal Revenue Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Series 2016 F Bonds from time to time. This covenant shall survive payment in full or defeasance of the Series 2016 F Bonds. The Authority and the Public College specifically covenant to pay or cause to be paid to the United States of America at the times and in the amounts determined under Section 4.08 hereof the Rebatable Arbitrage, as described in the Tax Certificate.

Notwithstanding any provision of this Section 6.08 and Section 4.08 hereof, if the Authority, at the expense of the Public College, shall provide to the Public College and the Trustee an opinion of nationally recognized bond counsel to the effect that any action required under this Section 6.08 and Section 4.08 hereof is no longer required, or to the effect that some further action is required, to maintain the exclusion from gross income of interest on the Series 2016 F Bonds, the Authority, the Trustee and the Public College may rely conclusively on such opinion.

ARTICLE VII
DEFAULT AND REMEDIES

Section 7.01 Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to be and to constitute an "Event of Default" under this Indenture:

(a) default in the due and punctual payment of any interest on any Bond when the same becomes due and payable;

(b) default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond when the same becomes due and payable, whether at the stated maturity or accelerated maturity thereof, or upon proceedings for redemption thereof;

(c) default in the due and punctual payment of any installment of interest on any Bond or any Swap Payment Obligation or any Swap Termination Payment, if any (provided, with respect to such Swap Termination Payment, such default shall not be deemed to occur until the next regularly scheduled payment date if such payment has not been made by such date), when and as the same shall become due and payable;

(d) the Authority shall for any reason be rendered incapable of fulfilling its obligations hereunder, or the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture or any Supplemental Indenture on the part of the Authority to be performed, and such incapacity or default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Authority and the Public College by the Trustee (which notice shall be given at the written request of the Owners of not less than 10% in aggregate principal amount of the affected Bonds then Outstanding); provided that, if any such default shall be correctable but is such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Authority or the Public College within such period and diligently pursued until the default is corrected;

(e) any Event of Default as specified in the Lease Agreement has occurred and is continuing and has not been waived; or

(f) a default by either the Authority or the Swap Provider, if any, with respect to any payment obligations or in the observance of any of the other covenants, agreements or conditions or their respective parts under a Swap Agreement.

With regard to any alleged default concerning which notice is given to the Public College under this Section 7.01, the Authority hereby grants the Public College full authority for account of the Authority to perform any covenant or obligation, the nonperformance of which is alleged in said notice to constitute a default, in the name and stead of the Authority, with full power to do any and all things and acts to the same extent that the Authority could do and perform any such things and acts in order to remedy such default. Upon the occurrence of an Event of Default for which the Trustee has received notice pursuant to Section 8.03 hereof or under which Section the Trustee is required to take notice, the Trustee shall, within 30 days, give written notice thereof by first class mail to all Bondowners.

Section 7.02 Acceleration of Maturity in Event of Default. If an Event of Default under Section 7.01 hereof occurs, then, without other further action, all Bonds Outstanding shall become and be immediately due and payable, anything in the Bonds or herein to the contrary notwithstanding. In addition, if an Event of Default shall have occurred and be continuing, the Trustee may, and if requested by the Owners of not less than 25% in principal amount of the Bonds Outstanding or by the Swap Provider, the Trustee shall by notice in writing delivered to the Authority, the Swap Provider and the Public College, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable; provided that if at any time after the principal of the Bonds then Outstanding shall have so become due and payable, and before the entry of final judgment or decree in any suit, action or proceeding instituted on account of such acceleration or before the completion of the enforcement of any other remedy under this Indenture, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds on overdue installments of interest in respect to which such default shall have occurred, and all arrears of payments of principal when due, as the case may be, and all Swap Payment Obligations and Swap Termination Payments, if any, and all fees and expenses of the Trustee in connection with such default shall have been paid or provided for, then the acceleration of the Bonds then Outstanding and the consequences of such acceleration shall be annulled or rescinded, but no such annulment or rescission shall extend to or affect any subsequent acceleration of the Bonds then Outstanding, or impair any right consequent thereon.

Section 7.03 Appointment of Receivers in Event of Default. If an Event of Default shall have occurred and be continuing, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondowners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the Lease Payments, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 7.04 Exercise of Remedies by the Trustee.

(a) Upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or in equity by suit, action, mandamus or other proceeding (including any rights of a secured party under the State Uniform Commercial Code) to enforce the payment of the principal of, redemption premium, if any, and interest on the Bonds then Outstanding, Swap Payment Obligations and Swap Termination Payments, if any, to realize on or to foreclose any of its interests or liens hereunder or under any other of the Bond Documents, to exercise any rights or remedies available to the Trustee, to enforce and compel the performance of the duties and obligations of the Authority as herein set forth and to enforce or preserve any other rights or interests of the Trustee hereunder with respect to any of the Trust Estate or otherwise existing at law or in equity.

(b) If an Event of Default shall have occurred and be continuing, and if requested in writing so to do by the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding or the Swap Provider and if indemnified as provided in Section 8.02(e) or Section 8.04 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VII as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bondowners and the Swap Provider.

(c) All rights of action under this Indenture or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or Swap Agreement, if any, or the production thereof in any trial or other proceeding relating thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Owners of the Bonds, and any recovery of judgment shall, subject to Section 7.07 hereof, be for the equal benefit of all the Owners of the Outstanding Bonds and the Swap Provider.

Section 7.05 Limitation on Exercise of Remedies by Bondowners. No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or any other remedy hereunder, unless (a) a default has occurred of which the Trustee has been notified as provided in Section 8.03 hereof or of which by said Section the Trustee is deemed to have notice, (b) such default shall have become an Event of Default, (c) the Owners of not less than 25% in aggregate principal amount of Bonds then Outstanding shall have made written request to the Trustee, shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, and shall have offered to the Trustee indemnity as provided in Section 8.02(e) or Section 8.04 hereof, and (d) the Trustee shall thereafter fail or refuse to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; and such notification, request and offer of indemnity are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder, it being understood and intended that no one or more Owners of the Bonds shall have the right in any manner whatsoever to affect, disturb or prejudice this Indenture by its, his or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided, and for the equal benefit of the Owners of all Bonds then Outstanding. Nothing in this Indenture contained shall, however, affect or impair the right of any Bondowner to payment of the principal of and interest on any Bond at and after the maturity thereof or the obligation of the Authority to pay the principal of, redemption premium, if any, and interest on each of the Bonds to their respective Owners at the time, place, from the source and in the manner expressed herein and in the Bonds or affect or interfere with the right of any Owner to institute suit for the enforcement of any such payment.

Section 7.06 Right of Bondowners to Direct Proceedings. Except as provided in Section 7.05 hereof, the Owners of a majority in aggregate principal amount of Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, custodian or any other proceedings hereunder, provided that such direction shall not be otherwise than in accordance with the provisions of State law and of this Indenture and provided, further, that the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall determine that the proceedings so directed would involve it in personal liability for which it has not been indemnified.

Section 7.07 Application of Moneys in Event of Default. Any moneys held or received by the Trustee (after the deductions for payment of costs and expenses of proceedings resulting in the collection of such moneys) together with any other sums then held by the Trustee as part of the Trust Estate, shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or redemption premium, if any, or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(a) First: To the payment of all amounts due the Trustee under Section 8.04 hereof;

(b) Second: To the payment of the whole amount then due and unpaid upon the Outstanding Bonds for principal and redemption premium, if any, and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Bonds) on overdue principal and redemption premium, if any, and on overdue installments of interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Bonds and Swap Payment Obligations, then to the payment of such principal, redemption premium, if any, and interest, and Swap Payment Obligations, without any preference or priority, ratably according to the aggregate amount so due;

(c) Third: To the payment of a Swap Termination Payment, if any; and

(d) Fourth: To the payment of the remainder, if any, to the Public College or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Whenever moneys are to be applied pursuant to this Section 7.07, such moneys shall be applied at such times and from time to time as the Authority shall determine, having due regard to the amount of such moneys available and which may become available for such application in the future. Whenever the Trustee shall apply such moneys, it shall fix the date (which shall be an Interest Payment Date unless the Authority shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all of the Bonds and interest thereon have been paid under this Section 7.07, all Swap Payment Obligations and Swap Termination Payments, if any, and all fees, expenses and charges of the Trustee and the Authority, including attorneys' fees and expenses, have been paid, and all amounts owing to the United States of America under Section 148 of the Internal Revenue Code have been paid, any balance remaining in the Debt Service Fund shall be paid to the Public College.

Section 7.08 Remedies Cumulative. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee, the Swap Provider, or to the Bondowners is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Swap Provider, or to the Bondowners hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein; and every such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver, by entry, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every case the Authority, the Public College, the Trustee, the Swap Provider, and the Bondowners shall be restored to their former positions and all rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 7.09 Waivers of Events of Default. The Trustee shall waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of principal upon the written direction of the Owners of at least a majority in aggregate principal amount of all Bonds then Outstanding, provided that there shall not be waived without the consent of the Owners of all the Bonds Outstanding (a) an Event of Default in the payment of the principal of any Outstanding Bonds at the date of maturity specified therein, or (b) any default in the payment when due of the interest on any such Bonds unless, prior to such waiver or rescission of the Event of Default referred to in clause (a) or (b) above, all arrears of interest, with interest (to the extent permitted by State law) at the rate borne by the Bonds on overdue installments of interest in respect to which such default shall have occurred, and all arrears of payments of principal when due, as the case may be, and all expenses of the Trustee in connection with such default shall have been paid or provided for. In case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely, then and in every case the Authority, the Public College, the Trustee and the Bondowners shall be restored to their former positions, rights and obligations hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other default, or impair any right consequent thereon.

Section 7.10 Cancellation of Bonds Owned by the Public College. Upon the occurrence of any Event of Default, any Bonds owned by the Public College shall be deemed to be canceled and shall be surrendered to the Trustee, unless the Event of Default has been waived.

ARTICLE VIII
THE TRUSTEE

Section 8.01 Acceptance of Trusts; Certain Duties and Responsibilities. The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture, but only upon the following terms and conditions:

(a) Except during the continuance of an Event of Default,

(i) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent trustee would exercise or use under the circumstances.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that

(i) this subsection shall not be construed to limit the effect of subsection (a);

(ii) the Trustee shall not be liable for any error of judgment made in good faith by an Authorized Officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(iv) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 8.01.

Section 8.02 Certain Rights of Trustee. Except as otherwise provided in Section 8.01 hereof:

(a) The Trustee may rely conclusively and shall be protected in acting or refraining from acting upon any resolution, Certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Trustee shall be entitled to rely conclusively upon a Certificate of Authorized Officer of the Authority or a Certificate of an Authorized Officer of the Public College as to the sufficiency of any request or direction of the Public College or the Authority, as applicable, mentioned herein, the existence or non-existence of any fact or the sufficiency or validity of any instrument, paper or proceeding, or that a resolution in the form therein set forth has been adopted by the Public College Board or a resolution of the Authority has been duly adopted, and is in full force and effect.

(c) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, conclusively rely upon a Certificate of Authorized Officer of the Authority or a Certificate of an Authorized Officer of the Public College, as applicable.

(d) The Trustee may consult with counsel, and the advice or opinions of such counsel or any Opinion of Counsel may be conclusively relied upon by the Trustee and shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon.

(e) Notwithstanding anything elsewhere in this Indenture contained, before taking any action under this Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the payment or reimbursement of all reasonable fees, costs and expenses to which it may be put and to protect it against all liability which it may incur in or by reason of such action, including those arising in connection with any environmental claim and the fees and expenses of attorneys, except liability which is adjudicated to have resulted from its negligence or willful misconduct by reason of any action so taken.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, Certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Authority or the Public College, personally or by agent or attorney.

(g) The Trustee assumes no responsibility for the correctness of the recitals contained in this Indenture and in the Bonds, except the certificate of authentication on the Bonds. The Trustee makes no representations to the value or condition of the Trust Estate or any part thereof, or as to the title thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the Authority or the Public College of any of the Bonds or the proceeds thereof or of any money paid to or upon the order of the Authority or the Public College under any provision of this Indenture.

(h) The Trustee or any of its affiliates, in its individual or any other capacity, may become the Owner or pledgee of Bonds and may otherwise deal with the Authority or the Public College with the same rights it would have if it were not Trustee.

(i) All money received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law or by this Indenture. The Trustee shall be under no liability for interest on any money received by it hereunder except for accounting for earnings on Investment Obligations.

(j) The Trustee may execute any of the trusts and powers hereunder or perform any duties hereunder either directly or, to the extent that it may reasonably determine is necessary or appropriate to the conduct of its duties hereunder, by or through agents, attorneys or receivers, and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent, attorney or receiver appointed by it with due care hereunder, taking into account the duties with respect to which such Person is appointed, and the Trustee shall not be required to give any bond or surety in respect of the execution, delivery or administration of this Indenture. This subparagraph shall not be interpreted as absolving the Trustee of responsibility with respect to duties customarily performed by corporate trustees in the ordinary course of business without the employment of agents, attorneys or receivers.

(k) The Trustee may elect not to proceed in accordance with the directions of the Owners without incurring any liability to the Owners if in the opinion of the Trustee such direction may result in liability to the Trustee, in its capacity as Trustee or in an individual capacity for which the Trustee has not received indemnity pursuant to Section 8.02(e) hereof from the Owners, and the Trustee may conclusively rely upon an Opinion of Counsel addressed to the Authority and the Trustee in determining whether any action directed by Owners or the Authority may result in such liability.

(l) Notwithstanding any other provision of this Indenture to the contrary, any provision intended to provide authority to act, right to payment of fees and expenses, and protection and immunity to the Trustee shall be interpreted to include any action of the Trustee whether it is deemed to be in its capacity as Trustee, Bond Registrar or Paying Agent.

(m) Except as otherwise expressly provided hereunder, the Trustee shall not be required to give or furnish any notice, demand, report, reply, statement, advice or opinion to any Owner, the Public College, the Authority or any other Person, and the Trustee shall not incur any

liability for its failure or refusal to give or furnish the same unless obligated or required to do so by express provisions hereof.

(n) In acting or omitting to act pursuant to the Lease Agreement or any of the other Bond Documents, the Trustee shall be entitled to all of the rights and immunities accorded to it under this Indenture, including but not limited to this Article VIII.

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

(p) The Trustee shall have no responsibility with respect to compliance by the Authority or the Public College with Section 148 of the Internal Revenue Code or any covenant in this Indenture or in the Lease Agreement regarding yields on investments.

(q) The Trustee shall not be required to give a bond or surety to act under this Indenture.

(r) The Trustee shall have no duty or obligation to record or file the initial financing statements or any mortgage or similar document relating to this Indenture, the Lease Agreement, or the Project.

(s) The Trustee shall have no duty or obligation to expend its own funds in the administration of the trusts hereunder, provided the foregoing shall not be construed to permit the Trustee to delay or fail to take actions in the administration of the trusts hereunder for which the Trustee's fees and expenses associated therewith would customarily and in the ordinary course of business be paid on a reimbursement basis.

(t) The Trustee shall have no duty to review any evidence of insurance delivered to it pursuant to this Indenture or the Lease Agreement and shall not be responsible to determine the validity or sufficiency of same.

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

Section 8.03 Notice of Defaults. The Trustee shall not be required to take notice or be deemed to have notice of any default or Event of Default hereunder except failure by the Authority to cause to be made any of the payments to the Trustee required to be made by Article IV hereof, unless the Trustee shall be specifically notified in writing of such default or Event of Default by the Authority, the Public College, any Swap Provider or the Owners of at least 10% in principal amount of all Bonds Outstanding, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid. Within 30 days after the occurrence of any Event of Default hereunder of which the Trustee is required to take notice or has received notice as provided in this Section 8.03, the Trustee shall give written notice of such Event of Default by first-class mail to all Owners of Bonds as shown on the Bond Register maintained by the Trustee, unless such default shall have been cured or waived; provided that, except in the case of a default in the payment of the principal of (or redemption premium, if any)

or interest on any Bond, the Trustee shall be protected in withholding such notice from Bondowners if and so long as the Trustee in good faith determines that the withholding of such notice is in the interests of the Bondowners. For the purpose of this Section 8.03, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 8.04 Compensation and Reimbursement. The Trustee shall be entitled to payment or reimbursement:

(a) from time to time for reasonable compensation for Ordinary Services and Extraordinary Services (which in the case of compensation for the Trustee's Ordinary Services shall be agreed upon by the Authority), which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust; and

(b) except as otherwise expressly provided herein, upon its request, for all Ordinary Expenses and Extraordinary Expenses (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence, willful misconduct or bad faith.

Pursuant to the Lease Agreement, the Public College has agreed to pay to the Trustee all reasonable fees, charges, advances and expenses of the Trustee, and the Trustee agrees to look only to the Public College for the payment of all reasonable fees, charges, advances and expenses of the Trustee and any Paying Agent as provided in the Lease Agreement. The Trustee agrees that the Authority shall have no liability for any fees, charges and expenses of the Trustee.

As security for the payment of such compensation, expenses, reimbursements and indemnity under this Section 8.04, the Trustee shall be secured under this Indenture by a lien prior to the Bonds, and shall have the right to use and apply any trust moneys held by it under Articles IV and VII hereof except for funds and investments held pursuant to Section 4.08 hereof.

All indemnity provisions in favor of the Trustee under this Indenture and the Lease Agreement shall survive the termination of this Indenture and the Lease Agreement and the removal or resignation of the Trustee.

Section 8.05 Corporate Trustee Required; Eligibility. There shall at all times be a Trustee hereunder which shall be a bank, national banking association or trust company organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise corporate trust powers, subject to supervision or examination by federal or state authority, having a corporate trust office located in the State, and having a combined capital and surplus of at least $75,000,000 or having its obligations hereunder guaranteed by an affiliated entity with a combined capital and surplus of at least $75,000,000. If such corporation or association publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section 8.05, the combined capital and surplus of such corporation or association shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with this Section 8.05, it shall resign immediately in the manner and with the effect specified in this Article VIII.

Section 8.06 Resignation and Removal of Trustee.

(a) The Trustee may resign at any time by giving written notice thereof to the Authority, the Public College, the Swap Provider, if any, and each Owner of Bonds Outstanding as their names and addresses appear in the Bond Register maintained by the Trustee. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may, at the expense of the Public College, petition any State court of competent jurisdiction for the appointment of a successor Trustee.

(b) The Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Authority, the Swap Provider, if any, and the Trustee signed by the Owners of a majority in principal amount of the Outstanding Bonds. In addition, the Authority at the written direction of the Public College (so long as the Public College is not in default under this Indenture or the Lease Agreement and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default) may remove the Trustee at any time for any reason. The Authority, the Public College or any Bondowner may at any time petition any State court of competent jurisdiction for the removal for cause of the Trustee.

(c) If at any time:

(i) the Trustee shall cease to be eligible under Section 8.05 hereof and shall fail to resign after written request therefor by the Authority, the Public College or by any such Bondowner, or

(ii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (a) the Authority may remove the Trustee, or (b) the Public College or any Bondowner may petition any State court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(d) The successor Trustee shall give notice of such resignation or such removal of the Trustee and such appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to the Registered Owners of Bonds as their names and addresses appear in the Bond Register maintained by the Trustee. Each notice shall include the name of the successor Trustee and the address of its Principal Office.

(e) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article VIII shall become effective until the acceptance of appointment by the successor Trustee under Sections 8.07 and 8.08 hereof.

Section 8.07 Appointment of Successor Trustee. If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Trustee for any cause, the Authority with the written consent of the Public College (so long as no Event of Default and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default hereunder or under the Lease Agreement has occurred and is continuing) with the written consent of the Owners of a majority in principal amount of Bonds Outstanding (if an Event of Default hereunder or under the Lease Agreement has occurred and is continuing), by an instrument or concurrent instruments in writing delivered to the Authority, the Public College, the Swap Provider, if any, and the retiring Trustee, shall promptly appoint a successor Trustee. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee, by written instrument, may similarly appoint a temporary successor to fill such vacancy until a new Trustee shall be so appointed by the Authority or the Bondowners. If a successor Trustee shall be appointed in the manner herein provided, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the retiring Trustee and any temporary successor Trustee appointed by such receiver or trustee. If, within 30 days after such resignation, removal or incapability or the occurrence of such vacancy, no successor Trustee shall have been so appointed and accepted appointment in the manner herein provided, the Authority (so long as no Event of Default hereunder or under the Lease Agreement has occurred and is continuing and no condition exists that, with the giving of notice or the passage of time, or both, would constitute a default or an Event of Default) or the Owners of a majority in principal amount of Bonds Outstanding may appoint, or the Authority, the Swap Provider, if any, the Public College or the retiring Trustee, at the expense of the Public College, or any Bondowner may petition any State court of competent jurisdiction for the appointment of, a temporary successor Trustee, until a successor shall have been appointed as above provided. The temporary successor so appointed shall immediately and without further act be superseded by any successor Trustee appointed as above provided. Every such successor Trustee appointed pursuant to this Section 8.07 shall be a bank or national banking association with trust powers or trust company in good standing under the laws of the jurisdiction in which it was created and by which it exists, meeting the eligibility requirements of this Article VIII.

Section 8.08 Acceptance of Appointment by Successor. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Authority, the Public College and the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee, but, on request of the Authority, the Public College or the successor Trustee, such retiring Trustee shall, upon payment of its fees and charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in Section 8.04 hereof and thereupon, all duties and obligations of the retiring Trustee hereunder shall cease and terminate. Upon request of any such successor Trustee, the Authority shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article VIII.

Section 8.09 Merger, Consolidation and Succession to Business. Any corporation or association into which the Trustee may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation or association succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article VIII, and shall be vested with all of the title to the whole property or Trust Estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger or consolidation to such authenticating Trustee may adopt such authentication and deliver such Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

Section 8.10 Reserved.

Section 8.11 Designation of Paying Agents. The Trustee is hereby designated and agrees to act as principal Paying Agent for and in respect to the Bonds. The Authority, or the Public College on behalf of the Authority, may cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of alternate Paying Agents, if any, and for the making available of funds hereunder for the payment of the principal of, redemption premium, if any, and interest on the Bonds, or at the Principal Office of said alternate Paying Agents. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be trustee of any funds provided hereunder and Paying Agent for principal of, redemption premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee and Paying Agent unless a separate Paying Agent or Agents are appointed in connection with the appointment of any successor Trustee.

Section 8.12 Advances by Trustee. If the Public College shall fail to make any payment or perform any of its covenants in the Lease Agreement, the Trustee may (but shall in no case be required), at any time and from time to time, use and apply any moneys held by it under this Indenture, or make advances, to effect payment or performance of any such covenant on behalf of the Public College. All moneys so used or advanced by the Trustee, together with interest at the Prime Rate plus 2%, shall be repaid by the Public College, as Additional Lease Payments pursuant to the provisions of Section 4.06 of the Lease Agreement, upon demand and such advances shall be secured under this Indenture prior to the Bond Payment Obligations. For the repayment of all such advances the Trustee shall have the right to use and apply any moneys at any time held by it (except the moneys in the Rebate Fund) under this Indenture but no such use of moneys or advance shall relieve the Public College from any default hereunder.

Section 8.13 Notice to Rating Agencies. The Trustee shall promptly give written notice to each Rating Agency by registered or certified mail, postage prepaid, of the occurrence of any of the following events: (a) the Trustee resigns or is removed, or the appointment of a successor Trustee hereunder, (b) the date that no Bonds remain Outstanding, (c) the Trustee

becomes aware of any material change made in this Indenture or the Lease Agreement, or (d) the acceleration of the Bonds in accordance with Article VII hereof.

Section 8.14 P.L. 2005, c. 92 Covenant. In accordance with P.L. 2005, c. 92, the Trustee covenants and agrees that all services performed under this Indenture shall be performed within the United States of America.

Section 8.15 Compliance with P. L. 2005, c. 51 and Executive Order No. 117. The Trustee represents and warrants that all information, certifications and disclosure statements previously provided in connection with P.L. 2005, c. 51, and Executive Order No. 117 (Corzine, 2008) ("Executive Order 117"), are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority has relied upon the truth of the statements contained therein in engaging the Trustee in connection with the Bonds. The Trustee agrees that it will maintain continued compliance with P.L. 2005, c. 51, Executive Order 117 and any regulations pertaining thereto. The Trustee acknowledges that upon its failure to make required filings thereunder or the making of a contribution prohibited thereunder the Authority may remove the Trustee as trustee under this Indenture and may exercise any remedies afforded to it at law or in equity.

Section 8.16 Compliance with P.L. 2005, c. 271 Reporting Requirements. The Trustee hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c. 271, section 3) if the Trustee enters into agreements or contracts, such as this Indenture, with a New Jersey public entity, such as the Authority, and receives compensation or fees in excess of $50,000 or more in the aggregate from New Jersey public entities, such as the Authority, in a calendar year. It is the Trustee's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

Section 8.17 Compliance with N.J.S.A. 52:32-58. The Trustee represents and warrants that it has complied with the requirements of N.J.S.A. 52:32-58 and has filed a certification with the Authority that it is not identified on the list of persons engaging in investment activities in Iran.

ARTICLE IX
SUPPLEMENTAL INDENTURES

Section 9.01 Supplemental Indentures Not Requiring Consent of Bondowners. The Authority and the Trustee may from time to time, without the consent of or notice to any of the Bondowners or the Swap Provider, enter into one or more Supplemental Indentures, for any one or more of the following purposes:

(a) To cure any ambiguity or formal defect or omission in this Indenture or to release property from the Trust Estate which was included by reason of an error or other mistake;

(b) To grant to or confer upon the Trustee for the benefit of the Bondowners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Bondowners or the Trustee or either of them;

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

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

(e) To conform to the provisions of any Swap Agreement;

(f) To evidence the appointment of a separate Trustee or the succession of a new Trustee hereunder; or

(g) To make any other change which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondowners or Swap Provider (in making such determination, the Trustee shall be entitled to rely conclusively upon an opinion of bond counsel).

Section 9.02 Supplemental Indentures Requiring Consent of Bondowners. With the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding, the consent of the Swap Provider (so long as a Swap Agreement is in effect and the Swap Provider is not then in default under its payment obligations thereunder), the Authority and the Trustee may from time to time enter into such other Supplemental Indenture or Supplemental Indentures as shall be deemed necessary or desirable by the Trustee for the purpose of modifying, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any Supplemental Indenture; provided that nothing in this Section 9.02 contained shall permit or be construed as permitting without the consent of the Owners of all of the Bonds then Outstanding:

(a) an extension of the maturity of the principal of or the scheduled date of payment of interest on any Bond, or

(b) a reduction in the principal amount, redemption premium, or any interest payable on any Bond, or

(c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or

(d) a reduction in the aggregate principal amount of Bonds the Owners of which are required for consent to any such Supplemental Indenture.

If at any time the Authority shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section 9.02, the Trustee shall cause notice of the proposed execution of such Supplemental Indenture to be mailed by first-class mail to each Bondowner. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Principal Office of the Trustee for inspection by all Bondowners. If within 60 days or such longer period as shall be prescribed by the Authority following the mailing of such notice, the Owners of not less than a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Section 9.02 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 9.03 Public College's Consent to Supplemental Indentures. Anything herein to the contrary notwithstanding, so long as the Public College is not in default under the Lease Agreement, a Supplemental Indenture under this Article IX which affects any rights of the Public College shall not become effective unless and until the Public College shall have consented in writing to the execution and delivery of such Supplemental Indenture. In this regard, the Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Indenture, together with a copy of the proposed Supplemental Indenture, to be mailed by first-class mail to the Public College at least 15 days prior to the proposed date of execution and delivery of any such Supplemental Indenture.

Section 9.04 Opinion of Bond Counsel. Notwithstanding anything to the contrary in Sections 9.01 or 9.02 hereof, concurrently with the entry by the Authority and the Trustee into any Supplemental Indenture pursuant to Section 9.01 or 9.02 hereof, there shall have been delivered to the Authority, the Swap Provider and the Trustee an opinion of bond counsel. The Trustee may conclusively rely on such opinion when consenting to such Supplemental Indenture, which shall, in addition to its other elements, opine to the effect that such Supplemental Indenture is permitted under this Article IX and is duly authorized, validly executed and delivered and is legally valid and binding upon the Authority.

ARTICLE X
SUPPLEMENTAL LEASE AGREEMENTS

Section 10.01 Supplemental Lease Agreements Not Requiring Consent of Bondowners. The Authority and the Trustee may, without the consent of or notice to the Bondowners or the Swap Provider, consent to the execution of any Supplemental Lease Agreement by the Authority and the Public College as may be required:

(a) For the purpose of curing any ambiguity or formal defect or omission in the Lease Agreement, or

(b) For the purpose of modifying the scope of the Project in accordance with the Lease Agreement, or

(c) In connection with any other change therein which, in the sole judgment of the Trustee, does not materially adversely affect the interests of the Bondowners or Swap Provider (in making such determination, the Trustee shall be entitled to rely conclusively upon an opinion of bond counsel).

Copies of any amendments, changes or modification of the Lease Agreement as provided in this Section 10.01 must be provided to each Rating Agency by the Trustee.

Section 10.02 Supplemental Lease Agreements Requiring Consent of Bondowners. With the consent of the Owners of not less than a majority in principal amount of the Bonds then Outstanding and with the consent of the Swap Provider (so long as a Swap Agreement is in effect and the Swap Provider is not then in default under its payment obligations thereunder), the Authority and the Trustee may consent to the execution of any Supplemental Lease Agreements by the Authority and the Public College; provided that no such Supplemental Lease Agreement shall be entered into which permits without the consent of the Owners of all of the Bonds then Outstanding (a) an extension of the date of payment of any Basic Lease Payment under Section 4.05 of the Lease Agreement, or (b) a reduction in the amount of any Basic Lease Payment under Section 4.05 of the Lease Agreement.

If at any time the Authority and the Public College shall request the consent of the Trustee to any such proposed Supplemental Lease Agreement, the Trustee shall cause notice of such proposed Supplemental Lease Agreement to be mailed in the same manner as provided by Section 9.02 hereof with respect to Supplemental Indentures. Such notice shall briefly set forth the nature of such proposed Supplemental Lease Agreement and shall state that copies of the same are on file at the Principal Office of the Trustee for inspection by all Bondowners.

Copies of any amendments, changes or modification of the Lease Agreement as provided in this Section 10.02 must be provided to each Rating Agency by the Trustee.

Section 10.03 Opinions. Anything to the contrary in Sections 10.01 or 10.02 hereof notwithstanding, concurrently with the entry by the Authority and the Public College into any Supplemental Lease Agreement, there shall have been delivered to the Authority, the Swap Provider and the Trustee an opinion of bond counsel; which shall, in addition to its other elements, opine to the effect that such Supplemental Lease Agreement is permitted under this Article X and is duly authorized, validly executed and delivered and is legally valid and binding upon the Authority, and an Opinion of Counsel to the effect that such Supplemental Lease Agreement is duly authorized, validly executed and delivered and is legally valid and binding upon the Public College.

ARTICLE XI
SATISFACTION AND DISCHARGE OF INDENTURE

Section 11.01 Bonds Deemed To Be Paid. Any Bond or Bonds shall be deemed to be paid and no longer Outstanding under this Indenture and shall cease to be entitled to any lien, benefit or security under this Indenture if the Authority shall pay or provide for the payment of such Bond or Bonds in any one or more of the following ways:

(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on such Bond or Bonds, as and when the same become due and payable;

(b) by delivering and surrendering to the Trustee, for cancellation by it, such Bond or Bonds; or

(c) by depositing with the Trustee, in trust, (i) cash or noncallable Government Obligations or both in such amounts and with maturities which will be, together with other moneys deposited therein and together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bond or Bonds at or before their respective maturity dates and to pay the interest thereon as it comes due, and (ii) in the case of Bonds which do not mature or will not be redeemed within 90 days of the deposit referred to in clause (i) above, a verification report of a nationally recognized Independent Certified Public Accountant or a nationally recognized firm providing verification services as to the adequacy of the trust funds to fully pay the Bonds deemed to be paid. For purposes of this subsection (c), Government Obligations shall mean and include only those obligations specified in clauses (a) and (b) of the definition thereof, which shall not be subject to redemption prior to their maturity.

Notwithstanding the foregoing, in the case of any Bonds which by their terms may be redeemed prior to the stated maturities thereof, no deposit under clause (c) of the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until, as to all such Bonds which are to be redeemed prior to their respective stated maturities, proper notice of such redemption shall have been given in accordance with Article III hereof or irrevocable instructions shall have been given to the Trustee to give such notice.

Notwithstanding any provisions of any other Section of this Indenture which may be contrary to this Section, all moneys or Government Obligations set aside and held in trust pursuant to this Section for the payment of Bonds (including redemption premium thereon, if any) shall be held irrevocably in trust for the Owners of such Bonds and applied to and used solely for the payment of the particular Bonds (including redemption premium thereon, if any) with respect to which such moneys and Government Obligations have been so set aside in trust.

Section 11.02 Satisfaction and Discharge of Indenture. If the principal of, redemption premium, if any, and interest on all of the Bonds shall have been paid in accordance with their terms, or provision has been made for such payment as provided in Section 11.01 hereof, and provision shall also be made for paying all other sums payable hereunder, including the payment of all Swap Payment Obligations and Swap Termination Payments, if any, any Rebatable Arbitrage to the United States of America and the fees, charges and expenses of the Authority,

the Trustee, any Paying Agent, including attorneys' fees and expenses, to the date of retirement of the Bonds, then the right, title and interest of the Trustee in respect hereof shall thereupon cease, terminate and be void, and thereupon the Trustee, upon Written Request of the Public College, and upon receipt by the Trustee, the Swap Provider and the Authority of a favorable opinion of bond counsel, which shall, in addition to its other elements, opine that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with, shall cancel, discharge and release this Indenture and shall execute, acknowledge and deliver to the Authority, the Swap Provider and the Public College such instruments of satisfaction and discharge or release as shall be reasonably requested to evidence such release and the satisfaction and discharge of this Indenture, and shall assign and deliver to the Authority, the Public College, the Swap Provider or other Person entitled thereto as their respective interests may appear, any property and revenues at the time subject to this Indenture which may then be in its possession, other than moneys or obligations held by the Trustee for the payment of the principal of and interest and redemption premium, if any, due or to become due on the Bonds.

Upon provision for the payment of all Outstanding Bonds in accordance with this Section 11.02, and compliance with the other payment requirements of Section 11.01 hereof, and subject to this Section 11.02, the Indenture may be discharged in accordance with the provisions hereof, provided that the obligation of the Authority in respect of such Bonds shall nevertheless continue but the Owners thereof shall thereafter be entitled to payment only out of the moneys or Government Obligations deposited with the Trustee as aforesaid.

Provision for payment of the Bonds Outstanding hereunder may not be made as aforesaid nor may this Indenture be discharged if under any circumstances the interest on such Bonds is thereby made subject to federal income taxation. In determining the foregoing, the Trustee may conclusively rely upon a favorable opinion of bond counsel.

Section 11.03 Payment of Bonds After Discharge. Notwithstanding the discharge of the lien hereof as in this Article XI provided, the Trustee shall nevertheless retain such rights, powers and duties hereunder as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer, exchange and replacement of Bonds as provided herein. Thereupon it shall be the duty of the Trustee to comply with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq*. with respect to such funds in accordance with the Trustee's escheat policies and procedures, which must not be in conflict with the Uniform Unclaimed Property Act, N.J.S.A. 46:30B-1 *et seq*. Any such delivery shall be in accordance with the customary practices and procedures of the Trustee and the State escheat laws. Any money held by the Trustee pursuant to this Section 11.03 shall be held uninvested and without any liability for interest.

ARTICLE XII
MISCELLANEOUS PROVISIONS

Section 12.01 Consents and Other Instruments by Bondowners. Any consent, request, direction, approval, objection or other instrument required by this Indenture (other than the assignment of any Bond) to be signed and executed by the Bondowners may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondowners in person or by agent appointed in writing. Proof of the execution of any such instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken, suffered or omitted under any such instrument, namely:

(a) The fact and date of the execution by any Person of any such instrument may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the Person signing such instrument acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

(b) The fact of ownership of Bonds and the amount or amounts, numbers and other identification of such Bonds, and the date of holding the same shall be proved by the Bond Register.

In determining whether the Owners of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver under this Indenture, Bonds owned by the Public College shall be disregarded and deemed not to be Outstanding under this Indenture, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds with respect to which the Trustee has received written notice of such ownership shall be so disregarded. Notwithstanding the foregoing, Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Public College.

Section 12.02 Limitation of Rights Under this Indenture. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied by this Indenture or the Bonds is intended or shall be construed to give any Person other than the parties hereto, the Paying Agent, the Bond Registrar, the Swap Provider and the Owners of the Bonds, any right, remedy or claim under or in respect to this Indenture, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Paying Agent, the Bond Registrar, the Swap Provider and the Owners of the Bonds as herein provided. To the extent that this Indenture confers upon or gives or grants to the Swap Provider any right, remedy or claim under or by reason of this Indenture, the Swap Provider (so long as a Swap Agreement is in effect and the Swap Provider is not then in default under its payment obligations thereunder) is hereby explicitly recognized as being a third-party beneficiary hereunder and may give notice to the Trustee or the Authority or any applicable receiver of the occurrence of an Event of Default hereunder, request the Trustee or receiver to intervene in judicial proceedings that affect the Bonds or any Swap Agreement or

the security therefor, or enforce any such right, remedy or claim conferred, given or granted hereunder or thereunder, and the Trustee or receiver shall accept notice of default from the Swap Provider.

Section 12.03 Notices. Except as otherwise provided herein, it shall be sufficient service of any notice, request, complaint, demand or other paper required by this Indenture to be given to or filed with the Authority, the Trustee, the Swap Provider (as provided in any Swap Agreement) or the Public College if the same shall be duly mailed by certified or registered mail addressed (provided that notice to the Trustee shall be effective only upon receipt):

(a) To the Authority at:

New Jersey Educational Facilities Authority
103 College Road East
Princeton, New Jersey 08540-6612
Attention: Executive Director

(b) To the Trustee at:

U.S. Bank National Association
21 South Street – 3rd Floor
Morristown, New Jersey 07960
Attention: Corporate Trust Department

(c) To the Public College at:

The College of New Jersey
2000 Pennington Road
P.O. Box 7718
Ewing, New Jersey 08628-0718
Attention: Treasurer

All notices, demands, directions and requests to the Trustee shall be in writing unless expressly stated herein.

It shall be sufficient service of any notice, request, complaint, demand or other paper permitted or required by this Indenture to be given or filed with the Bondowners if the same is duly mailed by first-class mail, postage prepaid, addressed to each of the Bondowners at the time Outstanding at the addresses shown by the Bond Register. Neither the failure to receive such notice, nor any defect in any notice so mailed, to any particular Bondowner shall affect the sufficiency of such notice with respect to other Bondowners. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Bondowners shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

The Trustee is hereby instructed to give notice to any Rating Agency then maintaining a rating on the Bonds if (i) the Trustee resigns or is removed, or a new Trustee is appointed, (ii) there is a call for the redemption of all Bonds, (iii) all of the Bonds are defeased in accordance with Article XI hereof, or (iv) the execution of any Supplemental Indenture or Supplemental Lease Agreement.

Section 12.04 Suspension of Mail Service. If, because of the temporary or permanent suspension of mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such delivery of notice in lieu thereof as shall be made with the approval of the Authority shall constitute a sufficient notice.

Section 12.05 Immunity of Officers, Employees and Members of Authority. No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Indenture contained against any past, present or future officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of such Bonds.

Section 12.06 Limitation on Authority Obligations. Any other term or provision in this Indenture, the Lease Agreement, the Tax Certificate or any other Bond Document to the contrary notwithstanding:

(a) Any and all obligations (including fees, claims, demands, payments, damages, liabilities, penalties, assessments and the like) of or imposed upon the Authority or its members, officers, agents, employees, representatives, advisors or assigns, whether under this Indenture or any of the other Bond Documents or elsewhere and whether arising out of or based upon a claim or claims of tort, contract, misrepresentation, or any other or additional legal theory or theories whatsoever (collectively the "Obligations"), shall in all events be absolutely limited obligations and liabilities, payable solely out of the following, if any, available at the time the Obligation in question is asserted:

(i) Bond proceeds and investments therefrom; and

(ii) Payments derived from the Bonds, the Indenture (including the Trust Estate to the extent provided in this Indenture) and the Lease Agreement (except for the fees and expenses of the Authority and the Authority's right to indemnification under the Lease Agreement under certain circumstances),

the above provisions (i) and (ii) being collectively referred to as the "exclusive sources of the Obligations."

(b) The Obligations shall not be deemed to constitute a debt or liability of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein) within the meaning of any State constitutional provision or statutory limitation and shall

not constitute a pledge of the faith and credit or taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein), but shall be payable solely from and out of the exclusive sources of the Obligations and shall otherwise impose no liability whatsoever, primary or otherwise, upon or any charge upon the general credit or taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth herein). The Authority has no taxing power.

(c) In no event shall any member, officer, agent, employee, representative or advisor of the Authority, or any successor or assign of any such Person or entity, be liable, personally or otherwise, for any Obligation.

(d) In no event shall this Indenture be construed as:

(i) depriving the Authority of any right or privilege; or

(ii) requiring the Authority or any member, officer, agent, employee, representative or advisor of the Authority to take or omit to take, or to permit or suffer the taking of any action by itself or by anyone else;

which deprivation or requirement would violate or result in the Authority's being in violation of the Act or any other applicable State or federal law.

(e) At no time and in no event will the Public College permit, suffer or allow any of the proceeds of the Bonds to be transferred to any Person in violation of, or to be used in any manner which is prohibited by, the Act or any other State or federal law.

Section 12.07 Severability. If any provision of this Indenture shall be held or deemed to be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstances, or of rendering any other provision or provisions herein contained invalid, inoperative or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses or Sections in this Indenture contained shall not affect the remaining portions of this Indenture, or any part thereof.

Section 12.08 Execution in Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.09 Swap Provider as Third-Party Beneficiary. In furtherance of the rights granted under Section 12.02 hereof, to the extent that this Indenture confers upon or gives or grants to the Swap Provider any right, remedy or claim under or by reason of this Indenture, the Swap Provider (so long as a Swap Agreement is in effect and the Swap Provider is not then in default under its payment obligations thereunder) is hereby explicitly recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy, or claim conferred, given or granted hereunder. In the event that there is no Swap Provider, such terms shall be disregarded in this Indenture.

Section 12.10 Governing Law. This Indenture shall be governed exclusively by and construed in accordance with the laws of the State without regard to conflict of laws principles.

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IN WITNESS WHEREOF, the Authority has caused these presents to be signed in its name and behalf by its duly Authorized Officer, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf by its duly Authorized Officer, all as of the day and year first above written.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By:______________________________
Jeremy A. Spector, Executive Director

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By:______________________________
Paul D. O'Brien, Vice President

Acknowledged and Accepted:

THE COLLEGE OF NEW JERSEY

By:______________________________
R. Barbara Gitenstein
President

EXHIBIT A
TO TRUST INDENTURE

(FORM OF BOND)

Unless this bond is presented by an authorized representative of The Depository Trust Company to the Authority or its agent for registration of transfer, exchange or payment, and any bond issued is registered in the name of Cede & Co., or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the Registered Owner hereof, Cede & Co., has an interest herein.

Registered **No. R-___** **Registered** **$______________**

UNITED STATES OF AMERICA
STATE OF NEW JERSEY

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE REFUNDING BONDS,
THE COLLEGE OF NEW JERSEY ISSUE,
{SERIES 2016 F (TAX-EXEMPT)}
{SERIES 2016 G (FEDERALLY TAXABLE}

Interest Rate	Maturity Date	Dated Date	CUSIP
	July 1, 20__	September 29, 2016	646066

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, a public body corporate and politic of the State of New Jersey (herein called the "Authority"), for value received, promises to pay, but solely from the sources hereinafter referred to, to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above, except as the provisions hereinafter set forth with respect to redemption prior to maturity may become applicable hereto, and in like manner to pay interest on the portion of said Principal Amount from time to time Outstanding at the interest rate per annum determined as described herein and in the Indenture hereinafter referred to from the Dated Date specified above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, payable on each Interest Payment Date as described in the Trust Indenture dated as of September 1, 2016 (said Trust Indenture, as may be amended and supplemented from time to time in accordance with the provisions thereof, being herein called the "Indenture"),

between the Authority and U.S. Bank National Association, as Trustee (the "Trustee"), until said Principal Amount is paid.

Method of Payment. The principal of and interest on this Bond shall be payable in any coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. The principal of and redemption premium, if any, on this Bond shall be payable by check or draft to the Registered Owner at the maturity or redemption date hereof upon presentation and surrender of this Bond at the Principal Office of the Trustee. The interest payable on this Bond on any Interest Payment Date shall be paid by the Trustee to the Registered Owner appearing on the registration books of the Authority (the "Bond Register") maintained by the Trustee, as Bond Registrar, at the close of business on the Record Date next preceding such Interest Payment Date and shall be paid (i) by check or draft of the Trustee mailed on the applicable Interest Payment Date to such Registered Owner at his address as it appears on such Bond Register or at such other address furnished in writing by such Registered Owner to the Trustee or (ii) by electronic transfer in immediately available funds, if the Bonds are held by The Depository Trust Company or another securities depository, or at the written request addressed to the Trustee by any Owner of Bonds in the aggregate principal amount of at least $1,000,000 such request to be signed by such Owner, containing the name of the bank (which shall be in the continental United States), its address, its ABA routing number, the name and account number to which credit shall be made and an acknowledgment that an electronic transfer fee is payable, and to be filed with the Trustee no later than ten Business Days before the applicable Record Date preceding such Interest Payment Date.

Authorization. This Bond is one of a duly authorized series of bonds of the Authority designated "New Jersey Educational Facilities Authority Revenue Refunding Bonds, The College of New Jersey Issue, {Series 2016 F (Tax-Exempt)} {Series 2016 G (Federally Taxable}" in the aggregate principal amount of ${87,925,000} {105,255,000} (the "Bonds"). The Bonds are issued for the purpose of providing funds to The College of New Jersey (herein called the "Public College") to finance a project (the "Project") consisting of: (i) {the refunding of a portion of the outstanding Series 2008 D Bonds} {the refunding of a portion of the outstanding Series 2010 B Bonds} and (ii) paying certain costs incidental to the issuance and sale of the Bonds, all as presented, submitted and approved by the Public College's Board of Trustees, all by the authority of and in full compliance with the provisions, restrictions and limitations of the Constitution and statutes of the State of New Jersey, including particularly the New Jersey Educational Facilities Authority Law, constituting Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented, N.J.S.A. 18A:72A-1 *et seq.* (the "Act"), and pursuant to a resolution adopted by the Authority on July 26, 2016. The funding will be made pursuant to the Lease and Agreement, dated as of September 1, 2016 (said Lease Agreement, as may be amended and supplemented from time to time in accordance with the provisions thereof, being herein called the "Lease Agreement"), by and between the Authority and the Public College.

Security. The Bonds are issued under and are equally and ratably secured and entitled to the protection given by the Indenture pursuant to which the rights of the Authority under the Lease Agreement (other than its rights to payment of fees and expenses and indemnification) are pledged and assigned by the Authority to the Trustee as security for the Bonds. Reference is

hereby made to the Indenture for a description of the property pledged and assigned thereunder, and the provisions, among others, with respect to the nature and extent of the security for the Bonds, and the rights, duties and obligations of the Authority, the Trustee and the Owners of the Bonds, and a description of the terms upon which the Bonds are issued and secured, upon which provision for payment of the Bonds or portions thereof and defeasance of the lien of the Indenture with respect thereto may be made and upon which the Indenture may be deemed satisfied and discharged prior to payment of the Bonds. Capitalized terms not defined herein are used with the meanings given to them in the Indenture.

Pursuant to the Lease Agreement, Basic Lease Payments sufficient for the prompt payment when due of the principal of, redemption premium, if any, and interest on the Bonds are to be paid by the Public College directly to the Trustee for the account of the Authority and deposited in a special account created by the Indenture and designated the "New Jersey Educational Facilities Authority Debt Service Fund, The College of New Jersey Issue, Series 2016 F" and all Lease Payments under the Lease Agreement have been duly pledged and assigned to the Trustee for that purpose.

Interest Rates. The Bonds shall bear interest from the most recent Interest Payment Date next preceding the date of such Bonds to which interest has been paid, unless the date of such Bond is an Interest Payment Date, in which case interest shall be payable from such date, or unless the date of such Bond is prior to the first Interest Payment Date of the Bonds, in which case interest shall be payable from the Dated Date of the Bonds, or unless the date of such Bond is between a record date, and the next succeeding Interest Payment Date, in which case from such Interest Payment Date. The amount of interest payable with respect to any Bonds on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months.

Redemption. The Bonds are subject to {optional,} {make-whole,} mandatory sinking fund and extraordinary optional redemption prior to their stated maturity as provided in the Indenture.

Limitation on Rights; Acceleration; Modifications. The Owner of this Bond shall have no right to enforce the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any Event of Default under the Indenture, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture. In certain events, on the conditions, in the manner and with the effect set forth in the Indenture, the principal of all the Bonds issued under the Indenture and then Outstanding may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Bonds or the Indenture may be made only to the extent and in the circumstances permitted by the Indenture.

Special and Limited Obligations. The Bonds and the interest thereon are special and limited obligations of the Authority payable solely out of Basic Lease Payments derived by the Authority under the Lease Agreement and the Trust Estate and are secured by a pledge and assignment of the Basic Lease Payments and the Trust Estate. The Bonds shall never constitute a debt or liability of the State of New Jersey or of any political subdivision thereof other than the Authority (to the limited extent as set forth in the Indenture) within the meaning of any State

constitutional provision or statutory limitation and shall not constitute a pledge of the faith and credit or the taxing power of the State or any political subdivision thereof other than the Authority (to the limited extent as set forth in the Indenture) but shall be payable solely from the funds provided for in the Lease Agreement and in the Indenture. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the State or any political subdivision thereof to make any appropriation for their payment. The State or any political subdivision thereof other than Authority (to the limited extent as set forth in the Indenture) shall not in any event be liable for the payment of the principal of, redemption premium, if any, or interest on the Bonds or for the performance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon or any charge upon the general credit or taxing power of the State or of any political subdivision thereof other than the Authority (to the limited extent as set forth in the Indenture). The Authority has no taxing power.

No Recourse. No recourse shall be had for the payment of the principal of or redemption premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained, against any past, present or future officer, director, member, employee or agent of the Authority, or any incorporator, officer, director, member, trustee, employee or agent of any successor corporation or body politic, as such, either directly or through the Authority or any successor corporation or body politic, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, trustees, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance of any of the Bonds.

Authentication. This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been executed by the Trustee.

IT IS HEREBY CERTIFIED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law.

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IN WITNESS WHEREOF, NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY has caused this Bond to be executed in its name by the manual or facsimile signature of its Chair, Vice Chair, Executive Director or Deputy Executive Director and attested by the manual or facsimile signature of its Secretary or any Assistant Secretary, including those serving in an interim or acting capacity, and its official common seal or a facsimile thereof to be affixed or imprinted hereon, all as of the Dated Date specified above.

(SEAL)

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

By: __________________________

____

ATTEST:

____

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Indenture.

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By:__________________________
Authorized Signatory

Date of Authentication: September 29, 2016

(FORM OF ASSIGNMENT)

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

____

(Please Print or Typewrite Name, Address and Social Security Number or Taxpayer Identification Number of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

____

Attorney

to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated:__________________

____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed By:

____

(Name of Eligible Guarantor Institution as defined by SEC Rule 17Ad-15 (12 CFR 240.17Ad- 15) or any similar rule which the Trustee deems applicable)

By__________________________
Title:__________________________

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LEASE AND AGREEMENT

BY AND BETWEEN

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

AND

THE COLLEGE OF NEW JERSEY

DATED AS OF SEPTEMBER 1, 2016

613291.7 [59819-047]

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LEASE AND AGREEMENT

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
TO
THE COLLEGE OF NEW JERSEY

THIS LEASE AND AGREEMENT (THIS "AGREEMENT"), MADE AS OF SEPTEMBER 1, 2016, BY AND BETWEEN THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (THE "AUTHORITY") AND THE COLLEGE OF NEW JERSEY (THE "PUBLIC COLLEGE")

W I T N E S S E T H:

WHEREAS, the Authority has heretofore issued its Revenue Refunding Bonds, The College of New Jersey Issue, Series 2008 D (the "Series 2008 D Bonds") on behalf of the Public College; and

WHEREAS, the Authority has heretofore issued its Revenue Bonds, The College of New Jersey Issue, Series 2010 B (Build America Bonds – Direct Payment) (the "Series 2010 B Bonds") on behalf of the Public College; and

WHEREAS, the Public College has determined it is necessary and advisable to undertake a project (the "Project") consisting of: (i) the refunding of a portion of the Series 2008 D Bonds, (ii) the refunding of a portion of the Series 2010 B Bonds, and (iii) paying certain costs incidental to the issuance and sale of the Bonds (as defined herein); and

WHEREAS, pursuant to a resolution of the Authority adopted on July 26, 2016, the Authority determined that it was necessary and in keeping with its authorized purposes to issue bonds to be designated "New Jersey Educational Facilities Authority Revenue Refunding Bonds, The College of New Jersey Issue, Series 2016 F (Tax-Exempt)" (the "Series 2016 F Bonds") and "New Jersey Educational Facilities Authority Revenue Refunding Bonds, The College of New Jersey Issue, Series 2016 G Bonds (Federally Taxable)" (the "Series 2016 G Bonds"; together with the Series 2016 F Bonds, the "Bonds") for the purpose of providing funds, together with other available funds, to finance the Project; and

WHEREAS, the repayment of the Bonds will be secured by this Agreement pursuant to which the Authority will lease the Project Facilities (as hereinafter defined) to the Public College; and

WHEREAS, the Authority desires to let the Project Facilities to the Public College and provide for the financing of the Project in accordance with the terms of this Agreement;

NOW, THEREFORE, in consideration of the rents, covenants and agreements herein reserved, mentioned and contained on the part of the Public College, its successors and assigns, to be paid, kept and performed, and other good and valuable consideration, the receipt of which is hereby acknowledged, the Authority by these presents does lease, demise and let the Project Facilities to the Public College, and the Public College does hereby consent to said leasing and hereby takes the Project Facilities upon and subject to the conditions hereinafter expressed.

ARTICLE I

DEFINITIONS

SECTION 1.01 Definitions. The words and terms used in this Agreement shall have the same meanings as set forth in Section 1.01 of the Indenture, and unless the context shall otherwise require, the following words and terms, as used in this Agreement shall mean:

"Additional Lease Payments" means the payments so designated and required to be made by the Public College pursuant to Section 4.06 hereof.

"Agreement" shall have the meaning set forth in the Recitals hereto.

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

"Applicable Environmental Laws" means (i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. 9601 *et seq*. ("CERCLA"); (ii) the Resource Conservation and Recovery Act of 1976, as amended, 42 U.S.C. 6901 *et seq*. ("RCRA"); (iii) the New Jersey Industrial Site Recovery Act, as amended, N.J.S.A. 13:1K-6 *et seq*. ("ISRA"); (iv) the New Jersey Spill Compensation and Control Act, as amended, N.J.S.A. 58:10-23.11b *et seq*. ("Spill Act"); (v) the New Jersey Underground Storage of Hazardous Substances Act, as amended, N.J.S.A. 58:10A-21 *et seq*. ("UST"); (vi) the New Jersey Solid Waste Management Act, as amended, N.J.S.A. 13:1E-1 *et seq*.; (vii) the New Jersey Toxic Catastrophe Prevention Act, as amended, N.J.S.A. 13:1K-19 *et seq*.; (viii) the New Jersey Water Pollution Control Act, as amended, N.J.S.A. 58:10A-1 *et seq*.; (ix) the Clean Air Act, as amended, 42 U.S.C. 7401 *et seq*.; (x) the New Jersey Air Pollution Control Act, as amended, N.J.S.A. 26:2C-1 *et seq*.; and (xi) any and all federal, regional, State, county and local laws, regulations, executive orders, rules, ordinances, codes, guidance, consent decrees, orders, judgments and directives pertaining to pollution or protection of the Environment (including laws, regulations and other requirements relating to Environmental Conditions and Releases or threatened Releases of Hazardous Substances into the Environment, or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, Release, transport or handling of Hazardous Substances), as the same may be amended or supplemented from time to time. Any capitalized terms referred to in Section 5.11 hereof not otherwise defined herein which are defined in any Applicable Environmental Law shall have the meanings ascribed to such terms in said laws; provided, however, that if any of such laws are amended so as to broaden any term defined therein, such broader meaning shall apply subsequent to the effective date of such amendment.

"Approvals" shall have the meaning ascribed thereto in Section 5.08 hereof.

"Authority" shall have the meaning set forth in the Recitals hereto.

"Basic Lease Payments" means an amount of money payable in accordance with this Agreement, as more fully provided for in Section 4.05 hereof.

"Basic Lease Payment Date" means (i) with respect to the Principal Portion of a Basic Lease Payment, December 20 and June 20 prior to any regularly scheduled Principal Payment Date or, if such date is not a Business Day, the Business Day next preceding such date, (ii) with respect to the Interest Portion of a Basic Lease Payment, December 20 and June 20, as applicable, prior to any regularly scheduled Interest Payment Date, (iii) with respect to Swap Payment Obligations and any Swap Termination Payments, two (2) Business Days prior to any payment dates therefor set forth in the Swap Agreement and (iv) with respect to a prepayment or acceleration, the date of payment of the Purchase Option Price or Mandatory Purchase Price, as the case may be.

"Bond Payment Obligations" means, for any period or payable at any time, the principal of (whether on an Interest Payment Date, at stated maturity, by acceleration or otherwise) and redemption premium, if any, and interest on the Bonds for that period or due and payable at that time as the case may be.

"Bond Year" means a period of twelve (12) consecutive months beginning on July 1 in any calendar year and ending on June 30 of the succeeding calendar year.

"Bonds" shall have the meaning set forth in the Recitals hereto.

"Business Day" means a day other than a day (i) on which banks located in the City of New York, New York, the State of New Jersey, or the city in which the Principal Office of the Trustee is located, is required or authorized by law or executive order to close, and (ii) on which the New York Stock Exchange is closed.

"Code" shall have the meaning ascribed thereto in Section 11.03 hereof.

"Continuing Disclosure Agreement" means the Continuing Disclosure Agreement executed by and between the Public College and the Trustee, as dissemination agent, pertaining to the Bonds, as same may be amended or supplemented.

"Cost" of the Project shall include, together with any other proper item of cost not specifically mentioned herein, the cost of acquisition, construction, development and financing thereof, the cost of refunding the Series 2008 D Bonds, the cost of refunding the Series 2010 B Bonds, the Initial Fee, the cost of any indemnity and surety bonds and premiums for insurance during construction, administrative expenses of the Authority, legal fees, fees and expenses of the Trustee and the Escrow Agent and other fiduciaries, depositories, and paying agents, the costs of issuance of the Bonds by the Authority and fees and expenses of financial advisors, verification agents and consultants in connection therewith properly chargeable to the Project, the cost of insurance or other financial facility securing the payment of the Bonds, the cost of audits, the cost of all machinery, apparatus and equipment, the cost of engineering and architectural services, plans, specifications and surveys, estimates of costs, the reimbursement of all moneys advanced or applied by the State, or any agency, instrumentality, commission or officer thereof, or otherwise, if required, for the payment of any item or items of cost of the Project, and all other expenses necessary or incidental to determining the feasibility or practicability of the Project, and such other expenses not specified herein as may be necessary or incident to the acquisition, construction and development of the Project, the financing thereof and the placing of the same in operation.

"Environment" means ambient air, surface water, groundwater, surface or subsurface soil or other geologic media, sediment and all plants and wildlife present therein or thereon.

"Environmental Conditions" means any environmental contamination or pollution or threatened contamination or pollution of, or the Release or threatened Release of Hazardous Substances into, the Environment.

"Financing Documents" means, collectively, the Indenture, the Resolution, this Agreement, any Swap Agreement, the Escrow Deposit Agreement, the Continuing Disclosure Agreement and the Tax Certificate.

"Governmental Authority" means any nation or government, any state, city, locality, municipality or political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any government authority, agency, department, board, commission or instrumentality, including, without limitation, the United States Environmental Protection Agency ("USEPA"), the New Jersey Department of Environmental Protection ("NJDEP") and all other federal, State, regional, county or local government authorities authorized or having jurisdiction to enforce Applicable Environmental Laws.

"Hazardous Substances" means and includes: (a) any "hazardous substance," "pollutant" or "contaminant" as defined in Applicable Environmental Laws, including without limitation CERCLA and the Spill Act; (b) any "hazardous waste" as such term is defined in Applicable Environmental Laws; (c) any substance containing "petroleum," as such term is defined in Section 9001(8) of RCRA, Section 6991 (8) of RCRA or in 40 C.F.R. Section 280.1; and (d) any substance, material or waste which is defined, listed or regulated under any Applicable Environmental Laws or with respect to which any Governmental Authority with jurisdiction over the Public College requires special handling in its generation, handling, use, collection, storage, treatment, disposal or Release.

"Indenture" means the Trust Indenture, dated as of September 1, 2016, by and between the Authority and the Trustee with respect to the Bonds.

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

"Interest Payment Date" means the dates on which interest on the Bonds is required to be paid to the Holders thereof or the date of any redemption or acceleration of the Bonds.

"Interest Portion" means, with respect to Basic Lease Payments due on any regularly scheduled Basic Lease Payment Date, the interest on the Bonds due and owing on the immediately succeeding regularly scheduled Interest Payment Date thereof, less any credits thereto as contemplated by this Agreement.

"Losses" means all actions, suits, claims, liabilities, losses, damages, penalties, fines, fees, costs and expenses, including, without limitation, sampling, monitoring and remediation costs, natural resource damages, damages on account of personal injuries, death or property damages, attorneys', consultants' and engineering fees and disbursements, costs of defense and interest.

"Mandatory Purchase Price" shall have the meaning ascribed thereto in Section 4.08(c) hereof.

"Permitted Money Market Funds" means money market funds registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, including funds for which the Trustee, its parent, its affiliates or its subsidiaries provide investment advisory or other management services, and which are rated at least AA- by Fitch, or AA3 by Moody's, or AA- by S&P.

"Principal Payment Date" means the dates on which the principal of the Bonds is required to be paid to the Holders thereof as set forth in the Indenture or the date of any redemption or acceleration of the Bonds.

"Principal Portion" means, with respect to any Basic Lease Payments due on any regularly scheduled Basic Lease Payment Date, one half (1/2) of the principal of the Bonds due and owing on the immediately succeeding regularly scheduled Principal Payment Date thereof, less any credits thereto as contemplated by this Agreement.

"Prior Agreements" means, collectively, the Series 2008 D Agreement, the Series 2010 A/B Agreement and the Series 2015 G Agreement.

"Prior Projects" means, collectively, the Series 1994 B Project, the Series 1996 A Project, the Series 1999 A Project, the Series 2002 D Project and the Series 2010 A/B Project.

"Project" shall have the meaning set forth in the Recitals hereto, as it may be amended pursuant hereto.

"Project Facilities" means certain educational facilities comprising the Series 1994 B Project, the Series 1996 A Project, the Series 1999 A Project and the Series 2002 D Project, which were refinanced with the proceeds of the Series 2008 D Bonds and the Series 2015 G Bonds, and the Series 2010A/B Project, and generally described in Exhibit B of this Agreement, which includes the Project Site, 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 Fund" means the fund created and established by the Indenture, to be used for the purpose of paying the Costs of the Project.

"Project Site" means, collectively, certain real property upon which certain of the Project Facilities are located, as more fully described in Exhibit A hereto.

"Public College" shall have the meaning set forth in the Recitals hereto.

"Purchase Option Price" shall have the meaning ascribed thereto in Section 4.08(a) hereof.

"Rebatable Arbitrage" shall have the meaning ascribed thereto in the Tax Certificate.

"Release" means the intentional or unintentional spilling, leaking, disposing, discharging, emitting, depositing, injecting, leaching, escaping, release or threatened release, burial, pumping, pouring, emptying or dumping into the Environment.

"Remediate" or "Remediation" means (i) all investigations of Environmental Conditions of any kind or nature whatsoever, including site assessments, site investigations, remedial investigations, soil, groundwater, surface water, sediment sampling or monitoring, or (ii) actions of any kind or nature whatsoever taken to remove, abate or remediate Environmental Conditions, including the use, implementation, application, installation, operation or maintenance of removal actions, in-situ or ex-situ remediation technologies applied to surface or subsurface soils, encapsulation or stabilization of soils, excavation and off-site treatment or disposal of soils, systems for recovery and/or treatment of groundwater or free product, Engineering Controls or Institutional Controls (as such terms are defined under N.J.S.A. 58:10B-1 *et seq*.).

"Rental Pledge Account" shall have the meaning ascribed thereto in Section 4.04 hereof.

"Series 1994 B Project" means the construction and development of certain educational facilities of the Public College as originally financed by the Authority's Revenue Bonds, Trenton State College Issue, Series 1994 B, and as refinanced by the Series 1999 A Bonds, the Series 2008 D Bonds and the Series 2015 G Bonds, and as more particularly described in Exhibit B hereto.

"Series 1996 A Project" means the construction and development of certain educational facilities of the Public College as originally financed by the Authority's Revenue Bonds, Trenton State College Issue, Series 1996 A, and as refinanced by the Series 1999 A Bonds, the Series 2008 D Bonds and the Series 2015 G Bonds, and as more particularly described in Exhibit B hereto.

"Series 1999 A Bonds" means the Authority's Revenue Bonds, The College of New Jersey Issue, Series 1999 A.

"Series 1999 A Project" means the construction and development of certain educational facilities of the Public College as originally financed by the Series 1999 A Bonds, and as refinanced by the Series 2008 D Bonds and the Series 2015 G Bonds, and as more particularly described in Exhibit B hereto.

"Series 2002 D Bonds" means the Authority's Revenue Bonds, The College of New Jersey Issue, Series 2002 D.

"Series 2002 D Project" means the construction and development of certain educational facilities of the Public College and an expansion of the Brower Student Center as originally financed by the Series 2002 D Bonds, and as refinanced by the Series 2008 D Bonds and the Series 2015 G Bonds, and as more particularly described in Exhibit B hereto.

"Series 2008 D Agreement" means the Lease and Agreement, dated as of April 1, 2008, by and between the Authority and the Public College.

"Series 2008 D Bonds" shall have the meaning set forth in the Recitals hereto.

"Series 2010 A/B Agreement" means the Lease and Agreement, dated as of January 1, 2010, by and between the Authority and the Public College.

"Series 2010 A/B Project" means the construction of certain educational facilities of the Public College as more particularly described in Exhibit B hereto.

"Series 2010 B Bonds" shall have the meaning set forth in the Recitals hereto.

"Series 2015 G Agreement" means the Lease and Agreement, dated as of September 1, 2015, by and between the Authority and the Public College.

"Series 2015 G Bonds" means the Authority's Revenue Refunding Bonds, The College of New Jersey Issue, Series 2015 G.

"State" means the State of New Jersey.

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

"Swap Payment Obligations" means all net amounts payable by the Authority under any Swap (excluding any Swap Termination Payment payable by the Authority).

"Swap Provider" means the Authority's counterparty under a Swap Agreement, which counterparty must be rated at least A-/A3 or better by S&P and Moody's, respectively.

"Swap Revenues" means all amounts received by the Authority or the Trustee pursuant to any Swap, including without limitation any Swap Termination Payment, whether such amounts are paid by the Authority or by the Swap Provider.

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

"Tax Certificate" means, collectively, the Arbitrage and Tax Certificates executed and delivered by the Public College and the Authority at the time of issuance and delivery of the Bonds.

"Trustee" means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, with fiduciary and trust powers in the State, and its successors and any entity resulting from or surviving any consolidation or merger to which it or its successors may be a party, and any successor trustee at the time serving as successor trustee pursuant to the Indenture.

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

ARTICLE II

THE PROJECT

SECTION 2.01 Payment of Costs.

It is hereby understood and agreed that the Cost of the Project shall be paid solely from the proceeds of the Bonds issued by the Authority in connection with such portion of the Project in accordance with the Indenture and the Resolution, and other funds made available to the Authority and provided for by the Public College by such purpose under the provisions of this Agreement, the Prior Agreements or said Resolution.

The Public College acknowledges that the disbursement of Bond proceeds for any Cost of the Project is subject to the requirements contained in the Indenture, including specifically Section 4.03 thereof.

SECTION 2.02 Use of the Project Facilities.

The Authority agrees that the Project Facilities are being, and the Public College agrees that said Project Facilities continue to be used by the Public College as educational facilities, as more fully described in Exhibit A and Exhibit B attached hereto, permitted under the Act and which, in the opinion of the Public College, are necessary, desirable and to the benefit and best interest of the Public College. The Public College further covenants and agrees, however, that at no time shall the Project Facilities, or any part thereof, be used or be allowed to be used for sectarian instruction or as a place for religious worship.

The Public College also covenants and agrees, to the extent it is able, to enforce and require to be enforced, for the term of this Agreement, reasonable rules and regulations governing the use of the Project Facilities and the operation thereof; that it will maintain and operate the Project Facilities in an efficient and economical manner; that it will at all times maintain the same in good repair and in sound operating condition and will make all necessary repairs, renewals and replacements; and that it will comply with all valid acts, rules and regulations, orders and directions of any legislative, executive, administrative or judicial body, applicable to the Public College and the Project Facilities.

The Public College covenants and agrees that it shall continue to use and/or continue to operate or cause the Project Facilities to be used for or operated as educational facilities constituting an authorized "Project" under the Act. The Public College's failure to comply with this covenant shall constitute an event of default under Article VII of this Agreement. The Authority reserves the right to request that the Public College, at its expense, deliver to the Authority the written opinion of nationally recognized bond counsel, acceptable to the Authority, to the effect that all or any portion of the Project Facilities are being used and/or operated as educational facilities constituting an authorized "Project" under the Act.

SECTION 2.03 Cost of the Project.

The Authority and the Public College agree that the proceeds of the sale of the Bonds to be issued by the Authority for the purpose of financing the Cost of the Project will be sufficient, together with investment earnings thereon and certain moneys to be made available for the Project by the Public College, if any, to pay such Cost of the Project.

The Public College hereby agrees that it will provide the difference, if any, between the proceeds from the sale of the Bonds and other available moneys and the actual amount required for the Cost of the Project pursuant to the above paragraph.

SECTION 2.04 Conveyance of Real Property.

The Authority and the Public College agree and acknowledge that the Public College has, prior to the delivery of the Bonds, conveyed to the Authority the real property described in Exhibit A attached hereto and referred to herein as the Project Site and included as part of the Project Facilities.

SECTION 2.05 Modification of Project Facilities and/or Project Site.

(a) The Public College may, at any time during the term of this Agreement, request that the Authority release all or a portion of the Project Facilities and/or Project Site from the terms of this Agreement (each, a "Property Release"). Subject to the provisions of this Section 2.05, the Authority, in consultation with Bond Counsel, may consider such request and may negotiate with the Public College regarding the terms and conditions of such proposed Property Release. Any such Property Release shall be at the sole discretion of the Authority, and the Authority may condition its approval upon such terms (in addition to the specific requirements set forth in this Section 2.05) as it may, in its sole discretion, deem appropriate.

(b) In all cases, the Public College shall certify to the Authority that (1) the portion of the Project Facilities and/or Project Site subject to the Property Release (the "Releasable Real Estate") is not necessary for the construction or completion of any portion of the Project Facilities, or for the continuing use of any of the remaining Project Facilities, (2) the overall value and utility of the Project Facilities and Project Site will not be materially reduced by the release of the Releasable Real Estate, and (3) the Project Facilities and Project Site to be subject to this Agreement immediately following the Property Release (the "Resulting Real Estate") shall, in their totality, constitute essential facilities of the Public College, and the Public College acknowledges and agrees that the full amount of Lease Payments payable under this Agreement shall remain payable by the Public College notwithstanding such Property Release. The above certification may take into account such additional real estate as the Public College may, with the consent of the Authority, choose to simultaneously add to the Project Facilities and/or Project Site, if deemed necessary and appropriate in order to offset, in whole or in part, the Property Release (such newly added real estate, the "Added Real Estate").

(c) If at the time of the proposed Property Release any tax-exempt Authority bonds (including, but not limited to, the Bonds) which financed or refinanced any costs of or relating to the Releasable Real Estate (the "Related Bonds") shall remain unpaid (which for purposes of this paragraph includes Bonds that have been economically or legally defeased, but have not yet been

actually paid to the holders thereof), then in addition to the requirements contained in paragraph (b) above, there shall be delivered to the Authority and the Trustee an Opinion of Bond Counsel to the effect that the Property Release and the addition of any Added Real Estate, if deemed necessary and appropriate, shall not, in and of itself, adversely affect the tax-exempt status of the Bonds or of any of the Related Bonds. If, in the Opinion of Bond Counsel, such Opinion of Bond Counsel cannot be issued without certain remedial actions having been taken (which may include, inter alia, the redemption and/or purchase of all or a portion of the Related Bonds, whether by the defeasance escrow, tender offer or otherwise), then the implementation of such remedial actions by the Public College shall be an additional condition to such Property Release.

(d) In order to effectuate any Property Release, the Authority and the Public College shall execute and deliver an amendment to this Agreement and shall cause such amendment (or an abstract thereof) to be recorded in the applicable real estate records. The Public College shall also obtain or cause to be obtained such consents (if any) as may be required by the terms of the Indenture, and shall file or cause to be filed such notices as may be required by the terms of the Continuing Disclosure Agreement or this Agreement. Upon completion of the above-referenced transactions, the "Project Facilities" and the "Project Site" shall thereafter be deemed to refer to the Resulting Real Estate (including any Added Real Estate), and the Releasable Real Estate shall no longer constitute part of the "Project Facilities" or the "Project Site". The Authority shall thereupon, at the request of the Public College, transfer all of its rights, title and interest in and to the Releasable Real Estate to the appropriate State entity by deed or deeds in form satisfactory to the Authority.

(e) The Public College agrees to bear all costs associated with any actual or proposed Property Release, including, but not limited to, all legal fees of the Authority, the Trustee and Bond Counsel. The Authority agrees that the scope of the Project may be modified, upon the mutual agreement of the Authority and the Public College, subsequent to the issuance of the Bonds.

ARTICLE III

THE BONDS

SECTION 3.01 Sale of the Bonds.

The Authority agrees to use its best efforts to sell, issue and deliver the Bonds. The proceeds of the Bonds shall be used to finance the Costs of the Project, all as more fully provided for in the Indenture.

SECTION 3.02 Official Statement.

The Public College agrees, whenever requested by the Authority, to provide and certify such information concerning the Public College, its operations and finances, and other matters the Authority considers necessary or advisable to enable the Authority to complete and publish (by print or electronically) a preliminary official statement or an official statement or statements relating to the Bonds, or to enable it to make any reports required by law, regulation, the Indenture or any Supplemental Indenture.

SECTION 3.03 Swap Agreement.

The Authority and the Public College acknowledge and agree that pursuant to the Indenture, the Authority may be authorized to enter into, on behalf of the Public College, one or more Swap Agreements with respect to the Bonds in order to manage its interest rate risk relating to the Bonds and that if such Swap Agreement is entered into, the Authority may owe moneys to the Swap Provider. The Public College agrees that as provided in Section 4.05 hereof, it shall be responsible for the payment of all amounts payable by the Authority in respect of any such Swap Agreement(s) including any Swap Termination Payment due with respect to such Swap Agreement(s) including, without limitation, any Swap Termination Payment caused by a redemption of the Bonds. All Swap Payment Obligations and Swap Termination Payments due to a Swap Provider shall be included in Basic Lease Payments due hereunder. The Authority and the Public College agree that no Swap Agreement entered into with respect to the Bonds may restrict the ability of the Authority to redeem the Bonds pursuant to any extraordinary optional redemption or optional redemption as set forth in the Indenture.

ARTICLE IV

OBLIGATIONS OF THE PUBLIC COLLEGE, TERM AND LEASE PAYMENTS

SECTION 4.01 Nature of the Obligation.

The obligations of the Public College under this Agreement shall be general obligations, payable from any legally available funds of the Public College, subject to the Prior Agreements.

SECTION 4.02 Site of the Project Facilities.

In addition to the terms, covenants and agreements contained herein, the Public College agrees that it will take, accept and rent the Project Facilities from the Authority subject to the following:

(a) all covenants, easements, encumbrances, subleases, licenses, defects of title, reservations, restrictions and conditions, if any, acceptable to the Authority affecting the whole or any part of the Project Site acquired by the Authority for the Prior Projects which exist at the time of closing of the Bonds, including (without limitation) the Prior Agreements; and

(b) all present and future federal, State, county or municipal laws, ordinances, regulations, orders, assessments and levies, if any, affecting all or any part of the Project Facilities or the use thereof.

SECTION 4.03 Term of Agreement.

The term of this Agreement shall continue until at least July 1, 2040, unless the Authority and the Public College shall sooner terminate this Agreement by mutual consent; provided, however, that the end of said term shall not be advanced nor shall this Agreement be terminated so long as the Authority shall have Outstanding and unpaid, without provision for such payment duly provided for, any of the Bonds issued for the purpose of providing moneys to pay the Cost of the Project, or any obligations under any Financing Documents.

SECTION 4.04 Special Fund.

To secure payment of the Basic Lease Payments and Additional Lease Payments hereunder, the Public College has caused to be created the "The College of New Jersey Rental Pledge Account" (the "Rental Pledge Account") to be maintained with the Trustee. For purposes of internal accounting, the Rental Pledge Account may contain one or more subaccounts, as the Authority or the Trustee may deem proper. The Public College covenants and agrees that it will deposit or cause to be deposited on June 1 and December 1 in each Bond Year (commencing December 1, 2016) into the applicable subaccounts (if any) in the Rental Pledge Account, the amounts set forth in Sections 4.05 and 4.06 hereof.

In the event that the balance remaining in the Rental Pledge Account on January 2 and July 2 of each Bond Year is in excess of the sums payable to the Trustee for or on account of the Authority in accordance with the Indenture, such balance shall be transferred by the Trustee to the Public College.

The moneys in the Rental Pledge Account may be invested at the direction of the Public College and with the approval of the Authority, in direct obligations of the United States of America, in obligations the principal of and interest of which are guaranteed by the United States of America, in Permitted Money Market Funds or in certificates of deposit or time deposits of banks or trust companies, including the Trustee, secured by the aforesaid obligations, provided, however, that moneys shall be available in the Rental Pledge Account in the appropriate amounts on each Basic Lease Payment Date to make the payments required by Sections 4.05 and 4.06 of this Agreement.

SECTION 4.05 Basic Lease Payments.

The Public College agrees to pay the Basic Lease Payments for the use and occupancy of the Project Facilities from any legally available funds of the Public College, subject to the Prior Agreements.

The Public College agrees to pay from any legally available funds of the Public College "Basic Lease Payments" in an amount sufficient to enable the Trustee to make the transfers and deposits required at the times and in the amounts pursuant to Sections 4.07 and 4.08 of the Indenture (including without limitation all Swap Payment Obligations, if any, and Swap Termination Payments, if any). Each payment shall be made in immediately available funds.

The Principal Portion of Basic Lease Payments shall be due on each Basic Lease Payment Date in the amount of one half (1/2) of the principal due and payable on the Bonds (a) on the immediately succeeding Principal Payment Date, with respect to regularly scheduled Principal Payment Dates, and (b) on the Principal Payment Date that coincides with the Basic Lease Payment Date, in the case of redemption or acceleration of the Bonds.

The Interest Portion of Basic Lease Payments shall be due on each Basic Lease Payment Date in the amount of interest due and payable on the Bonds (a) on the immediately succeeding Interest Payment Date, with respect to regularly scheduled Interest Payment Dates, and (b) on the Interest Payment Date that coincides with the Basic Lease Payment Date, in the case of redemption or acceleration of the Bonds.

Notwithstanding the foregoing, the Public College agrees to make payments, or cause payments to be made, at the times and in the amounts required to be paid as principal or redemption price of and interest on the Bonds from time to time Outstanding under the Indenture and other amounts required to be paid under the Indenture, as the same shall become due whether at maturity, upon redemption, by declaration of acceleration or otherwise.

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

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

Notwithstanding anything to the contrary contained herein, the Public College covenants and agrees that it will pay the Basic Lease Payments at such times and in such amounts as to assure that the Authority will not be in default in the payment of the principal of, and interest on the Bonds, or any Swap Payment Obligations and Swap Termination Payments under any Swap Agreement, and nothing herein shall be deemed to modify the date on which any payment obligation becomes payable under any Swap Agreement or the consequences following from the nonpayment of any such obligation.

Unless otherwise provided in any Swap Agreement, on each Basic Lease Payment Date with respect to any Swap Payment Obligations and any Swap Termination Payments required to be made by the Authority pursuant to the Swap Agreement, the Public College shall pay such amount to the Trustee for deposit pursuant to Section 4.07 of the Indenture.

SECTION 4.06 Additional Lease Payments.

In addition to Basic Lease Payments, the Public College shall also pay to the Authority, the Trustee, or the Swap Provider (if any), as the case may be, "Additional Lease Payments," as follows:

(a) All taxes and assessments of any type or character charged to the Authority or to the Trustee affecting the amount available to the Authority or the Trustee from payments to be received hereunder or in any way arising due to the transactions contemplated hereby (including taxes and assessments assessed or levied by any public agency or Governmental Authority of whatsoever character having power to levy taxes or assessments) but excluding franchise taxes based upon the capital and/or income of the Trustee and taxes based upon or measured by the net income of the Trustee; provided, however, that the Public College shall have the right to protest any such taxes or assessments and to require the Authority or the Trustee, at the Public College's expense, to protest and contest any such taxes or assessments levied upon them and that the Public College shall have the right to withhold payment of any such taxes or assessments pending disposition of any such protest or contest unless such withholding, protest or contest would adversely affect the rights or interests of the Authority or the Trustee;

(b) All reasonable fees, charges, expenses and indemnities of the Authority, the Trustee and the Swap Provider (if any) hereunder, under the Indenture and under the Swap Agreement, if any, as and when the same become due and payable;

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

(d) The Annual Administrative Fee of the Authority and any other expenditures for insurance, fees and expenses of auditing, and fees and expenses as required by the Indenture and not otherwise paid or provided for by the Public College and all other expenditures reasonably and necessarily incurred by the Authority by reason of the ownership, financing and leasing of

the Project Facilities and the financing of the Project, including, without limitation, performance under the Indenture, expenses incurred by the Authority to compel full and punctual performance of all of the provisions of this Agreement in accordance with the terms hereof; and

(e) All other reasonable and necessary fees and expenses attributable to the Bonds and this Agreement, including without limitation all payments required pursuant to 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 rebate calculations performed or caused to be performed by the Authority).

Such Additional Lease Payments shall be billed to the Public College by the Authority, the Trustee or the Swap Provider (if any) from time to time, together with a statement certifying that the amount billed has been incurred or paid for one or more of the above items. After such a demand, amounts so billed shall be paid by the Public College within thirty (30) days after receipt of the bill by the Public College. Payment of the Annual Administrative Fee (or ratable portion thereof) shall be made in the Bond Year ending June 30, 2017 and in each Bond Year thereafter.

Payments required to be made under this Section 4.06 shall be made in legally available funds to the Trustee unless otherwise directed in an agreement (including, but not limited to, any Swap Agreement) pursuant to which such payments are required.

SECTION 4.07 Credits for Payments.

The Public College shall receive credit against its payments required to be made under Section 4.05 hereof, in addition to any credits resulting from payment or repayment from other sources as set forth below, on the portion of Basic Lease Payments allocable to interest in an amount equal to moneys on deposit in the applicable subaccount (if any) in the Rental Pledge Account, which amounts available to pay interest on the Bonds, to the extent such amounts have not previously been credited against such payments. The Public College may, in the Authority's sole discretion, receive credit against its payments required to be made under Section 4.05 hereof, in addition to any credits resulting from payment or repayment from other sources, as follows:

(a) (1) on the portion of Basic Lease Payments allocable to interest in an amount equal to moneys on deposit in the Debt Service Fund, which amounts are available to pay interest on the Bonds, to the extent such amounts have not previously been credited against such payments; and (2) on the portion of Basic Lease Payments allocable to Swap Payment Obligations and Swap Termination Payments, if any, an amount equal to moneys deposited in the Debt Service Fund, which amounts are available to pay Swap Payment Obligations and Swap Termination Payments to the extent such amounts have not previously been credited against or are required to make payment of interest on the Bonds;

(b) On the portion of Basic Lease Payments allocable to installments of principal in an amount equal to moneys deposited in the Debt Service Fund, which amounts are available to pay principal of the Bonds, to the extent such amounts have not previously been credited against such payments;

(c) On the portion of Basic Lease Payments installments of principal and interest in an amount equal to the principal amount of Bonds for the payment at maturity or redemption of which sufficient amounts (as determined by Section 11.01 of the Indenture) in cash or Government Obligations are on deposit as provided in Section 11.01 of the Indenture to the extent such amounts have not previously been credited against such payments, and the interest on such Bonds from and after the date fixed for payment at maturity or redemption thereof. Such credits shall be made against the installments of principal and interest which would have been used, but for such call for redemption, to pay principal of and interest on such Bonds when due; and

(d) On the portion of Basic Lease Payments allocable to installments of principal and interest in an amount equal to the principal amount of Bonds acquired by the Public College and surrendered to the Trustee for cancellation or purchased by the Trustee on behalf of the Public College and canceled, and the interest on such Bonds from and after the date interest thereon has been paid prior to cancellation. Such credits shall be made against the installments of principal and interest which would have been used, but for such cancellation, to pay principal of and interest on such Bonds when due.

SECTION 4.08 Prepayment.

(a) The Public College shall have the right, so long as all amounts which have become due hereunder have been paid, at any time or from time to time, to prepay all or any part of the Basic Lease Payments and the Authority agrees that the Trustee shall accept such prepayments when the same are tendered. Any partial prepayment shall not affect the Authority's right, title and interest in and to the Project Facilities, but shall be credited to the Principal Portion of Basic Lease Payments due from the Public College as determined by the Authority. The Public College 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, at the time set forth in Section 4.08(b) hereof, by paying to the Trustee the "Purchase Option Price", which for any date of calculation shall be the sum of (i) the aggregate amount of unpaid principal of the Bonds to their redemption date under the terms of the Indenture and as set forth in the Public College's notice to the Trustee of such prepayment, (ii) any interest accrued on the Bonds from the last Interest Payment Date thereof on which interest thereon was paid to the final maturity date set forth in clause (i) above, (iii) the redemption premium, if any, applicable to the payment of the Bonds on the maturity date set forth in clause (i) above, and (iv) any costs of redemption or defeasance or other expenses incurred by any party to the Financing Documents in implementing such prepayment. The Purchase Option Price shall be deposited upon receipt by the Trustee in the Debt Service Fund (or in such other Trustee escrow account as may be specified by the Public College) and, at the request of and as determined by the Public College, credited against payments due hereunder or used for the redemption or purchase of Outstanding Bonds in the manner and subject to the terms and conditions set forth in the Indenture. Notwithstanding any such prepayment, as long as any Bonds remain Outstanding or any Additional Lease Payments required to be made hereunder remain unpaid or any Swap Agreement remains outstanding, the Public College shall not be relieved of its obligations hereunder.

(b) Said option may be exercised by the Public College at any time by (i) giving written notice to the Trustee and the Authority of the exercise of such option at least sixty (60) days prior to the final maturity date set forth in such notice, and (ii) complying with any other requirements of Article XI of the Indenture that may be required by the Trustee or the Authority to defease the Bonds in accordance with the terms of the Indenture, including, without limitation, a verification report from a nationally recognized accounting firm approved by the Authority to the effect that the amount so prepaid will equal the Purchase Option Price (for a full prepayment) and will therefore be sufficient to defease the Bonds (in whole or in part, as the case may be) by paying all of the principal thereof and redemption premium, if any, thereon through and including the final maturity thereof, plus all interest accruing thereon to such final maturity date. Such option shall be exercised by depositing with said notice cash and/or Government Obligations described in clause (a) or clause (b) of the definition thereof in such amount as shall be sufficient, together with interest to accrue thereon, to pay the Bonds to be defeased on said redemption date.

(c) The Public College shall also have the right at any time or from time to time to prepay all or any part of the Basic Lease Payments from moneys derived from condemnation awards or the proceeds of hazard insurance relating to the Project Facilities of the Public College, and the Authority agrees that the Trustee shall accept such prepayments when the same are tendered. Upon the acceleration of the Bonds, the Public College shall forthwith prepay and purchase all of the Project Facilities by paying to the Trustee, immediately upon receipt of notice of such acceleration, the "Mandatory Purchase Price", which for any date of calculation shall be the sum of (i) the aggregate amount of the unpaid principal of the Bonds, (ii) any interest accrued on the Bonds from the last Interest Payment Date thereof on which interest thereon was paid to the date that the amount in clause (i) above has been paid in full, and (iii) any costs of acceleration. The Mandatory Purchase Price shall be deposited upon receipt by the Trustee in the Debt Service Fund (or in such other Trustee escrow account as may be specified by the Public College) and used for the redemption or purchase of Outstanding Bonds in the manner and subject to the terms and conditions set forth in the Indenture. Notwithstanding any such prepayment or surrender of Bonds, as long as any Bonds remain Outstanding or any Additional Lease Payments required to be made hereunder remain unpaid or any Swap Payment Obligations or Swap Termination Payments remain unpaid or the Swap Agreement remains outstanding, the Public College shall not be relieved of its obligations hereunder.

Notwithstanding anything herein to the contrary, the application of insurance proceeds or condemnation awards as set forth in this Section 4.08 or elsewhere in this Agreement with respect to the Project Facilities is subject to the terms of the Prior Agreements.

SECTION 4.09 Obligations Unconditional.

The obligations of the Public College hereunder are absolute and unconditional, notwithstanding any other provision of this Agreement or the Indenture. Until this Agreement is terminated and all payments hereunder are made, the Public College:

(a) will pay all amounts required hereunder without abatement, deduction or setoff except as otherwise expressly provided in this Agreement;

(b) will not suspend or discontinue any payments due hereunder for any reason whatsoever, including, without limitation, any right of setoff or counterclaim;

(c) will perform and observe all its other agreements contained in this Agreement; and

(d) except as provided herein, will not terminate this Agreement for any cause, including, without limiting the generality of the foregoing, damage, destruction or condemnation of the Project Facilities financed or refinanced with the proceeds of the Bonds or any part thereof, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State, or any political subdivision of either thereof or any failure of the Authority to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement. Nothing contained in this Section 4.09 shall be construed to release the Authority from the performance of any of the agreements on its part contained herein, and in the event the Authority should fail to perform any such agreement on its part, the Public College may institute such action against the Authority as the Public College may deem necessary to compel performance.

The rights of the Trustee or any party or parties on behalf of whom the Trustee is acting shall not be subject to any defense, setoff, counterclaim or recoupment whatsoever, whether arising out of any breach of any duty or obligation of the Authority or the Trustee owing to the Public College, or by reason of any other indebtedness or liability at any time owing by the Authority or the Trustee to the Public College.

The obligations of the Public College to make payments required under this Agreement shall be absolute and unconditional without defense or set-off for any reason whatsoever, it being the intention of the parties that the payments required of the Public College under this Agreement will be paid in full when due without any credit, delay or diminution whatsoever. The Public College hereby agrees that it will take all budgetary actions necessary to enable it to make all required payments under this Agreement.

ARTICLE V

COVENANTS OF THE PUBLIC COLLEGE

SECTION 5.01 Liens and Encumbrances.

The Public College covenants and agrees that the Project Facilities shall be free and clear of all liens and encumbrances which would materially affect the value or usefulness of the Project Site for the continued use thereof.

SECTION 5.02 Additions.

All buildings and improvements heretofore erected or constructed upon the Project Site and all buildings, improvements, fixtures, machinery and equipment installed or placed thereon by the Authority or the Public College have become a part of the realty of the Project Facilities. Any moveable equipment for the Project Facilities paid for by the Authority, to the extent it does not become realty, shall nevertheless, be deemed to be a part of the Project Site.

SECTION 5.03 Repairs.

The Public College covenants that it shall at all times continue to maintain, preserve and keep the Project Facilities, with the appurtenances and every part and parcel thereof, in good repair, working order and condition.

SECTION 5.04 Utilities.

The Public College agrees to pay, or cause to be paid, all charges for gas, electricity, light, water, sewer, heat or power, telephone or other communication service, or any other service used, rendered or supplied upon or in connection with the Project Facilities during the term of this Agreement and to protect the Authority and save it harmless against any liability or damages on such account. At all times during the use and occupancy of the Project Facilities, the Public College shall also at its sole cost and expense procure any and all necessary permits, licenses or other authorizations thereafter required for the lawful and proper construction, installation, operation and maintenance of the Project Facilities of wires, pipes, conduits, tubes and other equipment and appliances for use in supplying any such services to and upon the Project Facilities.

SECTION 5.05 Insurance.

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

(a) At all times, Special Form perils insurance, or current equivalent, with a deductible clause in an amount not to exceed one hundred thousand dollars ($100,000) or such other deductible provisions as are approved in writing by the Authority (the "Deductible Amount"), on 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 sub limits acceptable to the Authority. Coverage for Contingent Liability From Operation of Building Laws shall be included, and an Agreed Amount Endorsement shall be attached to the policy. The foregoing insurance shall be maintained as long as any of the obligations of the Authority issued with respect to the Project are outstanding and shall be in an amount not less than one hundred per centum (100%) of the current estimated replacement value thereof, exclusive of excavations and foundations, 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 such Public College insuring against the above hazards shall be complete compliance with the provisions of this subparagraph. Any such policy shall provide that the insurance company shall give at least sixty (60) days' notice in writing to the Authority of the cancellation or non-renewal of the policy, except in the event of nonpayment of premiums, in which case ten (10) days' notice, or current industry standard notice, shall be provided; provided, however, notwithstanding the foregoing, in the event that the insurance company is no longer required by law to provide such notices to the Authority, the Public College shall at all times give the Authority notice in writing within two (2) Business Days of receipt of notice from the insurer of any cancellation or non-renewal of the policy. In any event each such policy shall be in an amount sufficient to prevent such Public College and the Authority from becoming co-insurers under the applicable terms of such policy. In the event that such Public College or the Authority is unable to procure insurance with a loss deductible clause of not exceeding the Deductible Amount, the deposit with the Trustee on behalf of the Authority or the setting aside in a special fund of obligations of or guaranteed by the United States of America or moneys at least equal to the difference between the Deductible Amount and the amount deductible on such policy or policies shall be deemed to be complete compliance with the provisions of this subparagraph establishing a Deductible Amount;

(b) At all times, workmen's compensation insurance, disability benefits insurance and each other form of employee insurance covering loss resulting from injury, sickness, disability or death of employees which the Authority or such Public College is required by law to provide;

(c) At all times, insurance protecting the Authority and such Public College against loss or losses from liabilities imposed by law or assumed in any insured written contract and arising from bodily injury of persons or damage to the property of others caused by accident or occurrence, with limits of not less than one million dollars ($1,000,000) combined single limit for bodily injury and property damage. The Public College's coverage status under the New Jersey Tort Claims Act may, in the sole judgment of the Authority, be deemed to be compliance with the requirements of this subparagraph with respect to the Public College;

(d) Fidelity insurance, in such amounts and under such terms as shall be determined by the Authority with due regard to each of the Public College's funds and accounts; and

(e) In the event that the Authority shall re-enter the Project Facilities, 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.

If any of such insurance provided for in paragraphs (a), (b) and (c) of this Section 5.05 is under a blanket insurance policy or policies of the Public College, then the Public College shall deliver to the Authority in lieu of the original policy or policies a Certificate thereof, and such delivery shall be complete compliance with the provisions of this paragraph.

The proceeds of all such property insurance (i) may be applied or cause to be applied by the Authority, in consultation with the Public College, to the repair and replacement of the damaged portions of the Project Facilities, (ii) may be deposited by the Authority with the Trustee for payment into the Debt Service Fund, relating to the applicable Prior Project, accompanied by a certificate of an Authorized Officer of the Authority stating that such deposit is being made pursuant to this Section 5.05, or (iii) if there is substantial damage to the Project Facilities rendering such Prior Project, in the opinion of the Authority, unsuitable for use for its intended purposes, deposited by the Authority, with the consent of the Public College, in the Debt Service Fund to be applied to the "extraordinary optional redemption" of the Bonds as provided in the Indenture. The proceeds of any business income insurance policies shall be deposited by the Authority with the Trustee for payment into the Debt Service Fund under the Indenture accompanied by a certificate of an Authorized Officer of the Authority stating that such deposit is being made pursuant to this Section 5.05.

All policies of insurance shall be payable to the Public College for which the Project has been provided and the Authority as their interests may appear. The Authority shall have the sole right to receive, for the purposes of this Agreement, the proceeds of such policy or policies affecting the Project Facilities and receipt for claims thereunder.

All insurance prescribed by this Section 5.05 shall be procured from financially sound and reputable insurers qualified to do business in the State or insurers approved in writing by the Authority. The policies shall be open to inspection by the Authority, the Swap Provider and the Trustee at all reasonable times, and a list prepared as of June 30 of each year describing such policies shall be furnished by the Authority to the Trustee annually within sixty (60) days after the beginning of each Bond Year, together with a certificate of an Authorized Officer of the Authority certifying that such insurance meets all the requirements of this Agreement. The Trustee shall have no responsibility with respect to any such insurance except to receive such Certificates and hold the same for inspection by any Bondholders.

Nothing in this Section 5.05 shall be deemed to limit the Public College from obtaining insurance in excess of the requirements set forth herein.

Notwithstanding anything herein to the contrary, the application of insurance proceeds as set forth in this Section 5.05 or elsewhere in this Agreement with respect to the Project Facilities is subject to the terms of the Prior Agreements.

SECTION 5.06 Compliance with Laws and Regulations.

The Public College agrees that throughout the term of this Agreement, at the Public College's sole cost and expense, it will promptly comply with (or cause to be complied with) all laws and ordinances and the orders, rules, regulations and requirements of all federal, State and local governments and agencies and departments thereof which are applicable to the Public

College and the Project Facilities, or, and whether or not the same requires structural repairs and alterations, which may be applicable to the Project Facilities, the fixtures or equipment thereof, or the sidewalks and curbs adjoining the Project Facilities, or the use or manner of use of the Project Facilities. The Public College will also observe and comply with (or cause to be observed and complied with) the requirements of all policies and arrangements of insurance at any time in force with respect to the Project Facilities and the fixtures and equipment thereof.

SECTION 5.07 Alterations and Additions to Project Facilities.

The Public College shall have the right at any time and from time to time during the term of this Agreement, with the approval of the Authority, to make such changes, alterations and additions, structural or otherwise, to the Project Facilities, and the fixtures and equipment thereof, now or hereafter on or at the Project Facilities, as they shall deem necessary or desirable in connection with the use of the Project Facilities. All such changes, alterations and additions when completed shall be of such a character as not to reduce or otherwise adversely affect the value of the Project Facilities or the rental value thereof. The cost of any such change, alteration or addition shall be promptly paid and discharged by the Public College, so that the Project Facilities shall at all times be free of liens for labor and materials supplied to the Project Facilities. All alterations, additions and improvements to the Project Facilities shall be and become a part of the Project Site.

SECTION 5.08 Permits and Approvals.

The Public College agrees that it will obtain all consents, authorizations and permits from municipal, county and State entities for the construction, use, occupancy and operation of the Project Facilities (collectively, the "Approvals"). The Public College will also observe and comply with the Approvals throughout the term of this Agreement. The Public College agrees that it shall remain obligated under the terms of this Agreement irrespective of whether all Approvals are granted.

SECTION 5.09 Future Liens.

The Public College covenants to keep the Project Facilities, and the fixtures and equipment constituting part thereof, at all times during the term of this Agreement, free and clear of mechanics' liens and other liens of like nature, and the Public College shall at all times duly protect the Authority against any and all attorneys' fees, costs and expenses which may accrue, grow out of or be incurred by reason of or on account of any such liens or claims.

SECTION 5.10 Covenants Against Waste.

The Public College covenants not to do or suffer or permit any waste or damage to the Project Facilities or any building or improvement now or hereafter constituting the Project Facilities or any fixture or equipment constituting part thereof.

SECTION 5.11 Affirmative and Negative Environmental Covenants.

(a) The Public College shall obtain all permits, licenses and other authorizations required under Applicable Environmental Laws with respect to the construction, use, occupancy and operation of the Project Facilities.

(b) As of the date hereof, neither the Public College nor any of the Project Facilities is in violation of any Applicable Environmental Laws or subject to any existing, pending or, to the knowledge of the Public College (after due inquiry), threatened investigation or inquiry by any Governmental Authority pursuant to any Applicable Environmental Laws.

(c) To the knowledge of the Public College after due inquiry, the activities, properties and assets of the Public College, including the Project Facilities, are in substantial and material compliance with all terms and conditions of all required permits, licenses and authorizations, and are in substantial and material compliance with all limitations, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules and timetables contained in Applicable Environmental Laws. Except as otherwise disclosed in Schedule 5.11 hereof, there are no past or present events, conditions, including without limitation Environmental Conditions, circumstances, activities, practices, incidents, actions or plans which may (i) interfere with or prevent continued substantial and material compliance on the part of the Public College with Applicable Environmental Laws; (ii) give rise to any liability on the part of the Public College under Applicable Environmental Laws; or (iii) otherwise form the basis of any claim, action, suit, proceeding, request or demand for information or investigation against the Public College based on or related to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of, or the Release or threatened Release into the Environment of, any Hazardous Substances. The Public College shall not cause or permit any of the Project Facilities to be in violation of, nor shall the Public College by act or omission cause or permit any of the Project Facilities to be subject to any Remediation obligations, under Applicable Environmental Laws. The Public College shall promptly notify the Authority in writing of any existing, pending or, to the knowledge of the Public College (after due inquiry), threatened investigation or inquiry by any Governmental Authority pursuant to or under any Applicable Environmental Laws relating to any of the Project Facilities.

(d) The Public College covenants that it will not install or cause to be installed in, on or at any of the Project Facilities any materials containing any Hazardous Substances, including without limitation any asbestos containing materials, except in compliance with Applicable Environmental Laws. In the event any such materials are found to be present in, on or at any of the Project Facilities (to the extent installed therein or permitted to be installed therein by the Public College), the Public College shall, promptly upon discovery and at its sole cost and expense, Remediate such materials in accordance with the requirements of law, including without limitation Applicable Environmental Laws, and shall have such Remediation performed by licensed and qualified environmental engineering firms, contractors and consultants.

(e) The Public College has taken all steps necessary (including without limitation all actions necessary to meet the "all appropriate inquiry" standard set forth in <u>N.J.S.A.</u> 58:10-23.11g, as amended) to determine, and has determined, that there are no Environmental Conditions on, at, under or emanating from any of the Project Facilities except as disclosed in

Schedule 5.11 hereof. The use which the Public College makes and intends to make of the Project Facilities shall not result in the Release of any Hazardous Substance on, at, under or emanating from any of the Project Facilities.

(f) The Public College has not received any communication, written or oral, from any Governmental Authority, including without limitation the NJDEP or the USEPA, concerning any intentional or unintentional action or omission on the Public College's part resulting in the Release of any Hazardous Substances on, at, under or emanating from any of the Project Facilities, except as disclosed in Schedule 5.11 hereof.

(g) None of the Project Facilities has been used in the past, or is now being used, as a Major Facility (as such term is defined in N.J.S.A. 58:10-23.11b) and the Public College shall not use any of the Project Facilities as a Major Facility in the future without the prior express written consent of the Authority, which consent may be given or withheld at the Authority's sole discretion. If any of the Project Facilities is determined to be a Major Facility in the State, then the Public College shall furnish the NJDEP with all the information required by N.J.S.A. 58:10-23.11d1 to -23.11d15, and shall duly file with the Director of the Division of Taxation in the New Jersey Department of the Treasury a tax report or return, and shall pay all taxes due therewith, in accordance with N.J.S.A. 58:10-23.11h.

(h) The Public College shall not conduct or cause or permit to be conducted on or at any of the Project Facilities any activity, use or operation which constitutes an "Industrial Establishment" (as such term is defined under ISRA), without the prior express written consent of the Authority, which consent may be given or withheld at the Authority's sole discretion. In the event the provisions of ISRA become applicable to any of the Project Facilities subsequent to the date hereof, the Public College shall give prompt written notice thereof to the Authority and the Public College shall take all requisite action, including the performance of Remediation, to ensure full compliance with ISRA. The Public College shall promptly deliver to the Authority copies of all correspondence, notices, reports, work-plans, laboratory and field data and all other submissions that the Public College generates, or sends to or receives from the NJDEP, in connection with such ISRA compliance.

(i) No lien has been attached to any revenue or any personal property owned by the Public College and located in the State, including, without limitation, any of the Project Facilities, as a result of (i) the Administrator of the New Jersey Spill Compensation Fund expending moneys from said fund to pay for Damages and/or Cleanup and Removal Costs; or (ii) the Administrator of the United States Environmental Protection Agency expending moneys from the Hazardous Substance Superfund for Damages and/or Response Action Costs. In the event any such lien has been filed, then the Public College shall, within thirty (30) days from the date the Public College is given such notice of such lien (or within such shorter period of time in the event the State or the United States has commenced steps to have any of the Project Facilities sold), either: (i) pay the claim and remove the lien from the Project Facilities; or (ii) furnish (a) a bond satisfactory to the Authority in the amount of the claim out of which the lien arises, (b) a cash deposit in the amount of the claim out of which the lien arises, or (c) other security satisfactory to the Authority in an amount sufficient to discharge the claim out of which the lien arises.

(j) During the term of this Agreement, the Public College shall take all steps necessary to determine whether any Hazardous Substances have been Released on, at, under or emanating from any of the Project Facilities and the Public College shall promptly upon discovery Remediate such Release in accordance with the requirements of Applicable Environmental Laws. Without in any way limiting the generality of the foregoing, in the event the Public College performs any Remediation at any of the Project Facilities pursuant to this Section 5.11, the Public College agrees to:

(i) Perform and cause all consultants and contractors retained by the Public College to perform all such Remediation in a workmanlike manner and consistent with all Applicable Environmental Laws;

(ii) Comply with all Applicable Environmental Laws in connection with the implementation of such Remediation at the Project Facilities and obtain all permits, authorizations and consents required under Applicable Environmental Laws or by any Governmental Authority in order to implement such Remediation at the Project Facilities;

(iii) Select and propose to the Governmental Authority Remediation that shall not interfere with the current use of any of the Project Facilities or the operations currently conducted by the Public College nor interfere with, preclude or prevent the future use of any of the Project Facilities for the same use or any use similar to the current use of the Project Facilities. Without in any way limiting the generality of the foregoing, the Public College shall not select, propose or use at any of the Project Facilities any Engineering Controls or Institutional Controls (as such terms are defined under N.J.S.A. 58:10B-1 *et seq*.), or any remediation standards applicable to non-residential properties, without the prior written consent of the Authority, which consent shall not be unreasonably withheld;

(iv) Promptly upon the completion of the Remediation, restore the Project Facilities to substantially the same condition they were in prior to the performance of the Remediation;

(v) Provide the Authority with copies of all documents that the Public College (i) submits to any Governmental Authority in connection with the Project Facilities at the same time the Public College submits such documents to the Governmental Authority, and (ii) receives from any Governmental Authority in connection with the Project Facilities within three (3) Business Days of the Public College's receipt of same; and

(vi) Obtain and provide to the Authority a No Further Action Letter/Covenant Not to Sue issued by the NJDEP pursuant to N.J.S.A. 58:10B-13.1 or, if the Remediation is under the supervision of a Governmental Authority other than the NJDEP, obtain a comparable determination from such other Governmental Authority.

SECTION 5.12 Municipal Property Taxes.

The Public College agrees to pay, or cause to be paid, any and all local municipal assessments for property taxes, including farmland rollback assessments, directly related to the Project Facilities. The Public College, if applicable, shall provide the Authority with copies of all applications for exemption from municipal property taxes filed with the local municipality.

SECTION 5.13 Compliance with Prevailing Wage Act.

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

SECTION 5.14 P.L. 2005, c. 92.

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

SECTION 5.15 Consent to Authority's Use of Photographs and Videos.

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

ARTICLE VI

CHARACTER OF AGREEMENT

SECTION 6.01 Net Lease.

It is mutually agreed by the parties hereto that this is a net lease and notwithstanding any language herein to the contrary, it is intended, and the Public College expressly covenants and agrees, that all rentals and other payments herein required to be made by the Public College to the Authority shall be net payments to the Authority, meaning that the Authority is not and shall not be required to expend any money or do any acts or take any steps affecting or with respect to the maintenance, preservation, repair, restoration, reconstruction, or protection of the Project Site or the Project Facilities or any part thereof.

ARTICLE VII

RIGHTS ON DEFAULT

SECTION 7.01 Entry.

The Authority and the Public College agree that, if an Event of Default (as hereinafter defined) occurs and is continuing, the Authority shall have the right to and may enter the Project Facilities without being liable for any prosecution or damages therefor, and may relet the Project Facilities for such term of years, which may exceed the term of this Agreement, and receive the rent therefor, upon such terms as shall be satisfactory to the Authority. Such entry by the Authority shall not relieve the Public College of its obligations under this Agreement nor operate to release the Public College from any Basic Lease Payments to be paid or covenants to be performed under this Agreement during the full term of this Agreement. For the purpose of reletting, the Authority shall be authorized to make such repairs or alterations in or to the Project Facilities as it may deem necessary to place the same in good order and condition. The Public College shall be liable to the Authority for the cost of such repairs or alterations and all expenses of such reletting. If the sum realized or to be realized from the reletting is insufficient to satisfy the Basic Lease Payments provided in this Agreement, the Authority, at its option, may require the Public College to pay such deficiency month by month, or may hold the Public College liable in advance for the entire deficiency to be realized during the term of the reletting of the Project Facilities in excess of the Basic Lease Payments reserved in this Agreement. Notwithstanding such entry by the Authority, the Public College agrees that: (i) all rights-of-way, easements or other rights in land conveyed or otherwise provided in accordance with this Agreement shall be continued in full force and effect; and (ii) any utility services shall be furnished by the Public College to the Project Facilities at the expense of the Public College. Furthermore, upon such entry by the Authority, any sublease of the Project Facilities shall immediately terminate and be of no further force and effect.

Upon entering the Project Facilities, the Authority shall as soon as practicable, inspect the Project Facilities and make inventories of all fixtures, furniture, equipment and effects in the Project Facilities. The Public College shall pay to the Authority upon receipt of the properly executed vouchers therefor all sums owing to the Authority by the Public College in connection therewith.

If entry upon the Project Facilities (or any portion thereof) is permitted under this Section 7.01, the Authority may enter upon the Project Facilities or any portion thereof. Notwithstanding the foregoing, the Authority shall not enter upon the Project Facilities if a Prior Agreement remains in effect unless (i) such entry is consented to by the respective trustees for bonds of the Authority secured by lease payments of the Public College under the Prior Agreements and (ii) such trustee and the Trustee shall have agreed upon the allocation of any revenues realized by the Authority as a result of such entry.

For purposes of this Agreement, an Event of Default shall exist if a "Lease Default Event" shall exist hereunder. The following are Lease Default Events:

(a) Upon failure by the Public College to pay in full any payment required hereunder, whether at maturity, upon a date fixed for prepayment, by declaration, upon termination of the Swap Agreement, if any, or otherwise pursuant to the terms hereof or thereof;

(b) If any material representation or warranty made by the Public College herein or made by the Public College in any document, instrument or Certificate furnished to the Trustee or the Authority in connection with the issuance of the Bonds shall at any time prove to have been incorrect in any respect as of the time made;

(c) If the Public College shall fail to observe or perform any other covenant, condition, agreement or provision in this Agreement on its part to be observed or performed, or shall breach any warranty herein contained, for a period of sixty (60) days after written notice, specifying such failure or breach and requesting that it be remedied, has been given to the Public College by the Authority or the Trustee; except that, if such failure or breach can be remedied but not within such sixty-day period and if the Public College has taken all action reasonably possible to remedy such failure or breach within such sixty-day period, such failure or breach shall not become a Lease Default Event for so long as the Public College shall diligently proceed to remedy such failure or breach in accordance with and subject to any directions or limitations of time established by the Trustee; or

(d) Any Event of Default as defined in and under the Indenture.

ARTICLE VIII

INSPECTIONS

SECTION 8.01 Authority's Right to Inspect.

The Public College covenants and agrees to permit the Authority and the authorized agents and representatives of the Authority to enter the Project Facilities at all times during business hours for the purpose of inspecting the same.

SECTION 8.02 Annual Inspection.

The Public College covenants and agrees that at its own expense it will upon the request from time to time of the Authority, and at least annually, cause an inspection of the Project Facilities to be made by a professional engineer or architectural firm employed by the Public College or by the officer or employee of the Public College in charge of the grounds and plant of the Public College and that it will file with the Authority such inspection report upon completion. Said report shall set forth in its findings whether the Project Facilities has been maintained in good repair, working order and condition as well as any recommendations as to the proper maintenance and repair of the Project Facilities and the estimate of money necessary for such purpose.

ARTICLE IX

INTEREST IN THE PROJECT

SECTION 9.01 No Merger.

It is mutually agreed by the parties hereto that so long as any of the Bonds issued by the Authority for the purpose of providing moneys to pay the Cost of the Project are Outstanding and unpaid, or any Swap Payment Obligations or Swap Termination Payments are unpaid, without provision for such payment duly provided for, the leasehold interest and estate created by this Agreement shall not be merged or deemed to be merged with any reversionary interest and estate of the Public College, if any, in the Project Facilities.

SECTION 9.02 Conveyance Requirement.

When the term of this Agreement has expired and the Authority has certified that all of the Outstanding Bonds have been paid or provision for payment duly made, and the Trustee has certified to the Authority that all of the Outstanding Bonds, including the principal, redemption premium, if any, and interest, all Swap Payment Obligations, Swap Termination Payments and all other obligations incurred by the Authority in connection with the Project have been paid, or that sufficient funds for such payment in full are held in trust by the Trustee, the Authority shall transfer all its rights, title and interest in and to the Project Facilities to the appropriate State entity by deed or deeds in form satisfactory to the Authority. Notwithstanding the foregoing, in the event a Prior Agreement is still then in effect, the Project Site shall not be so transferred until permitted by the terms of such Prior Agreement.

ARTICLE X

ASSIGNMENTS

SECTION 10.01 Assignments.

The Public College shall not assign this Agreement or any interest therein or sublet the demised premises or any part thereof without the prior consent of the Authority; provided, however, that nothing in this Article X shall prohibit the licensing, to students of the Public College or other use of the Project Facilities, or any part thereof, so long as the Public College does not grant an interest in or over the demised premises without the consent of the Authority.

ARTICLE XI

REPRESENTATIONS

SECTION 11.01 Condition of Premises.

The Public College shall fully familiarize itself with the physical condition of the Project Facilities and the improvements, fixtures and equipment constituting part thereof. The Authority makes no representations whatsoever in connection with the condition of the Project Facilities or the improvements, fixtures or equipment constituting part thereof, and the Authority shall not be liable for any latent or patent defects therein.

SECTION 11.02 Limitation of Liability

The Public College covenants that all actions heretofore taken by the Public College in connection with the Project Facilities, including the making of contracts, and all actions hereafter taken by the Authority in connection with the Project Facilities upon the recommendation or request of any Authorized Officer of the Public College have been and will be in full compliance with the Indenture, the Resolution, this Agreement and with all pertinent laws applicable to the Public College or the Authority. The Public College acknowledges that any review of any such actions heretofore or hereafter taken by the Authority's staff or counsel has been or will be solely for the protection of the Authority to carry out the Project and shall not estop the Authority from enforcing the foregoing covenant.

The ownership of the Project Facilities shall not impose any other liability on the Authority, whether contractual or otherwise. Neither the carrying out of the Project nor the ownership of the Project Facilities by the Authority shall impose any liability on the members, officers, employees, consultants or agents of the Authority. The Public College agrees to indemnify the Authority and all such members, officers and employees of the Authority and save them harmless against any liability intended to be precluded herein.

In the exercise of the powers of the Authority and the Trustee by their members, officers, employees, consultants and agents (other than the Public College) under the Indenture, the Resolution, the Financing Documents and this Agreement, including (without limiting the foregoing) the carrying out of the Project, the application of moneys, the investment of funds and reletting the Project Facilities in the event of default by the Public College, the Authority, the Trustee and their members, officers, employees, consultants and agents shall not be accountable to the Public College for any action taken or omitted by it or them in good faith and believed by it or them to be authorized or within the discretion or rights or powers conferred. The Authority and the Trustee and all such other parties shall be protected in its or their acting upon any paper or document believed by it or them to be genuine, and it or they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action.

Pursuant to N.J.S.A. 18A:72A-6, all payment obligations of the Authority whatsoever arising under the Financing Documents shall constitute special and limited obligations of the Authority payable solely from amounts, if any, paid by the Public College pursuant to this Agreement or otherwise available for such purpose under the Indenture and Resolution.

SECTION 11.03 Covenant as to Arbitrage.

The Authority and the Public College hereby covenant that they will make no use of the proceeds of the Series 2016 F Bonds which would cause the Series 2016 F Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations Sections 1.148-0 through 1.148-11 and 1.149(d)-1, and all other applicable regulations of the Internal Revenue Service.

SECTION 11.04 Tax Covenants.

(a) The Authority and the Public College covenant that they will take no action that would cause the Series 2016 F Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. Accordingly, not more than ten percent (10%) of the proceeds of the Series 2016 F Bonds will be used directly or indirectly in any trade or business carried on by any person other than a state or local governmental unit or instrumentality thereof (within the meaning of Section 141 of the Code). Not more than five percent (5%) of the proceeds of the Series 2016 F Bonds will be used directly or indirectly in any trade or business carried on by any person other than a state or local governmental unit or instrumentality thereof (within the meaning of Section 141 of the Code) for any use unrelated to any governmental use of such proceeds or used or to be used in any "disproportionate related business use" (as defined in Section 141 of the Code). Not more than the lesser of five percent (5%) of the proceeds of the Series 2016 F Bonds, or $5,000,000 of the Series 2016 F Bonds will be used directly or indirectly to make or finance loans to any person other than a state or local governmental unit or instrumentality thereof (within the meaning of Section 141 of the Code). Not more than ten percent (10%) of the proceeds of the Series 2016 F Bonds will be (i) secured directly or indirectly by any interest in property used or to be used for a private business use (within the meaning of Section 141(b) of the Code) or by payments in respect of such property, or (ii) derived directly or indirectly from payments (whether or not to the Authority) in respect of property, or borrowed money, used or to be used for a private business use.

(b) The Public College covenants to create and maintain records which, in the judgment of the Authority, are sufficient to determine the compliance of the Series 2016 F Bonds with the requirements of Section 141 of the Code, including but not limited to (i) the allocation and use of the proceeds of the Series 2016 F Bonds and (ii) the ownership and use of all the property financed with proceeds of the Series 2016 F Bonds, as such records are further described in the Tax Certificate. The Authority covenants to create and retain records with respect to: (x) all investments made with Gross Proceeds of the Series 2016 F Bonds (including without limitation records required under Treasury Regulations Section 1.148-5(d)(6)); (y) all information necessary to compute the Yield on the Series 2016 F Bonds, including the information necessary to establish the existence of any qualified guarantee or qualified hedge (within the meaning of Treasury Regulations Section 1.148-4(f) and (h)) with respect to the Series 2016 F Bonds, the amount and date of payments for a qualified guarantee or qualified hedge with respect to the Series 2016 F Bonds, and the issue price of the Series 2016 F Bonds; and (z) all information necessary to establish any exception to arbitrage rebate (within the meaning of Treasury Regulations Section 1.148-7) has been met with respect to proceeds of the Series 2016 F Bonds, as such records are further described in the Authority's Arbitrage Certificate with respect to the Series 2016 F Bonds. The Authority covenants to retain all such records until three years after the last scheduled maturity date of the Series 2016 F Bonds, or in the event the Series 2016 F Bonds are retired early, three years after the final retirement of the Series 2016 F Bonds.

(c) The Authority and the Public College covenant that they will take no action which would cause the Series 2016 F Bonds to be federally guaranteed (within the meaning of Section 149(b) of the Code).

(d) The Authority and the Public College covenant to comply with the provisions of the Code applicable to the Series 2016 F Bonds and covenant that they will not take any action or fail to take any action which would cause the interest on the Series 2016 F Bonds to lose the exclusion from gross income for purposes of federal income taxation under Section 103 of the Code.

(e) The Public College 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 60 days of the issuance of the Series 2016 F Bonds, the Public College 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 Public College agrees to comply with the Written Procedures and at least once a year review the use of the Series 2016 F Bonds and any other outstanding bonds of the Authority that have financed facilities for the Public College (together with the Series 2016 F Bonds, the "Authority's Bonds") in order to determine whether such bonds meet all federal tax law conditions applicable to such bonds and certify its findings in writing to the Authority. In addition, the Public College shall, with respect to any of the Authority's Bonds, provide prompt written notice to the Authority of any of the acts or events listed on Exhibit D that may jeopardize the tax-exempt status of the Series 2016 F Bonds, attached hereto and made a part hereof (a "Special Notice Event"). The Public College will use its best efforts to provide advance notice, but will in any event provide notice no later than thirty (30) days after the occurrence of such Special Notice Event, whether the Public College is on notice of such Special Notice Event by its diligence or internal procedures or its own filing of any statement, tax schedule, return or document with the Internal Revenue Service which discloses that a Special Notice Event shall have occurred, by its receipt of any oral or written advice from the Internal Revenue Service that a Special Notice Event shall have occurred, or otherwise. The Public College agrees that, in consultation with the Authority, at the expense of the Public College, it shall take such actions, if any, as may be necessary or appropriate to remediate such Special Notice Event, including without limitation such actions required under Section 1.141-12 of the Treasury Regulations or a closing agreement with the Internal Revenue Service and provide to the Authority an opinion of Bond Counsel outlining the plan of remediation and whether or not the tax-exempt status of the Series 2016 F Bonds will be preserved. In the event the Authority becomes aware of a Special Notice Event, the Authority shall have the right, upon prior written notice to the Public College, to conduct its own investigation and at the sole cost of expense of the Public College, retain Bond Counsel to determine any and all actions required to remediate such Special Notice Event. Upon request of the Authority, the Public College shall adopt and follow its own written post-issuance compliance procedures to supplement the foregoing.

SECTION 11.05 Rebate Requirement.

(a) The Authority and the Public College covenant and agree 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 Public College under this Agreement) the Rebatable Arbitrage from the Rebate Account to the United States, in the percentage, at the times and in the manner set forth in the Tax Certificate.

(b) Notwithstanding any other provision of this Agreement, to the extent that funds and accounts held by the Trustee are less than the amount required to be deposited by the Authority in the Rebate Fund for the Series 2016 F Bonds, the Public College will pay to the Authority the amount equal to the Rebatable Arbitrage.

SECTION 11.06 Agreement Not to Purchase Bonds.

The Public College agrees that neither it nor any person related to it, within the meaning of Treasury Regulations Sections 1.150-1(b), pursuant to an arrangement, formal or informal, shall purchase the Bonds in an amount related to the amount of the payments to be made pursuant to this Agreement.

SECTION 11.07 Right to Obtain Bond Counsel Opinion.

The Authority and the Public College shall not be required to comply with any one or more requirements of Sections 11.03, 11.04, 11.05 and 11.06 hereof to the extent that an opinion of nationally recognized bond counsel, reasonably acceptable to the Authority, is obtained to the effect that failure to comply with such requirements or compliance with other requirements in lieu of Sections 11.03, 11.04, 11.05 and 11.06 hereof will not impair the exclusion from gross income of interest on the Series 2016 F Bonds for purposes of federal income taxation under Section 103 of the Code.

SECTION 11.08 Continuing Disclosure.

The Public College hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding Section 7.01 of the Indenture or any other provision of this Agreement, failure of the Public College to comply with or perform its obligations under this Section 11.08 or under the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; however, the Authority may take such actions as may be necessary or desirable, including seeking specific performance by court order, to cause the Public College to comply with its obligations under this Section 11.08 or under the Continuing Disclosure Agreement.

SECTION 11.09 Review and Execution of Financing Documents.

The Public College hereby represents and warrants to the Authority and the Swap Provider, if any, that the Public College has reviewed and has a full understanding of all the terms, conditions and risks (economic and otherwise) of each of the Financing Documents, that it is capable of assuming and willing to assume (financially and otherwise) all such risks, that it has consulted with its own legal and financial advisors (to the extent it has deemed necessary) and is not relying upon any advice, counsel or representations (whether written or oral) of the Authority, the Authority's legal and financial advisors, or the Swap Provider, if any, and that it has made its own investment, hedging and trading decisions (including decisions relating to the suitability of each of the Financing Documents) based upon its own judgment and upon any advice from its own legal and financial advisors as it has deemed necessary. Notwithstanding the foregoing, the Authority acknowledges that the New Jersey Office of the Attorney General has provided legal counsel to both the Authority and the Public College. The Public College hereby acknowledges that the Authority is entering into the Financing Documents at the request of, and as an accommodation to, the Public College and that the terms of the Financing Documents have been negotiated by, and are acceptable to, the Public College.

SECTION 11.10 Additional Representations and Warranties.

The Public College hereby makes the following representations and warranties to the Authority as of the Closing Date:

(a) Article 9. The Public College covenants and agrees to cooperate with the Authority in complying with the provisions of Article 9 of the Uniform Commercial Code enacted by the New Jersey Legislature or by any other jurisdiction whose laws govern the perfection and enforceability of any security for the Bonds to the extent that the Authority determines that compliance therewith is required.

(b) Financial Statements. The audited financial statements of the Public College for the most recent fiscal year, including its balance sheets as of such date, correctly and fairly present, in all material respects, the financial condition of the Public College as of said dates and the results of the operations of the Public College for such period, and have been prepared in accordance with generally accepted accounting principles consistently applied except as stated in the notes thereto; and there has been no material adverse change in the condition, financial or otherwise, of the Public College since the date of such financial statements, from that set forth in said financial statements as of, and for the period ended on that date.

(c) Existence and Standing. The Public College is a public institution for higher education existing under the laws of the State, and has the necessary power and authority to execute and deliver this Agreement and any other Financing Documents to which the Public College is a party, and to perform its obligations hereunder and thereunder.

(d) Authorization and Validity. The execution and delivery by the Public College of this Agreement and any other Financing Documents to which the Public College is a party have been duly authorized by proper proceedings of the Public College, and no further approval, authorization or consents are required by law or otherwise. This Agreement and the other

Financing Documents to which the Public College is a party, constitute the legal, valid and binding obligations of the Public College enforceable in accordance with their respective terms, except as future enforceability may be limited by bankruptcy, insolvency, or similar laws affecting the rights of creditors, and by general equitable principles.

(e) Compliance with Laws and Contracts. Neither the execution and delivery by the Public College of this Agreement and any other Financing Documents to which the Public College is a party, nor the consummation of the transactions herein and therein contemplated, nor compliance with the provisions hereof or thereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Public College, the Public College's organizational documents or the provisions of any indenture, instrument or agreement to which the Public College 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. Except as disclosed in the Official Statement relating to the Bonds, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the knowledge of the Public College, threatened against or affecting the Public College (x) wherein an unfavorable decision, ruling or finding would materially adversely affect (i) the transactions contemplated by or the validity of this Agreement or any other Financing Documents to which the Public College is a party, (ii) the tax-exempt status of the Public College or of the interest on the Bonds, or (iii) the Public College's property, assets, operations or conditions, financial or otherwise, or its ability to perform its obligations hereunder or under such other Financing Documents; or (iv) which in any way contests the existence, organization or powers of the Public College the titles of the officers of the Public College to their respective offices.

(g) Swap Agreements. To the extent that the obligations of the Public College hereunder relate to a Swap Agreement, the Public College represents that the Authority will be entering into such Swap Agreement on behalf of the Public College to assist it in managing its borrowings or investments, and not for purposes of speculation. The Public College agrees to cooperate with the Authority in order to permit the Authority to comply with the Swap Agreement and agrees that in addition to its payment obligations hereunder, the Public College will provide the Authority (or the Swap Provider, if directed by the Authority) any information about the Public College which is required to be provided, including, without limitation, audited or unaudited financial statements of the Public College at the times such information is required and to confirm that the representations of the Public College made herein are true and correct at such future times as are necessary to permit the Authority to comply with the Swap Agreement. The Public College acknowledges that the Authority may make representations, warranties and agreements in the Swap Agreement in reliance on the representations, warranties and agreements provided by the Public College herein and expressly authorizes the Authority to rely on such agreements, warranties and representations of the Public College in so doing. The Public College agrees that if a Swap Agreement is terminated and/or any Swap Agreement is entered into with respect to the Bonds, that it will amend this Agreement as may be necessary to reflect such Swap Agreement and to make such other amendments as are necessary to implement such Swap Agreement.

SECTION 11.11 Additional Covenants.

During the term of this Agreement, and until the Public College has paid in full all of its obligations hereunder, the Public College hereby covenants and agrees as follows:

(a) Existence. The Public College shall maintain its existence as a public institution of higher education formed under the laws of the State of New Jersey, and shall not merge, consolidate, liquidate or sell substantially all of its assets.

(b) Compliance With Laws. The Public College shall comply with all laws, rules and regulations, and with all final orders, writs, judgments, injunctions, decrees or awards to which it may be subject and which are material to the Bonds, this Agreement or any other Financing Documents to which the Public College is a party, or the operations, affairs, properties, condition (financial or otherwise) or prospects of the Public College; provided, however, that the Public College may contest the validity or application thereof and appeal or otherwise seek relief therefrom, and exercise any and all of the rights and remedies which it may have with regard thereto, so long as such acts do not affect the Public College's power and authority to execute and deliver this Agreement and such other Financing Documents, and to perform its obligations and pay all amounts payable by it hereunder and thereunder.

(c) Maintain Existence of Authority "Project". The Public College 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) Indemnification. The Public College shall indemnify the Authority as follows:

(i) The Public College shall protect, exonerate, defend, indemnify and save the Authority and its members, directors, officers and employees (collectively, the "Indemnified Parties") harmless from and against any and all losses, including, but not limited to personal injury, death, loss or damage to property suffered or incurred by any person, entity, firm or corporation arising out of or attributable to the financing of the Project, the use, operation or maintenance of the Project Facilities, arising from the use or occupancy of the Project Facilities by the Public College, its agents, contractors, servants, employees, licensees, invitees or sublessees, if any; and from and against any and all losses incurred in or about the defense of any such claims, actions or proceedings brought thereon.

(ii) The Public College's obligations hereunder shall survive the payment of the sums due hereunder and the expiration of the term of this Agreement. In addition, the Public College shall release the Indemnified Parties from, agrees that the Indemnified Parties shall not be liable for, and agrees to hold the Indemnified Parties harmless against any losses because of any action taken by an Indemnified Party in good faith with respect to this Agreement, the Project and the Project Facilities.

(iii) The Indemnified Parties, respectively, will give prompt written notice to the Public College of any claim asserted against it or them, as the case may be, which claim, if sustained, may result in liability on the part of an Indemnified Party which is indemnified hereunder; provided, however, that the failure on the part of the Indemnified Party to give such notice shall not relieve the Public College from its obligation under this Section 11.11(d). Upon receipt of such notification, the Public College shall assume the defense thereof, with full power to litigate, compromise or settle the same in its sole discretion, but with the Indemnified Party's consent, all without cost to the Indemnified Parties, including any costs incurred by the Indemnified Party prior to such notification. Any Indemnified Party shall have the right to employ separate counsel in any such claim and to participate in the defense thereof.

(iv) The Authority shall be protected in its acting upon any paper or documents believed by it to be genuine, and it may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action.

(e) Reports and Records Furnished by Public College. The Public College shall, if and when reasonably requested by the Authority, provide the following reports and records to the Trustee and the Authority concerning the Project Facilities and the condition of the Public College:

(i) The Public College shall, if and when reasonably requested by the Authority, deliver to the Authority any records required by Section 11.04(b) of this Agreement and the Tax Certificate. The Public College also shall furnish annually to the Authority a certification to the effect that the Public College has retained such records. The Public College will retain all such records until three years after the last scheduled maturity date of the Series 2016 F Bonds, or in the event the Series 2016 F Bonds are retired early, three years after the final retirement of the Series 2016 F Bonds.

(ii) The Public College acknowledges that the Authority shall have the right at any time, and in the sole and absolute discretion of the Authority, to redetermine the particular records required under Section 11.04(b) of this Agreement. The Public College also acknowledges that if, in the judgment of the Authority, the records retained by the Public College are insufficient, the Authority shall have the right to obtain from the Public College all information necessary to construct the records necessary to demonstrate compliance with Sections 141 of the Code. Additionally, the Authority may, with reasonable cause, retain counsel to construct or review such records. The Public College hereby agrees to be bound by any such records or review, absent manifest error, and to pay the reasonable expenses of the Authority and the reasonable fees and expenses of counsel retained by the Authority as Additional Lease Payments.

ARTICLE XII

MISCELLANEOUS

SECTION 12.01 Severability.

In case any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this Agreement, but this Agreement shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

SECTION 12.02 Paragraph Headings.

The paragraph headings contained herein are for convenience and reference and are not intended to define or limit the scope of any provision of this Agreement.

SECTION 12.03 Notices.

All notices required to be given or authorized to be given by either party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail to the main office of the other party. All notices required to be given or authorized to be given to the Trustee by either party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail to the Principal Office of the Trustee at the address of such Principal Office.

SECTION 12.04 Rights Cumulative.

All rights and remedies herein given or granted to the Authority are cumulative, nonexclusive and in addition to any and all rights and remedies that the Authority may have or be given by reason of any law, statute, ordinance or otherwise.

SECTION 12.05 Amendments or Modification.

This Agreement shall not be amended or modified in any manner without the written consent of the Authority and the Public College and in accordance with the provisions of the Indenture; provided however, the procedures set forth in the Indenture do not have to be complied with prior to the issuance of the Bonds provided that the consent of the Swap Provider, if any, is provided to the extent such amendment or modification affects its security.

SECTION 12.06 Resolution and Indenture Controlling.

In the event any provisions of this Agreement shall be incompatible with the Resolution or the Indenture, the provisions of said Resolution and the Indenture shall be controlling.

SECTION 12.07 Swap Provider as Beneficiary.

To the extent this Agreement confers upon or gives or grants to a Swap Provider, if any, any right, remedy or claim under or by reason of this Agreement, the Swap Provider, if any, is hereby explicitly recognized as being a third-party beneficiary hereunder, and may enforce any such right, remedy or claim conferred, given or granted to it hereunder.

SECTION 12.08 Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 12.09 Governing Law.

This Agreement shall be governed exclusively by and construed in accordance with the laws of the State without regard to conflict of law principles.

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IN WITNESS WHEREOF, the New Jersey Educational Facilities Authority has caused these presents to be executed by its Executive Director and the Public College has caused these presents to be executed by the President of the Public College, all as of the day and year first hereinabove set forth.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

Attest:

______________________________ By:______________________________

Steven P. Nelson, Assistant Secretary — Jeremy A. Spector, Executive Director

Attest: THE COLLEGE OF NEW JERSEY

______________________________ By:______________________________

Lloyd Ricketts, Treasurer — R. Barbara Gitenstein, President

STATE OF NEW JERSEY)
) SS.
COUNTY OF MERCER)

BE IT REMEMBERED that on September ___, 2016 before me the subscriber, a Notary Public or Attorney at Law of the State of New Jersey, personally appeared R. Barbara Gitenstein, who being by me duly sworn according to law on her oath, says that she is the President of THE COLLEGE OF NEW JERSEY, the Public College named in the within instrument; and that this person thereupon acknowledged that the instrument signed and delivered by said President, as and for her voluntary act and deed and as and for the voluntary act and deed of said Public College by authority of its Board of Trustees.

____
Notary Public

STATE OF NEW JERSEY)
) SS.
COUNTY OF MIDDLESEX)

BE IT REMEMBERED that on September ___, 2016 before me the subscriber, a Notary Public or Attorney at Law of the State of New Jersey, personally appeared Jeremy A. Spector, who being by me duly sworn according to law on his oath, says that he is the Executive Director of the NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, the Authority named in the within instrument; and that this person thereupon acknowledged that the instrument signed and delivered by said Executive Director, as and for his voluntary act and deed and as and for the voluntary act and deed of said Authority.

____
Notary Public

EXHIBIT A

PROPERTY DESCRIPTIONS

Series 1994 B Project

See Schedule A-1 attached hereto.

Series 1996 A Project

See Schedule A-2 attached hereto.

Series 1999 A Project

See Schedule A-3 attached hereto.

Series 2002 D Project

See Schedule A-4 attached hereto.

Series 2010 A/B Project

See Schedule A-5 attached hereto.

EXHIBIT B

PROJECT FACILITIES

EXHIBIT C

Schedule of Basic Lease Payments

(Included for Informational Purposes Only)

EXHIBIT D

SPECIAL NOTICE EVENTS

The following events shall be considered Special Notice Events:

1. **Private business use of the Bond Financed Property** -- if any portion of the financed and/or refinanced projects 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 financed property, for beneficial use of the property financed with proceeds of tax-exempt debt or an arrangement that conveys a special economic benefit). Use of bond financed facilities 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 use;

2. **Private Loans Bond Proceeds --** if any portion of the proceeds of the Bonds (including any investment earnings) thereon are to be loaned by the Public College;

3. **Naming rights agreements for the Bond Financed Property --** if any portion of the financed and/or refinanced projects will become subject to a naming rights agreement, other than a "brass plaque" dedication;

4. **Research using the Bond Financed Property --** if any portion of the financed and/or refinanced projects has been or will be used for the conduct of research under the sponsorship, or for the benefit of, any organization 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 financed and/or refinanced projects 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 and/or refinanced projects, such as janitorial services or office equipment repair, or (ii) a qualified management contract described in Rev. Proc. 97-13 (Note: a contract that results in the payment of a concession or similar fee to the Public College is not a qualified contract);

6. **Joint Ventures** -- if any portion of the financed and/or refinanced projects 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 Public College, or any organization related to the Public College, identifies funds which 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; or

Unexpected Payments or Proceeds -- if the Public College receives funds related to Bond financed and/or refinanced property or the Bonds, including without limitation, charitable gifts, insurance payments and settlements of litigation or other disputes.

Schedule 5.11

The following items are disclosed pursuant to Section 5.11(c), 5.11(e) and 5.11(f) hereof:

Definitions

"Environmental Conditions," "Project Facilities," "Remediation" and "Applicable Environmental Laws" shall have the meanings ascribed hereto in this Lease and Agreement.

"Other Lands and Facilities" refers to other lands and facilities on the main campus of the College in Ewing, New Jersey that are not part of or proximate to and do not affect the Project Facilities.

Environmental Conditions at Project Facilities

None.

Environmental Conditions at Other Lands and Facilities

On or about November 1992, the College discovered that a 30,000 gallon underground storage tank containing No. 6 fuel oil had been leaking into the ground for an indeterminate period of time, involving an unknown quantity of material released. The tank was removed in April 1993 and has been replaced by two above-ground storage tanks. Although certain of the soils in the vicinity of the central utilities plant are known to have been contaminated, the College's environmental consultant reported that chemical constituents in the groundwater are not suspected to have migrated beyond the College's lands as recently as February 28, 2012. The New Jersey Department of Environmental Protection ("NJDEP") conditionally approved a Remedial Action Work plan ("RAW") relating to onsite groundwater contamination in April 1995. Under the RAW, the College was required to install and operate a recovery and treatment system to remove contaminated groundwater. This system operated from March 1998 until June 2003, when the NJDEP authorized a suspension based on groundwater sampling results that achieved the established groundwater quality standards. From June 2003 to approximately May 2012, the College was required by the NJDEP to undertake various monitoring activities, including periodic soil boring investigations, groundwater sampling, and measurement of groundwater elevations and monitoring for the presence of product sheen. On May 7, 2012 the NJDEP Site Remediation Reform Act ("SRRA") came into effect, requiring that a licensed site remediation professional ("LSRP") assume responsibility for managing all remediation cases for the NJDEP. The College has retained the services of a LSRP for this remediation case. Since 2008 and continuing, the College's environmental consultant estimates 13,300 gallons of water with No. 6 oil sheen are recovered each year. Groundwater sampling has not been completed since 2012 under the direction of the LSRP due to groundwater concentrations below NJDEP groundwater quality standards. Groundwater monitoring well gauging and free product monitoring indicates that there is no down-gradient migration of sheen. Soil borings were advanced in 2013 to delineate soils for a Soil Remedial Action Permit which was included in the March 2014 Remedial Investigation Report ("RIR") as required under the new SRRA. The Soil Remedial Action Permit has replaced the need for a county soil deed. It is anticipated that this remediation case will remain open with the NJDEP indefinitely or until such time as all contaminated soil is removed from beneath and adjacent to the central utilities plant.

Previously, the College has reported Environmental Conditions or other circumstances requiring Remediation at certain Other Lands and Facilities on the College's campus, including but not limited to, Holman Hall, Forcina Hall, the Science Complex, the former Ewing Township Municipal Building and sections of Campus Town. It has been determined that all Remediation at these locations is complete and no further remedial action is required.

Compliance

The College believes it is complying with all Applicable Environmental Laws with respect to the foregoing conditions. The College believes that the foregoing conditions do not and will not materially impair the value or usefulness of the Project Facilities or any Other Lands and Facilities on the College's campus for their intended purposes over their useful life, and that available funds will be sufficient to pay the cost of all required investigations and remediation. The College further believes that the foregoing conditions do not and will not have a material adverse impact on the financial condition of the College.

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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APPENDIX D

FORM OF OPINION OF BOND COUNSEL

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

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 $87,925,000 Revenue Refunding Bonds, The College of New Jersey Issue, Series 2016 F (Tax-Exempt) (the "*Series 2016 F Bonds*") and its $105,255,000 Revenue Refunding Bonds, The College of New Jersey Issue, Series 2016 G (Federally Taxable) (the "*Series 2016 G Bonds*"; and together with the Series 2016 F Bonds, 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 July 26, 2016 (the "*Resolution*").

The Bonds are being issued to finance, together with other available funds: (i) the costs of refunding all or a portion of the Authority's outstanding (a) Revenue Refunding Bonds, The College of New Jersey Issue, Series 2008 D, and (b) Revenue Bonds, The College of New Jersey Issue, Series 2010 B (Build America Bonds – Direct Payment); and (ii) the payment of certain costs incidental to the issuance and sale of the Bonds. The Authority and The College of New Jersey (the "*College*") have entered into a Lease and Agreement, dated as of September 1, 2016 (the "*Lease and Agreement*"), providing, among other things, for the making of a loan to the College of the proceeds of the Bonds.

The Authority and U.S. Bank National Association, as trustee (the "*Trustee*"), have executed a Trust Indenture, dated as of September 1, 2016 (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 Lease and Agreement. The Bonds are being underwritten pursuant to a Contract of Purchase, dated August 23, 2016 (the "*Contract of Purchase*"), by and among Morgan Stanley & Co. LLC, as representative of the underwriters of the Bonds set forth therein, the College and the Authority.

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 Lease and Agreement 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 College. 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 Lease and 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 Lease and Agreement, the Contract of Purchase 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 Lease and Agreement 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 Lease and 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 College 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 Series 2016 F Bonds for purposes of federal income taxation under the Internal Revenue Code of 1986, as amended (the "*Code*"). Assuming that the Authority and the College continuously comply with their respective covenants, interest on the Series 2016 F Bonds is not includable in gross income for federal income tax purposes under current law. The Series 2016 F Bonds are not "specified private activity bonds", as such term is defined under Section 57 of the Code, and, as such, interest on the Series 2016 F 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.

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 College with respect to matters solely within the knowledge of the Authority and the College that we have not independently verified, and we have assumed continuing compliance with the covenants in the Indenture and the Lease and

Agreement pertaining to the Code that affect the exclusion from gross income of interest on the Series 2016 F Bonds for federal income tax purposes. In the event that such representations are determined to be inaccurate or incomplete or the Authority or the College fails to comply with such covenants, interest on the Series 2016 F 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 Lease and Agreement, the Contract of Purchase 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 Lease and Agreement and the Contract of Purchase. 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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APPENDIX E

FORM OF
CONTINUING DISCLOSURE AGREEMENT

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CONTINUING DISCLOSURE AGREEMENT

BY AND BETWEEN

THE COLLEGE OF NEW JERSEY

AND

U.S. BANK NATIONAL ASSOCIATION,
AS DISSEMINATION AGENT

Dated as of September 1, 2016

CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (this "Agreement"), made and entered into as of September 1, 2016, by and between **THE COLLEGE OF NEW JERSEY,** a public institution of higher education located in the State of New Jersey (the "College"), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America with fiduciary and trust powers in the State of New Jersey (the "Dissemination Agent" or "Trustee").

W I T N E S S E T H :

WHEREAS, on the date hereof, 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 (the "Authority") is issuing its Revenue Refunding Bonds, The College of New Jersey Issue, Series 2016 F (Tax-Exempt) and Series 2016 G (Federally Taxable), dated September 29, 2016, in the aggregate principal amount of $193,180,000 (the "Bonds"); and

WHEREAS, the Bonds are being issued pursuant to the Authority's resolution adopted on July 26, 2016 (the "Resolution"), and a Trust Indenture, dated as of September 1, 2016 (the "Trust Indenture"), by and between the Authority and the Trustee; and

WHEREAS, the College and the Authority have entered into a Lease and Agreement, dated as of September 1, 2016, with respect to certain educational facilities re-financed with proceeds of the Bonds (the "Lease and Agreement"), whereby the Authority has leased such educational facilities to the College and the College has agreed to make lease payments to the Authority; and

WHEREAS, the Trustee has duly accepted the trusts imposed upon it by the Trust Indenture as Trustee for the Holders 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) ("Rule 15c2-12") that generally prohibit a broker, dealer or municipal securities dealer from purchasing or selling municipal securities, such as the Bonds, unless such broker, dealer or municipal securities dealer has reasonably determined that an issuer of municipal securities or an obligated person has undertaken in a written agreement or contract for the benefit of holders of such securities to provide certain annual financial information and operating data, notices of the occurrence of certain disclosure events and notices of the failure to make a submission required by a continuing disclosure agreement to various information repositories; and

WHEREAS, the Authority and the College have determined that the College is an "obligated person" with respect to the Bonds within the meaning of Rule 15c2-12 and, in order to enable a "participating underwriter" within the meaning of Rule 15c2-12 to purchase the Bonds, is therefore required to cause the delivery of the information described in this Agreement to the municipal securities marketplace for the period of time specified in this Agreement; and

WHEREAS, the SEC has adopted amendments, effective July 1, 2009, to Rule 15c2-12 requiring that the annual financial information and operating data, notices of the occurrence of certain 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 events notice of the occurrence of which must be provided to the MSRB and revising the time for the filing of notices of the occurrence of these events; and

WHEREAS, on August 23, 2016, the Authority and the College entered into a Contract of Purchase with Morgan Stanley & Co. LLC, as representative, on behalf of itself and the other underwriters named therein (collectively, the "Underwriter"), for the purchase of the Bonds; and

WHEREAS, the execution and delivery of this Agreement have been duly authorized by the College and the Dissemination Agent, respectively, and all conditions, acts and things necessary and required to exist, to have happened or to have been performed precedent to and in the execution and delivery of this Agreement, do exist, have happened and have been performed in regular form, time and manner; and

WHEREAS, the Dissemination Agent and the College 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 College and the Dissemination Agent, each binding itself, its successors and assigns, do mutually promise, covenant and agree as follows:

ARTICLE 1

DEFINITIONS

Section 1.1. Terms Defined in Recitals. All capitalized terms in the preambles hereof shall have the meanings set forth therein for all purposes of this Agreement.

Section 1.2. Additional Definitions. The following additional terms shall have the meanings specified below:

"Annual Report" means Financial Statements and Operating Data provided at least annually.

"Bondholder" or "Holder" or any similar term, when used with reference to a Bond or Bonds, means any person who shall be the registered owner of any Outstanding Bond, including holders of beneficial interests in the Bonds.

"Business Day" means any day other than (a) a Saturday or Sunday, (b) a day on which commercial banks in New York, New York, in the State or in the city or cities in which the designated corporate trust office of the Dissemination Agent is located are authorized or required by law to close or (c) a day on which the New York Stock Exchange is closed.

"Disclosure Event" means any event described in subsection 2.1(d) of this Agreement.

"Disclosure Event Notice" means the notice to the MSRB, as provided in subsection 2.1(e).

"Dissemination Agent" means an entity acting in its capacity as Dissemination Agent under this Agreement, or any successor Dissemination Agent designated in writing by the College and which has filed a written acceptance of such designation.

"EMMA" means the MSRB's Electronic Municipal Markets Access System.

"Final Official Statement" means the final Official Statement of the Authority dated August 23, 2016, pertaining to the Bonds.

"Financial Statements" means the basic financial statements of the College (including its component units, if any) for each Fiscal Year and includes statements of net assets, statements of revenues, expenses, and changes in net assets and statements of cash flows or statements which convey similar information.

"Fiscal Year" means the fiscal year of the College. As of the date of this Agreement, the Fiscal Year of the College begins on July 1 of each calendar year and closes on June 30 of the next succeeding calendar year.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States of America, consistently applied.

"GAAS" means generally accepted auditing standards as in effect from time to time in the United States of America, consistently applied.

"MSRB" means the Municipal Securities Rulemaking Board.

"Operating Data" means the financial and statistical information of the College of the type included in the Final Official Statement, under the heading "APPENDIX A – THE COLLEGE OF NEW JERSEY".

"State" means the State of New Jersey.

Section 1.3. Capitalized Terms Not Defined Herein. Capitalized terms not defined herein shall have the meanings assigned to them in Section 1.01 of the Trust Indenture or Section 1.01 of the Lease and Agreement, as the case may be.

Section 1.4. Interpretation. Words of masculine gender include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words importing Persons include corporations, associations, partnerships (including limited partnerships), trusts, firms and other legal entities, including public bodies, as well as natural persons. Articles and Sections referred to by number mean the corresponding Articles and Sections of this Agreement. The terms "hereby", "hereof", "hereto", "herein", "hereunder" and any similar terms as used in this Agreement, refer to this Agreement as a whole unless otherwise expressly stated.

As the context shall require, all words importing the singular number shall include the plural number; the disjunctive term "or" shall be interpreted conjunctively as required to insure that the College performs any obligations, mentioned in the passage in which such term appears.

ARTICLE 2

CONTINUING DISCLOSURE COVENANTS AND REPRESENTATIONS

Section 2.1. Continuing Disclosure Covenants of College. The College agrees that it will provide, or shall cause the Dissemination Agent to provide:

(a) Not later than one hundred eighty (180) days after the end of each Fiscal Year, commencing with the Fiscal Year of the College ended June 30, 2016, an Annual Report to the MSRB through EMMA, to the Trustee and to the Authority;

(b) Not later than fifteen (15) days prior to the date specified in subsection 2.1(a) as the date by which the Annual Report must be provided to the MSRB, a copy of the Annual Report to the Dissemination Agent, if the College has appointed or engaged a Dissemination Agent;

(c) If not submitted as part of the Annual Report, then when and if available, to the MSRB through EMMA, to the Trustee and to the Authority, audited Financial Statements for the College;

(d) In a timely manner not in excess of ten (10) Business Days after the occurrence of any of the following events, to the MSRB through EMMA, notice of the occurrence of any of the following events (with a copy of such notice provided by the College or the Dissemination Agent, as applicable, to the Trustee and to the Authority) 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 status of the Bonds.

(vii) Modifications to rights of holders of the Bonds, if material.

(viii) Bond calls, if material, and tender offers.

(ix) Defeasances.

(x) Release, substitution or sale of property securing repayment of the Bonds, if material.

(xi) Rating changes.

(xii) Bankruptcy, insolvency, receivership or similar event of the College, which shall be considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the College 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 College, 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 College.

(xiii) The consummation of a merger, consolidation, or acquisition involving the College or the sale of all or substantially all of the assets of the College, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(xiv) Appointment of a successor or additional Trustee, or the change of name of a Trustee, if material.

(e) In addition, notice of the Disclosure Events described in subsections (d)(viii) and (ix) of this Section 2.1 shall be given by the College or the Dissemination Agent, as applicable, under subsection (d) simultaneously with the giving of the notice of the underlying event to holders of affected bonds.

(f) In a timely manner, to the MSRB through EMMA, to the Trustee and to the Authority, notice of a failure by the College to provide the Annual Report within the period described in subsection 2.1(a) hereof.

Section 2.2. <u>Continuing Disclosure Representations</u>. The College 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 which must be included in the Annual Report may be incorporated by reference from other documents, including official statements delivered in connection with other financings issued on behalf of the College or related public entities which are available to the public on the MSRB's Internet Web site or filed with the SEC. If the document incorporated by reference is a final official statement, it must be available from the MSRB through EMMA. The College 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 College agrees that each Annual Report, each Disclosure Event Notice and each notice pursuant to subsections 2.1(b), 2.1(c) and 2.1(e) hereof shall be provided to the MSRB in an electronic format as prescribed by the MSRB, and that all documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 2.5. Responsibilities, Duties, Immunities and Liabilities of the Dissemination Agent.

(a) If the College has determined it necessary to report the occurrence of a Disclosure Event, the College or Dissemination Agent (if one has been appointed or engaged by the College and has received notice from the College of a Disclosure Event) 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 College or the Dissemination Agent to provide the notices to the MSRB under this Agreement are in addition to, and not in substitution of, any of the obligations of the Trustee to provide notices of events of default to Holders under Section 7.01 of the Trust Indenture. The College or the Dissemination Agent (if one has been appointed or engaged by the College) 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 College, with a copy to the Authority, certifying that the Annual Report has been provided to the MSRB pursuant to this Agreement, stating the date it was provided to the MSRB.

Section 2.6. Appointment, Removal and Resignation of Dissemination Agent.

(a) The College may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, and appoint a successor Dissemination Agent, such discharge to be effective on the date of the appointment of a successor Dissemination Agent. The College appoints U.S. Bank National Association as Dissemination Agent and U.S. Bank National Association hereby accepts such appointment.

(b) The Dissemination Agent shall have only such duties as are specifically set forth in this Agreement.

(c) The Dissemination Agent, or any successor thereto, may at any time resign and be discharged of its duties and obligations hereunder by giving not less than thirty (30) days written notice to the College and the Authority. Such resignation shall take effect on the date specified in such notice.

ARTICLE 3

DEFAULTS AND REMEDIES

Section 3.1. Disclosure Default. The occurrence and continuation of a failure by the College 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 College by the Trustee or any Bondholder shall constitute a disclosure default hereunder.

Section 3.2 Remedies on Default.

(a) The Trustee (at the request of the Underwriter or the Holders of at least twenty five percent (25%) in aggregate principal amount of Outstanding Bonds, and after provision of indemnity in accordance with Section 7.05 of the Trust Indenture, shall), or any Bondholder, for the equal benefit and protection of all Bondholders similarly situated, may take whatever action at law or in equity against the College and any of the officers, agents and employees of the College which is necessary or desirable to enforce the specific performance and observance of any obligation, agreement or covenant of the College under this Agreement and may compel the College or any such officers, agents or employees, except for the Dissemination Agent, to perform and carry out their duties under this Agreement; provided, that no person or entity shall be entitled to recover monetary damages hereunder under any circumstances.

(b) In case the Trustee or any Bondholder shall have proceeded to enforce its rights under this Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Bondholder, as the case may be, then and in every such case the College, 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 College, the Trustee and any Bondholder shall continue as though no such proceeding had been taken.

(c) A default under this Agreement shall not be deemed an event of default under either the Trust Indenture or the Lease and Agreement, and the sole remedy under this Agreement in the event of any failure by the College to comply with this Agreement shall be as set forth in subsection 3.2(a) of this Agreement.

ARTICLE 4

MISCELLANEOUS

Section 4.1. Purposes of this Agreement. This Agreement is being executed and delivered by the College and the Dissemination Agent for the benefit of the Bondholders and in order to assist the Underwriter in complying with clause (b)(5) of Rule 15c2-12.

Section 4.2. Third-Party Beneficiaries; Authority and Bondholders.

(a) The Authority is hereby recognized as being a third-party beneficiary hereunder and may enforce any such right, remedy or claim conferred, given or granted hereunder in favor of the Trustee or the Holders of the Bonds.

(b) Each Bondholder is hereby recognized as being a third-party beneficiary hereunder and each may enforce, for the equal benefit and protection of all Bondholders similarly situated, any such right, remedy or claim conferred, given or granted hereunder in favor of the Trustee.

Section 4.3. No Recourse to Authority; Indemnified Parties. No recourse shall be had for the performance of any obligation, agreement or covenant of the College or the Trustee under this Agreement against the Authority or against any member, official, officer, employee, counsel, consultant and agent of the Authority or any person executing the Bonds.

To the extent permitted by law, the College agrees to indemnify and hold harmless the Authority, any member, officer, official, employee, counsel, consultant and agent of the Authority (collectively called the "Indemnified Parties"), against any and all losses, claims, damages, liabilities or expenses whatsoever caused by the College'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 College to perform. In case any action shall be brought against the Indemnified Parties based upon this Agreement and in respect of which indemnity may be sought against the College, the Indemnified Parties shall promptly notify the College in writing. Upon receipt of such notification, the College 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 party. The failure on the part of any Indemnified Party to give such notification shall not relieve the College of its obligation under this Section 4.3. 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 College, or unless by reason of conflict of interest determined by the written opinion of counsel to any such Indemnified Party, in which case the fees and expenses of such separate counsel shall be borne by the College. The College 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 College or if there be a final judgment for the plaintiff in any such action with or without written consent, the College agrees to indemnify and hold harmless the Indemnified Parties from and against any loss or liability by reason of such settlement or judgment. Nothing in this paragraph shall require or obligate the College to indemnify or hold harmless the Indemnified Parties from or against any loss, claim, damage, liability or expense caused by any negligence, recklessness or intentional misconduct of the Indemnified Parties in connection with the College's performance of its obligations, agreements and covenants under this Agreement; and further provided, with respect to the Dissemination Agent, that the foregoing is subject to the limitations of the provisions of the New Jersey Tort Claims Act, N.J.S.A. 59:2-1 *et seq.* and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 *et seq.*

Section 4.4. Additional Information. Nothing in this Agreement shall be deemed to prevent the College from (a) disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or (b) including any other information in any Annual Report or any Disclosure Event Notice, in addition to that which is required by this Agreement. If the College 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 College shall have no obligation under this Agreement to update such information or include it in any future Annual Report or any future Disclosure Event Notice. The College shall reimburse the Dissemination Agent for any expenses incurred by the Dissemination Agent in providing such additional information pursuant to this Section 4.4.

Section 4.5. Notices. All notices required to be given or authorized to be given by either party pursuant to this Agreement shall be in writing and shall be sent by registered or certified mail (as well as by facsimile, in the case of the Trustee or Dissemination Agent) to, in the case of the College, the Treasurer, 2000 Pennington Road, P.O. Box 7718, Ewing, New Jersey 08628-0718 (facsimile (609) 637-5146); and in the case of the Trustee or Dissemination Agent, its corporate trust office at c/o Corporate Trust Department, 21 South Street, 3rd Floor, Morristown, New Jersey 07960 (facsimile (973) 682-4540); and in the case of the Authority, addressed to it at its offices at 103 College Road East, Princeton, New Jersey 08540-6612 (facsimile (609) 987-0850).

Section 4.6. Assignments. This Agreement may not be assigned by either party without the written consent of the other and, as a condition to any such assignment, only upon the assumption in writing of all of the obligations imposed upon such party by this Agreement.

Section 4.7. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatsoever.

Section 4.8. Execution of Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. Both parties hereto may sign the same counterpart or each party hereto may sign a separate counterpart.

Section 4.9. Amendments, Changes and Modifications.

(a) Except as otherwise provided in this Agreement, subsequent to the initial issuance of the Bonds and prior to their payment in full (or provision for payment thereof having been made in accordance with the provisions of the Trust Indenture), this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee.

(b) Without the consent of any Bondholders, the College and the Trustee at any time and from time to time may enter into any amendments or modifications to this Agreement for any of the following purposes:

(i) to add to the covenants and agreements of the College hereunder for the benefit of the Bondholders, or to surrender any right or power conferred upon the College by this Agreement;

(ii) to modify the contents, presentation and format of the Annual Report from time to time to conform to changes in accounting or disclosure principles or practices and legal requirements followed by or applicable to the College or to reflect changes in the identity, nature or status of the College or in the business, structure or operations of the College or any mergers, consolidations, acquisitions or dispositions made by or affecting the College; provided that any such modification shall comply with the requirements of Rule 15c2-12 as then in effect at the time of such modification; or

(iii) to cure any ambiguity, to correct or supplement any provision hereof which may be inconsistent with any other provision hereof, or to include any other provisions with respect to matters or questions arising under this Agreement which, in each case, comply with Rule 15c2-12 as then in effect at the time of such modification;

provided, however, that prior to approving any such amendment or modification, the College determines that such amendment or modification does not adversely affect the interests of the Holders of the Bonds in any material respect.

(c) Upon entering into any amendment or modification required or permitted by this Agreement, the College shall provide, or cause the Dissemination Agent to provide, to the MSRB through EMMA, notice of any such amendment or modification.

(d) The College and the Trustee shall be entitled to rely exclusively upon an opinion of counsel nationally recognized as an expert in federal securities law acceptable to the College 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 College and the Dissemination Agent each recognize that the provisions of this Agreement are intended to enable the Underwriter to comply with Rule 15c2-12. If, as a result of a change in Rule 15c2-12 or in the interpretation thereof, a change in this Agreement shall be permitted or necessary to assure continued compliance with Rule 15c2-12 and upon delivery to the Underwriter of an opinion of counsel nationally recognized as expert in federal securities law acceptable to the College to the effect that such amendments shall be permitted or necessary to assure continued compliance by the Underwriter with Rule 15c2-12 as so amended or interpreted, then the College and the Dissemination Agent shall amend this Agreement to comply with and be bound by any such amendment to this Agreement to the extent necessary or desirable to assure compliance with the provisions of Rule 15c2-12 and provide the written notice of such amendment as required by subsection 4.9(c) hereof, with a copy to the Underwriter.

Section 4.11. Governing Law. This Agreement shall be governed exclusively by and construed in accordance with the applicable laws of the State of New Jersey. The parties agree that the College may be sued, pursuant to Section 3.2 hereof, only in a State court in the County of Mercer in the State.

Section 4.12. Termination of College's Continuing Disclosure Obligations. The continuing obligation of the College under Section 2.1 hereof to provide the Annual Report and any Disclosure Event Notice and to comply with the other requirements of said Section shall terminate if and when either (a) the Bonds are no longer Outstanding in accordance with the terms of the Trust Indenture or (b) the College no longer remains an "obligated person" (as defined in Rule 15c2-12(f)(10)) with respect to the Bonds and in either event, only after the College provides, or causes the Dissemination Agent to provide, to the MSRB through EMMA notice to such effect. This Agreement shall be in full force and effect from the date hereof and shall continue in effect so long as any Bonds are Outstanding.

Section 4.13. Compliance with P.L. 2005, c. 271 Reporting Requirements. The Dissemination Agent hereby acknowledges that it has been advised of its responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005, c. 271, section 3) if the Dissemination Agent enters into agreements or contracts, such as this Agreement, with a New Jersey public entity, and receives compensation or fees in excess of $50,000 or more in the aggregate from New Jersey public entities, in a calendar year. It is the Dissemination Agent's responsibility to determine if filing is necessary. Failure to do so can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elec.state.nj.us.

Section 4.14. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the College and the Dissemination Agent and their respective successors and assigns.

Section 4.15. Prior Undertakings. The College has entered into previous continuing disclosure undertakings in accordance with Rule 15c2-12 with respect to various other bond issues. As disclosed in the Official Statement, for the Fiscal Year ended June 30, 2011, the Annual Report of the College due to be filed on December 27, 2011 was file on December 28, 2011.

Section 4.16. Covenant. In accordance with P.L. 2005, c. 92, the Dissemination Agent covenants and agrees that all services performed under this Agreement shall be performed within the United States of America.

Section 4.17. Headings for Convenience Only. The descriptive headings in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

IN WITNESS WHEREOF, THE COLLEGE OF NEW JERSEY and **U.S. BANK NATIONAL ASSOCIATION** have caused this Agreement to be executed in their respective names by their duly authorized officers, all as of the date first above written.

THE COLLEGE OF NEW JERSEY

.

By:______________________________
R. Barbara Gitenstein
President

**U.S. BANK NATIONAL ASSOCIATION,
AS DISSEMINATION AGENT**

By:______________________________
Paul D. O'Brien
Vice President

APPENDIX F

SUMMARY OF BONDS TO BE REFUNDED

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APPENDIX F
Summary of Bonds to be Refunded

Maturity	Coupon	Amount to be Refunded	Redemption Date	Redemption Price	CUSIP[*]	Refunded By
Revenue Refunding Bonds, The College of New Jersey Issue, Series 2008D:						
Serial Bonds:						
7/1/2017	5.000%	$2,000,000	--	--	646065RD6	Series 2016 F
7/1/2018	4.000%	$2,100,000	--	--	646065RE4	Series 2016 F
7/1/2018	4.750%	$1,405,000	--	--	646065RF1	Series 2016 F
7/1/2019	5.000%	$2,380,000	7/1/2018	100%	646065RG9	Series 2016 G
7/1/2020	5.000%	$4,565,000	7/1/2018	100%	646065RH7	Series 2016 G
7/1/2021	5.000%	$4,810,000	7/1/2018	100%	646065RJ3	Series 2016 G
7/1/2022	5.000%	$4,770,000	7/1/2018	100%	646065RK0	Series 2016 G
7/1/2023	5.000%	$5,040,000	7/1/2018	100%	646065RL8	Series 2016 G
7/1/2024	5.000%	$6,000,000	7/1/2018	100%	646065RM6	Series 2016 G
7/1/2025	5.000%	$5,035,000	7/1/2018	100%	646065RN4	Series 2016 G
7/1/2026	5.000%	$5,285,000	7/1/2018	100%	646065RP9	Series 2016 G
7/1/2027	5.000%	$5,305,000	7/1/2018	100%	646065RQ7	Series 2016 G
7/1/2028	5.000%	$5,570,000	7/1/2018	100%	646065RR5	Series 2016 G
2035 Term Bond:						
7/1/2035	5.000%	$96,545,000	7/1/2018	100%	646065RS3	Series 2016 F & Series 2016 G
Revenue Bonds, The College of New Jersey Issue, Series 2010B (Build America Bonds – Direct Payment)						
Serial Bonds:						
7/1/2020	6.021%	$1,085,000	7/1/2019	100%	646065A93	Series 2016 F
7/1/2021	6.121%	$1,130,000	7/1/2019	100%	646065B27	Series 2016 F
2030 Term Bond:						
7/1/2030	7.225%	$12,785,000	7/1/2019	100%	646065A36	Series 2016 F
2040 Term Bond:						
7/1/2040	7.395%	$22,115,000	7/1/2019	100%	646065A44	Series 2016 F

[*] The CUSIP numbers are being provided solely for the convenience of the holders of the respective bonds, and the Authority does not make any representation with respect to such numbers or undertake any responsibility for their accuracy.

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NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY • REVENUE REFUNDING BONDS, THE COLLEGE OF NEW JERSEY ISSUE, SERIES 2016 F AND SERIES 2016 G

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THE COLLEGE OF
NEW JERSEY

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