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Eric D. Brophy, Esq.
Executive Director

MEETING OF OCTOBER 26, 2021

AGENDA

1. Reading of Public Notice and Roll Call
2. Introductions
3. Approval of the Minutes of the Meeting of September 28, 2021 TAB 1
4. Executive Director's Report
5. Report on the Sale of NJEFA Refunding Bond, Seton Hall University Issue, 2021 Series D TAB 2
6. Resolution of the New Jersey Educational Facilities Authority Authorizing a Twelve-Month Extension of the Appointment of the Authority's Pool of Financial Advisors TAB 3
7. Resolution of the New Jersey Educational Facilities Authority Authorizing the Amendment of the Terms of NJEFA Revenue Bond, Thomas Edison State College Issue, Series 2011 D and Determining Other Matters in Connection Therewith TAB 4
8. Report on Operating and Construction Fund Statements and Disbursements TAB 5
9. Next Regularly Scheduled Meeting – November 23, 2021



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**MINUTES OF THE MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD REMOTELY ON TUESDAY, OCTOBER 26, 2021**

The meeting was called to order at 10:00 a.m. by board Chair Joshua Hodes. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via email on June 14, 2021, to The Star Ledger, The Times of Trenton and the Secretary of State and by posting the notice at the offices of the Authority in Princeton, New Jersey and on the Authority's website. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Educational Facilities Authority in order to hold a session from which the public is excluded.

AUTHORITY MEMBERS PRESENT (VIA ZOOM):

Joshua Hodes, Chair
Ridgeley Hutchinson, Vice Chair
Elizabeth Maher Muoio, State Treasurer, Treasurer (represented by Ryan Feeney)
Louis Rodriguez
Brian Bridges, Secretary of Higher Education

AUTHORITY MEMBERS ABSENT:

None

STAFF PRESENT (VIA ZOOM):

Eric D. Brophy, Executive Director
Sheryl A. Stitt, Deputy Executive Director
Steven Nelson, Director of Project Management
Ellen Yang, Director of Compliance Management
Brian Sootkoos, Director of Finance-Controller
Matthew Curtis, Information Technology Manager
Edward DiFiglia, Public Information Officer
Linda Hazley, Office Manager/Document Specialist

Carl MacDonald, Project Manager
Jamie O'Donnell, Grant Program Manager
Sheila Toles, Human Resources Manager

ALSO PRESENT (VIA ZOOM):

Victoria Nilsson, Esq., Deputy Attorney General
Rudy Rodas, Esq., Governor's Authorities Unit
John Cavaliere, Esq., McManimon, Scotland & Baumann
John Schaible, Controller, Thomas Edison State University

ITEMS OF DISCUSSION

1. Approval of the Minutes of the Meeting of September 28, 2021

The minutes of the meeting of September 28, 2021 were delivered electronically and via hand delivery to Governor Philip D. Murphy under the date of September 29, 2021. Mr. Hutchinson moved the meeting minutes for approval as presented; the motion was seconded by Mr. Hodes and passed unanimously.

2. Executive Director's Report

Mr. Brophy provided the Executive Director's report for informational purposes only.

Mr. Brophy reported that Phase 3 of the return-to-office plan had been delayed pursuant to the governor's office. He explained that the new date to return to the office full-time would now begin on November 29, 2021 based upon the size of the Authority (less than 500 employees). He reported that until that date, staff would continue to work virtual, intermittent workdays. Mr. Brophy reported that Executive Management had received guidance regarding testing protocols for non-vaccinated employees and had also received COVID-19 positive protocols from the governor's office.

Mr. Brophy announced that a new Compliance Manager had been hired and would be introduced at the November meeting. He reported that Zachary Barby had resigned as of October 15th and that staff wished him well. He reported that the Authority would be advertising to fill the position of Public Information Assistant soon.

Mr. Brophy reported that staff had conducted several productive meetings with banking groups and met with the new President of Montclair State University Jonathon Koppell and the finance staff. He reported that the Authority's internal staff/division meetings continued on a weekly or bi-weekly basis. Mr. Brophy

reported that staff had attended the NJ Presidents' Council meeting and also S&P's Higher Education Credit Forum recently.

Mr. Brophy reported that the Authority continued to work with and provide support for the State Library grant program and that weekly group meetings continued.

Mr. Brophy reported that work on the Securing Our Children's Future grant program continued and that staff was working closely with the Office of the Secretary of Higher Education on the implementation of the 2nd round of grants.

Mr. Brophy reported that Executive Management continued to meet with sponsors and key legislators to increase support for Senate Bill 4020 and Assembly Bill 5867 and that he was hopeful the bills would continue to move forward prior to the end of the legislative session.

Mr. Brophy reported that on September 29th, the Authority held a very successful, virtual, roundtable discussion on diversity in financial transactions and included a discussion of a recent transaction with Princeton University in which a diverse (MWBE) investment advisor was selected to manage 50% of the bond proceeds. He reported there had been over 50 participants and that staff was pleased to see representatives from NJ state government, the Authority's client-institutions, bankers, financial advisors and out of state issuers in attendance.

3. Report on the Sale of NJEFA Refunding Bond, Seton Hall University Issue, 2021 Series D

Mr. MacDonald reported that on September 23, 2021, Seton Hall University closed its \$11,990,000 2021 Series D bonds via a direct purchase with Bank of America, N.A. He reported that the 2021 Series D bonds were issued to provide funds to partially refinance the previously issued Seton Hall University Issue, Series 2013 D bonds, as well as to pay certain costs of issuance.

Mr. MacDonald reported the 2021 Series D bonds were issued as taxable bonds, converting to tax-exempt on July 1, 2023, and that the structure, often referred to as "Cinderella Bonds", was to staff's knowledge, the first issuance of its kind to be used for a higher education transaction in New Jersey. He reported that the 2021 Series D bonds priced at a true interest cost of 1.784%, achieved a net present value savings of 11.008% (\$1,198,202) and have a final maturity of July 1, 2043.

Mr. MacDonald reported that McManimon, Scotland and Baumann served as bond counsel for the transaction and Phoenix Advisors served as financial advisor to the University.

A copy of the Bond Sale Summary for the issue is appended as Exhibit I.

4. **Resolution of the New Jersey Educational Facilities Authority Authorizing a Twelve-Month Extension of the Appointment of the Authority's Pool of Financial Advisors**

Mr. Nelson reported that the Authority sought approval to grant a twelve-month extension of the Authority's pool of financial advisory firms. He reported that on November 30, 2018, the Authority distributed a RFQ to various firms for the selection of financial advisory firms to serve the Authority and at the January 22, 2019 meeting, appointed a pool of eleven financial advisory firms to serve for a twenty-four month period from January 22, 2019 through January 21, 2021, with the option to extend the engagement of the pool for two additional successive periods of twelve months each in the sole discretion of the Authority. Mr. Nelson reported that at the Authority's October 27, 2020 meeting, the Members approved a twelve-month extension of the pool through January 21, 2022 and that staff recommended extending the appointment for an additional twelve-month period from January 22, 2022 through January 21, 2023.

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

RESOLUTION OF THE NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY AUTHORIZING A TWELVE-
MONTH EXTENSION OF THE APPOINTMENT OF THE
AUTHORITY'S POOL OF FINANCIAL ADVISORS

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

The adopted resolution is appended as Exhibit II.

5. **Resolution of the New Jersey Educational Facilities Authority Authorizing the Amendment of the Terms of NJEFA Revenue Bond, Thomas Edison State College Issue, Series 2011 D and Determining Other Matters in Connection Therewith**

Ms. Yang reported that on October 26, 2011, the Authority issued its \$8,000,000 Revenue Bond, Thomas Edison State College Issue, Series 2011 D. She reported that the bond had a maturity date of October 1, 2031 and that the holder of the bond, TD Bank, had the right to demand payment in full of the bond on the call date (the tenth anniversary of October 26, 2011). She explained that the University and TD Bank had agreed to modify the call provisions of the bond and to extend the call date to April 23, 2022. Ms. Yang explained that the modification would provide the University and TD Bank additional time to determine whether to exercise the call option or negotiate new rates.

John Cavaliere, Esq. of McManimon, Scotland & Baumann, LLC, bond counsel, described the resolution.

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

RESOLUTION AUTHORIZING THE AMENDMENT OF THE
TERMS OF THE NEW JERSEY EDUCATIONAL FACILITIES
AUTHORITY'S REVENUE BOND, THOMAS EDISON
STATE COLLEGE ISSUE, SERIES 2011 D AND
DETERMINING OTHER MATTERS IN CONNECTION
THEREWITH

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

The adopted resolution is appended as Exhibit III.

6. Report on Operating and Construction Fund Statements and Disbursements

Mr. Sootkoos reviewed the Results of Operations and Budget Variance Analysis and reported on the status of construction funds and related investments for September 2021.

Mr. Hutchinson moved that the reports be accepted as presented; the motion was seconded by Mr. Hodes and passed unanimously.

The reports are appended as Exhibit IV.

7. Next Meeting Date

Mr. Hodes reminded everyone that the next meeting was scheduled for Tuesday, November 23, 2021 at 10:00 a.m. and requested a motion to adjourn.

Mr. Rodriguez moved that the meeting be adjourned at 10:19 a.m. The motion was seconded by Mr. Hutchinson and passed unanimously.

Respectfully submitted,


Eric D. Brophy
Secretary



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BOND SALE SUMMARY

Borrower:	Seton Hall University, South Orange, New Jersey
Issue:	Series 2021 D
Amount:	\$11,990,000
Purpose:	The 2021 Series D Bonds are being issued to provide funds to partially refinance the previously issued Seton Hall University Issue, 2013 Series D as well as pay certain costs of issuance.
Structure:	Negotiated Sale, Fixed Rate, Direct Purchase
Final Maturity:	7/1/2043
True Interest Cost:	1.78%
Net Present Value Savings:	\$1,198,202/11.01%
Bond Ratings:	Unrated
Priced:	9/15/2021
Closed:	9/23/2021

Professionals on the Transaction:

Bond Counsel:	McManimon Scotland & Baumann LLC
Authority's Counsel:	Attorney General of the State of New Jersey
University's Financial Advisor:	Phoenix Advisors
Escrow Agent:	Bank of New York Mellon
Verification Agent:	Causey Demgen & Moore P.C.
Purchaser:	Bank of America N.A.

**RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
AUTHORIZING A TWELVE-MONTH EXTENSION OF THE APPOINTMENT OF
THE AUTHORITY'S POOL OF FINANCIAL ADVISORS**

Adopted: October 26, 2021

- WHEREAS:** The New Jersey Educational Facilities Authority (the "Authority"), a public body corporate and politic of the State of New Jersey (the "State") created pursuant to the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented, N.J.S.A. 18A:72A-1 et seq. (the "Act"), is authorized to issue its obligations to provide a means for State public and private colleges and universities to obtain financing to construct educational facilities as defined in the Act; and
- WHEREAS:** On November 30, 2018, the staff of the Authority distributed a Request for Qualifications ("RFQ") for Financial Advisory Services; and
- WHEREAS:** The Authority, by resolution on January 22, 2019, appointed a pool of eleven (11) financial advisory firms (the "Pool", included as **Exhibit A**) to serve as Financial Advisors to the Authority; and
- WHEREAS:** The Authority authorized the Pool for a twenty-four (24) month period from January 22, 2019 to January 21, 2021 with the option to extend the engagement of the Pool for two (2) additional successive periods of twelve (12) months each in the sole discretion of the Authority; and
- WHEREAS:** At the meeting of October 27, 2020, the Authority approved the extension of the Pool for an additional twelve (12) month period from January 22, 2021 to January 21, 2022; and
- WHEREAS:** The Authority now wishes to exercise its option to extend the appointment of the Pool for an additional twelve (12) month period from January 22, 2022 to January 21, 2023.

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

- SECTION 1.** The Authority hereby authorizes the appointment of the Pool to provide financial advisory services to the Authority for an additional twelve (12) month period from January 22, 2022 to January 21, 2023.
- SECTION 2.** The Authority hereby authorizes the Executive Director, the Deputy Executive Director or the Director of Project Management, including any of the foregoing authorized officers serving in an interim or acting capacity, to take and do any and all acts and things as may be necessary or desirable in connection with implementation of this Resolution.
- SECTION 3.** This Resolution shall take effect in accordance with the Act.

EXHIBIT A

Financial Advisor Pool

- Acacia Financial Group, Inc.
- Blue Rose Capital Advisors LLC
- Callowhill Capital Advisors LLC
- Hilltop Securities Inc.
- Lamont Financial Services Corporation LLC
- Motivate Capital Markets
- NW Financial Group, LLC
- PFM Financial Advisors LLC
- Phoenix Advisors LLC
- Phoenix Capital Partners, LLP
- Public Resources Advisory Group, Inc.

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

AYE: Joshua Hodes
Ridgeley Hutchinson
Louis Rodriguez
Brian Bridges
Elizabeth Maher Muoio (represented by Ryan Feeney)

NAY: None

ABSTAIN: None

ABSENT: None

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

RESOLUTION AUTHORIZING THE AMENDMENT OF THE TERMS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY'S REVENUE BOND, THOMAS EDISON STATE COLLEGE ISSUE, SERIES 2011 D, AND DETERMINING OTHER MATTERS IN CONNECTION THEREWITH.

ADOPTED: OCTOBER 26, 2021

WHEREAS, the New Jersey Educational Facilities Authority (the “*Authority*”) is a body corporate and politic with corporate succession, constituting a political subdivision of the State of New Jersey (the “*State*”), created and established by the New Jersey Educational Facilities Authority Law, being Chapter 72A of Title 18A of the New Jersey Statutes as enacted by Chapter 271 of the Laws of 1967, as amended and supplemented (the “*Act*”); and

WHEREAS, Thomas Edison State University (the “*University*”) is a four-year public institution of higher education duly organized and validly existing under the laws of the State; and

WHEREAS, the Act provides that the Authority shall have the power to make loans and issue its bonds and to provide for the rights of the holders of its bonds; and

WHEREAS, on October 26, 2011, the Authority issued its \$8,000,000 Revenue Bond, Thomas Edison State College Issue, Series 2011 D (the “*Bond*”); and

WHEREAS, on October 26, 2011, the Authority and TD Bank, N.A. (the “*Purchaser*”) entered into a Bond Agreement (the “*Bond Agreement*”) providing, *inter alia*, for the payment of the debt service owed under the Bond by the University to the Purchaser; and

WHEREAS, payments under the Bond Agreement are derived solely from the revenues and other moneys of the Authority derived pursuant to a Lease and Agreement dated October 26, 2011 by and between the Authority and the Borrower; and

WHEREAS, the Purchaser and the University have agreed to modify the call provisions set forth in the Bond (the “*Modification*”); and

WHEREAS, the University has requested that the Authority authorize the Modification.

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

Section 1. The amended and restated Bond providing for the Modification, in substantially the form attached hereto (the “*Amended Bond*”), is hereby approved. The Chair, Vice Chair, Executive Director, Deputy Executive Director, Treasurer, Director of Project Management, Director of Compliance Management, Secretary, Assistant Treasurer or any Assistant Secretary of the Authority, and any other person authorized by resolution of the Authority, and any of such officers designated by resolution as “acting” or “interim” (the “*Authorized Officers*”), are hereby authorized to execute, acknowledge and deliver the Amended Bond with any changes, insertions and omissions as may be approved by any of the Authorized Officers. The execution of the Amended Bond shall be conclusive evidence of any approval required by this Section 1.

Section 2. The Authorized Officers are hereby designated to be the authorized representatives of the Authority and each of them is hereby authorized and directed to execute and deliver any and all papers, instruments, opinions, certificates, affidavits and other documents and to do and cause to be done any and all acts and things necessary or proper for carrying out this resolution and the Modification.

Section 3. In case any one or more of the provisions of this resolution or the Amended Bond shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provision of this resolution or the Amended Bond and such documents shall be construed and enforced as if such illegal or invalid provision had not been contained therein.

Section 4. All prior resolutions of the Authority or portions thereof that are inconsistent herewith are hereby repealed.

Section 5. This resolution shall take effect in accordance with the Act.

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

AYE: Joshua Hodes
Ridgeley Hutchinson
Louis Rodriguez
Brian Bridges
Elizabeth Maher Muoio (represented by Ryan Feeney)

NAY: None

ABSTAIN: None

ABSENT: None

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

AMENDED AND RESTATED

UNITED STATES OF AMERICA
STATE OF NEW JERSEY
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
REVENUE BOND, THOMAS EDISON STATE COLLEGE ISSUE,
SERIES 2011 D

\$8,000,000.00

DATED DATE:	October 26, 2011
AMENDED AND RESTATED DATE:	November [], 2021
INTEREST RATE:	3.50%
MATURITY DATE:	October 1, 2031

The NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (herein called the “Authority”), a public body corporate and politic constituting an instrumentality of the State of New Jersey (the “State”), acknowledges itself indebted and for value received, hereby promises to pay in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, to TD BANK, N.A. (the “Purchaser”), the principal sum of EIGHT MILLION and 00/100 Dollars (\$8,000,000.00), as set forth below.

Interest shall accrue at the Interest Rate set forth above, subject to the provisions of this Bond set forth below. Commencing on January 1, 2012 and on April 1, 2012, July 1, 2012 and October 1, 2012, the Authority will make payments of accrued interest on this Bond. Commencing on January 1, 2013 and on the first day of each April, July, October and January thereafter through and including the Maturity Date set forth above, the Authority will make substantially equal payments of principal, plus interest, sufficient to amortize the payment of this Bond to the Maturity Date, as set forth in the attached Schedule A.

All computations of interest shall be made on the basis of a three hundred sixty (360) day year and the actual number of days elapsed.

Each of said payments shall be applied first in payment of accrued and unpaid interest and the balance to the payment of unpaid principal.

The interest rate hereunder is subject to further adjustment in the event of the introduction of any change in any applicable law or the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by the Purchaser or other holder hereof with any request or directive (whether or not having the force of law) of such governmental authority, central bank or comparable agency, which adversely affects the tax-equivalent yield hereunder to the Purchaser or other holder.

Notwithstanding the foregoing to the contrary, the holder of this Bond shall have the right to demand payment in full of the principal amount of this Bond, plus all accrued interest hereon and all fees, costs, and expenses, if any, owed in connection herewith, on April 23, 2022 (the

“Call Date”), which shall then be treated as the Maturity Date hereunder for all purposes. Written notice of the exercise of such option shall be provided by the Holder of this Bond to Thomas Edison State University, formerly known as Thomas Edison State College (the “University”), and the Authority no later than forty-five (45) days prior to the Call Date. All outstanding principal and accrued interest shall be due and payable in full on the Call Date.

If the holder of this Bond does not exercise its right to call this Bond on the Call Date, the holder of this Bond shall have the right to adjust the interest rate hereunder to a new rate to be determined by the holder in its discretion to be effective on the Call Date, provided the holder provides the University and the Authority not less than forty-five (45) days written notice prior to the Call Date of such rate and obtains an opinion from Bond Counsel to the effect that such adjustment shall not impair the excludability of interest paid on this Bond from the gross income of the Holder for purposes of federal income taxation.

Said sums shall be paid solely from the revenues or other moneys derived from the Lease hereinafter referred to. This Bond, as to principal, interest and premium, if any, when due will be payable at the office of the Purchaser at 1068 Stelton Road, Piscataway, New Jersey 08854 or such other place as the Purchaser may from time to time specify in writing, in lawful currency of the United States of America, in immediately available funds, without counterclaim or setoff and free and clear of, and without any deduction or withholding for, any taxes or other payments.

This Bond is the duly authorized bond designated as the New Jersey Educational Facilities Authority Revenue Bond, Thomas Edison State College Issue, Series 2011 D issued in the principal amount of \$8,000,000 (the “Bond”). This Bond has been issued under and by virtue of the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented) (the “Act”), and by virtue of a resolution adopted by the Authority on August 1, 2011, as amended on October 26, 2021 (the “Resolution”). This Bond is secured under a Bond Agreement (and the documents referred to therein) dated the Dated Date (the “Agreement”) by and between the Authority and the Purchaser for the purpose of financing the Project as defined in the Agreement. This Bond is a special and limited obligation of the Authority payable from and secured by a pledge of and lien on the Pledged Revenues (as defined in the Agreement) payable by the University to the Authority pursuant to a Lease and Agreement dated as of October 1, 2011 (the “Lease”), between the Authority and the University relating to certain educational facilities at the University being financed by the Authority.

Reference is hereby made to the Resolution, the Lease and the Agreement, copies of which are on file at the office of the Authority for a description of the provisions, among others, with respect to the terms upon which this Bond is issued, the nature and extent of the security for this Bond, the rights, duties and obligations of the Authority, the University and the Purchaser, and the modification or amendment of the Agreement, the Lease and the Resolution, to all of which the holder of this Bond hereto assents by acceptance of this Bond. Capitalized terms used herein and not defined shall be defined as set forth in the Agreement.

This Bond is subject to redemption, in whole or in part, only upon at least thirty (30) days prior written notice to the Purchaser, upon payment of the redemption premium set forth below.

A redemption ("Redemption") shall be deemed to have occurred upon the payment of any sum in reduction of principal which exceeds the amount due under any term or provision of this Bond or any other document constituting a part of the transaction evidenced by this Bond. Upon the occurrence of a Redemption in whole or in part, in addition to interest and all other charges then properly due, at the option of the holder, the following Redemption premium (the "Redemption Premium") shall be due: the Redemption Premium shall be equal to the greater of (a) 1% of the principal amount being paid multiplied by the "Remaining Term" or (b) a "Break Funding Fee" in an amount calculated in accordance with the next succeeding paragraph. "Remaining Term" shall mean the shorter of the remaining number of years of this Bond to the (a) Call Date or (b) Maturity Date.

The cost of funds at the time of the Redemption, specifically the Federal Home Loan Bank of Boston Classic Advance Rate (or comparable cost of funds as determined by the holder) with a maturity closest to the "Remaining Term," shall be subtracted from the original cost of funds, specifically the Federal Home Loan Bank of Boston Classic Advance Rate, effective on the Dated Date. If the result is zero or a negative number, there shall be no Break Funding Fee due and payable. If the result is a positive number, then the resulting percentage shall be multiplied by the scheduled outstanding principal balance of this Bond for each remaining quarterly period of the "Remaining Term." Each resulting amount shall be divided by three hundred sixty (360) and multiplied by the number of days in the quarterly period. Said amounts shall be reduced to present values calculated by using the above referenced current cost of funds divided by twelve (12). The resulting sum of present values shall be the Break Funding Fee.

The Redemption Premium shall apply to a voluntary or involuntary redemption, by acceleration or otherwise, except as otherwise provided in Section 4.07(c) of the Lease.

Notwithstanding the foregoing, this Bond may be redeemed in part without Redemption Premium with a single payment of the proceeds of this Bond that remain unspent at the completion of the Project.

Any partial redemption hereunder shall be accompanied by the payment of all accrued and unpaid interest on this Bond and all other fees, expenses and other sums due and owing, if any, and be applied in inverse order of maturity and shall be applied first to fees, costs, expenses or charges under the Loan Documents, then to the payment of accrued interest and the balance to principal hereunder.

This Bond is subject to the additional provisions set forth in Rider A attached hereto and made a part hereof.

This Bond is a special and limited obligation of the Authority payable from the Pledged Revenues derived by the Authority from the University under the Lease, and neither the State of New Jersey nor any political subdivision thereof, other than the Authority, shall be obligated to pay the principal of or interest on this Bond except from the Pledged Revenues pledged therefor under the Agreement, and neither the faith and credit nor the taxing power of the State of New Jersey or any political subdivision thereof is pledged to the payment of the principal of or interest on this Bond. The Authority has no taxing power.

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

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

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

NEW JERSEY EDUCATIONAL
FACILITIES AUTHORITY

{SEAL}

By: _____

Eric D. Brophy, Esq.
Executive Director

ATTEST:

Ellen L. Yang
Assistant Secretary

ASSIGNMENT

FOR VALUE RECEIVED, _____
hereby sells, assigns and transfers unto _____

_____ the within Bond issued by the New Jersey Educational Facilities Authority, and all rights thereunder, hereby irrevocably appointing _____ attorney to transfer said Bond, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

RIDER A

ADDITIONAL BOND PROVISIONS

1. PURCHASER'S DETERMINATION CONCLUSIVE; NOTICE OF AMOUNTS DUE.

(a) Determination by the Purchaser of additional costs incurred from the date hereof pursuant to this Bond or of the amount or amounts necessary to compensate the Purchaser or its holding company pursuant to this Bond shall be conclusive absent manifest error.

(b) The Purchaser will provide notice to the University and the Authority of any event occurring after the date of this Bond that will entitle the Purchaser to compensation pursuant to this Bond as promptly as practicable after it obtains knowledge thereof and determines to request such compensation. Said notice shall be in writing, shall specify the applicable section or sections of this Bond to which it relates and shall set forth the amount or amounts then payable pursuant to each section, as applicable. The amount shown as due on such notice shall be payable within thirty (30) days after its receipt of said notice.

(c) Failure on the part of the Purchaser to demand compensation for additional costs or for reduction in return on capital with respect to any period pursuant to this Bond shall not constitute a waiver of the Purchaser's right to demand compensation with respect to such period or any other period.

2. APPLICATION OF PAYMENTS. All payments shall be applied first to the payment of all fees, expenses, and other amounts due to the Purchaser (excluding principal and interest), then to accrued interest, and the balance on account of outstanding principal; provided, however, that after the occurrence of an Event of Default, payments will be applied as the Purchaser determines in its sole discretion.

3. LATE FEE. If the entire amount of any required principal and/or interest is not paid in full within fifteen (15) days after the same is due, then a late fee equal to six percent (6%) of the entire payment shall be due hereunder.

4. WAIVER. The Authority and any endorser(s) or guarantor(s) hereof, severally and jointly waive presentment, demand for payment, protest, notice of protest, and any defense by reason of extension of time for payment or other indulgence granted by the Purchaser or by any subsequent holder hereof.

5. DEFAULT INTEREST RATE. Upon the occurrence of an Event of Default (whether or not the Purchaser has accelerated payment of this Bond), or after maturity or after judgment has been rendered on this Bond, the unpaid principal of all advances shall, at the option of the Purchaser, bear interest at a rate which is four (4) percentage points per annum greater than that which would otherwise be applicable. The Authority hereby acknowledges that: (i) such additional rate is a material inducement to the Purchaser to purchase this Bond; (ii) the Purchaser would not have purchased the Bond in the absence of the agreement to pay such

default rate; (iii) such additional rate represents compensation for increased risk to the Purchaser that the Bond will not be paid; and (iv) such rate is not a penalty and represents a reasonable estimate of (a) the cost to the Purchaser in allocating its resources (both personnel and financial) to the ongoing review, monitoring, administration and collection of this Bond; and (b) compensation to the Purchaser for losses that are difficult to ascertain.

TIME IS OF THE ESSENCE WITH RESPECT TO THIS BOND

SCHEDULE A
DEBT SERVICE ON THE BOND

**NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2021 BUDGET VARIANCE ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

EXECUTIVE SUMMARY

Net Operating Income

The NJEFA concluded September with year-to-date net operating income in the amount of \$635,363 based on year-to-date revenues of \$2,743,672 and expenses of \$2,108,309.

Revenues

Year-to-date revenues were \$329,501 more than projected due an increased number of bond deals closed during the year and higher investment income than was budgeted.

Expenses

Operating expenditures for the first nine month of the year were under budget by \$333,838 primarily due to timing of expenditures.

Exhibits

Report	Page
Actual vs. Budget Report	1
Operating Account – Vendor Payments	2
Summary of Construction Funds	3

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
SEPTEMBER

	Month Ended September 30, 2021			Year-To-Date September 30, 2021		
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
<u>Operating Revenues</u>						
Annual Administrative Fees	\$206,847	\$200,618	\$ 6,229	\$ 1,962,539	\$ 1,956,670	\$ 5,869
Initial Fees	23,980	-	23,980	523,150	270,000	253,150
Investment Income	2,382	20,833	(18,451)	257,983	187,501	70,482
	<u>\$ 233,209</u>	<u>\$ 221,451</u>	<u>\$ 11,758</u>	<u>\$ 2,743,672</u>	<u>\$ 2,414,171</u>	<u>\$ 329,501</u>
<u>Operating Expenses</u>						
Salaries	\$143,121	\$122,262	\$ (20,859)	\$ 1,113,579	\$ 1,161,499	\$ 47,920
Employee Benefits	40,829	59,603	18,774	379,261	536,428	157,167
Provision for Post Ret. Health Benefits	12,500	12,500	-	112,500	112,500	-
Office of The Governor	2,084	2,083	(1)	18,750	18,751	1
Office of The Attorney General	10,000	10,000	-	105,872	90,000	(15,872)
Sponsored Programs & Meetings	-	1,013	1,013	-	9,111	9,111
Telecom & Data	1,740	4,446	2,706	29,384	40,012	10,628
Rent	16,445	16,667	222	144,482	149,999	5,517
Utilities	2,131	2,500	369	19,185	22,500	3,315
Office Supplies & Postage Expense	667	2,167	1,500	5,947	19,499	13,552
Travel & Expense Reimbursement	-	1,217	1,217	-	10,949	10,949
Staff Training & Conferences	1,349	2,271	922	8,009	20,437	12,428
Insurance	4,648	4,917	269	41,363	44,249	2,886
Publications & Public Relations	-	1,808	1,808	14,830	16,276	1,446
Professional Services	2,181	9,418	7,237	75,608	132,746	57,138
Dues & Subscriptions	1,687	3,387	1,700	12,938	30,489	17,551
Maintenance Expense	1,052	1,133	81	10,922	10,201	(721)
Depreciation	1,689	1,833	144	15,679	16,501	822
Contingency	-	-	-	-	-	-
	<u>242,123</u>	<u>259,225</u>	<u>17,102</u>	<u>2,108,309</u>	<u>2,442,147</u>	<u>333,838</u>
Net Operating Income	<u>\$ (8,914)</u>	<u>\$ (37,774)</u>	<u>\$ 28,860</u>	<u>\$ 635,363</u>	<u>\$ (27,976)</u>	<u>\$ 663,339</u>

NJEFA
Vendor Payments
September 2021

Type	Date	Num	Name	Memo	Account	Amount
Bill Pmt -Check	09/08/2021	EFT	BMO Financial Group	8/27/21 Statement	General Teleph, Cell, Dues & Subscr, Staff Training	792.93
Bill Pmt -Check	09/16/2021	EFT	NJSHBP	09/21 Covg	Accounts Payable	20,284.47
Bill Pmt -Check	09/16/2021	EFT	NJSHBP	09/21 Covg	Accounts Payable	2,789.15
Bill Pmt -Check	09/20/2021	2289	100 & RW CRA, LLC	009478	Accounts Payable	22,371.67
Bill Pmt -Check	09/20/2021	2290	Civil Service Commission	0000839489 E. DiFiglia	Accounts Payable	1,049.00
Bill Pmt -Check	09/20/2021	2291	DocuSafe InfoStore	145298	Accounts Payable	196.02
Bill Pmt -Check	09/20/2021	2292	Government News Network	91918-G	Accounts Payable	360.00
Bill Pmt -Check	09/20/2021	2293	Kimmage Publishing LLC (NJ Legisl Manual)	0000152	Accounts Payable	326.32
Bill Pmt -Check	09/20/2021	2294	NJ Economic Development Authority	2021August	Accounts Payable	1,552.50
Bill Pmt -Check	09/20/2021	2295	PFM Asset Management LLC	MAC-M0721-17191, SMA-M0821-25820D	Accounts Payable	1,508.32
Bill Pmt -Check	09/20/2021	2296	Polar Inc.	1721700, 169149	Accounts Payable	103.40
Bill Pmt -Check	09/20/2021	2298	The Hartford	12566813 2020 Reconciliation	Accounts Payable	154.00
Bill Pmt -Check	09/20/2021	2299	Treasurer, State of New Jersey - Pinnacle	083121	Accounts Payable	1,184.70
Bill Pmt -Check	09/20/2021	2300	UPS	2Y687X351	Accounts Payable	13.45
Bill Pmt -Check	09/20/2021	2301	Verizon Wireless	9887523170	Accounts Payable	456.01
Bill Pmt -Check	09/20/2021	2302	W.B. Mason Company, Inc.	IS1313835	Accounts Payable	354.18
						53,496.12

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of September 30, 2021

<u>Institution</u>	<u>Description</u>	<u>Bond Proceeds</u>	<u>Net Disbursed</u>	<u>Balance</u>	<u>% Complete</u>
<u>Private</u>					
Princeton University	Various Capital Improvements & Renovations, CP Refunding	\$300,151,324.35	(149,501,766.15)	\$150,649,558.20	50%
Seton Hall University	Construction new student housing and athletic facilities	70,000,000.00	(36,246.95)	69,963,753.05	0%
Seton Hall University	University Center & Boland Hall Renovations	30,000,000.00	(4,887,079.97)	25,112,920.03	16%
Stevens Institute of Technology	Student Housing and University Center	191,200,000.00	(175,021,618.05)	16,178,381.95	92%
Georgian Court University	Various Capital Improvements & Renovations, Refund 07 D, H	7,874,383.16	(2,165,922.97)	5,708,460.19	28%
Sub Total		<u>\$599,225,707.51</u>	<u>(\$331,612,634.09)</u>	<u>\$267,613,073.42</u>	
<u>Public</u>					
William Paterson Univeristy	Renovation of buildings, Child Development Center	20,000,000.00	(4,732,694.10)	15,267,305.90	24%
Sub Total		<u>\$ 20,000,000.00</u>	<u>\$ (4,732,694.10)</u>	<u>\$ 15,267,305.90</u>	
<u>Other Programs</u>					
Equipment Leasing Fund	Acquisition and Installation of Equipment	\$ 101,266,893.00	\$ (99,297,663.87)	\$ 1,969,229.13	98%
Technology Infrastructure Fund	Development of Technology Infrastructure	41,313,667.00	(39,548,520.33)	1,765,146.67	96%
Capital Improvement Fund	Capital Improvements	191,905,596.00	(188,045,942.27)	3,859,653.73	98%
Facilities Trust Fund	Construct, Reconstruct, Develop & Improve Facilities	219,977,164.00	(211,657,920.67)	8,319,243.33	96%
Capital Improvement Fund	Capital Improvements	146,700,261.19	(145,326,758.04)	1,373,503.15	99%
Sub Total		<u>\$ 701,163,581.19</u>	<u>\$ (683,876,805.18)</u>	<u>\$ 17,286,776.01</u>	
Grand Total		<u><u>\$ 1,320,389,288.70</u></u>	<u><u>\$ (1,020,222,133.37)</u></u>	<u><u>\$ 300,167,155.33</u></u>	

* This issue has reached a completion rate of 95% or higher and will not appear on future reports.